

Commissioner of Income-tax, Andhra Pradesh v. Taj Mahal Hotel, Secunderabad

Civil Appeal No. 1368 of 1968

[1972] 1 SCR 168 | 1971-08-12

Whether hotel sanitary and pipeline fittings constituted plant eligible for development rebate

Income-tax Act, 1922: sections 10(2)(vi), 10(2)(vi-b) and 10(5)

Two-judge bench; judgment delivered by A. N. Grover, J. | K. S. Hegde, J. | A. N. Grover, J.

Assessment years: 1960-61

Historical allowance

The case decided eligibility under former section 10(2)(vi-b), not a present development-rebate claim.

01 FACTS OF THE CASE

For assessment year 1960-61, the hotel incurred expenditure on sanitary and pipeline fittings and claimed development rebate. The officer, first appellate authority and Tribunal rejected the claim; the Andhra Pradesh High Court answered the reference for the assessee (SCR pp.168-170; PDF pp.1-3).

Source: [Primary judgment: facts and issue](#)

02 DISCUSSION BY THE HON'BLE COURT

The inclusive definition of plant was deliberately wide. Sanitary facilities were essential hotel amenities used to attract customers and earn business profits, not merely the passive setting of the business. A depreciation description in the Rules could not narrow the statutory meaning for development rebate (SCR pp.170-174; PDF pp.3-7).

Source: [Primary judgment: meaning of plant](#)

03 JUDICIAL DECISION

The Court held the sanitary and pipeline fittings to be plant within sections 10(2)(vi-b) and 10(5), dismissed Revenue's appeal and awarded costs to the assessee.

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee-hotel under the historical development-rebate provision.

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: asset classification depends on the statutory definition and the asset's functional role in the business, not only its physical attachment to a building. For a current claim, separately test the applicable depreciation schedule, ownership, use and later case law.

Source: [Primary judgment: review-point basis](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

Complete seven-page SCR report read in page-preserving text and every page image inspected.

[Open cited source rendition](#)

Exact catalogue hash and seven-page count verified; every page was read and inspected.

The report verifies the hotel facts, assessment year, bench and dismissal with costs.

STATUTORY SCOPE

The holding concerns repealed 1922 Act provisions and a historical development rebate. Current depreciation classification requires separate verification.

LATER TREATMENT

Source checked 2026-10-12. No current-law or later-treatment clearance is represented.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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General legal and tax research only; not legal or tax advice. Verify the original judgment, present statutory framework and later treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding.