

Commissioner of Wealth Tax, West Bengal v. Aluminium Corporation Ltd.

Civil Appeals Nos. 1691 and 1662 of 1968 and 1075 of 1971

[1972] 1 SCR 484 | 1971-08-30

Wealth-tax valuation: balance-sheet revaluation as prima facie evidence, adjusted for subsequent depreciation.

Wealth-tax Act, 1957: section 7(2)

2-judge bench | K. S. Hegde, J. | A. N. Grover, J.

Assessment years: 1957-58, 1958-59, 1959-60

Mixed valuation outcome

The 1956 revaluation was accepted as the evidentiary starting point, but depreciation after revaluation still had to be deducted. Neither party obtained an unqualified victory.

01 FACTS OF THE CASE

The company revalued land, buildings, plant and machinery in 1956 and carried the enhanced figures into later balance sheets. For three wealth-tax years, the dispute was whether income-tax written-down values should replace those figures and, if not, whether normal depreciation after the revaluation should be allowed. Earlier High Court and Supreme Court proceedings produced a remand for AY 1957-58; the connected years raised the same questions.

Source: [SCR pp. 484-487](#) / [PDF pp. 1-4](#)

02 DISCUSSION BY THE HON'BLE COURT

Section 7(2) required regard to the balance sheet. Its values were not conclusive, but were prima facie evidence because those managing the business were well placed to know asset values. The assessee could displace them with proof. Here the 1956 revaluation supplied a sound basis absent contrary evidence. But the assets suffered wear and tear, with no evidence of later appreciation, so the valuation dates required deduction of depreciation arising after revaluation.

Source: [SCR pp. 488-489](#) / [PDF pp. 5-6](#)

03 JUDICIAL DECISION

For all three years, the first question was answered for Revenue: the balance-sheet revaluation could not automatically be replaced by income-tax WDV. The second question was answered for the assessee: the normal depreciation adjustment was justified. The appeals were allowed only to that extent, with parties bearing their own costs.

Source: [SCR p. 489 / PDF p. 6](#)

04 OUTCOME / IN WHOSE FAVOUR

A mixed outcome: Revenue prevailed on the valuation base, while the assessee retained a fact-supported depreciation adjustment. The judgment did not make book figures irrebuttable.

Source: [SCR pp. 488-489 / PDF pp. 5-6](#)

05 AKHB REVIEW POINT

AKHB analysis: reconcile book value, any formal revaluation, tax WDV and valuation-date evidence. Treat accounting figures as evidence, not a statutory shortcut. Where post-revaluation wear is claimed, preserve asset schedules and evidence connecting depreciation to the valuation dates.

Source: [AKHB analysis based on SCR pp. 488-489 / PDF pp. 5-6](#)

SOURCE & VERIFICATION

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STATUTORY SCOPE

This historical ruling applies the then section 7(2) wealth-tax valuation scheme. It does not establish current valuation methodology under another enactment, and balance-sheet value was treated as prima facie rather than conclusive evidence.

LATER TREATMENT

Source checked 2026-10-10. Comprehensive subsequent treatment has not been verified; no current citator clearance is represented.

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