(2003) 11 MAD CK 0111

In the Madras High Court

Case No : Tax Case No. 51 of 2000

Commissioner of Income Tax APPELLANT

Vs

E.I.D. Parry (India) Ltd. RESPONDENT

Date of Decision : 05-11-2003

Acts Referred:
Income Tax Act, 1961 — Section 32A

Citation : (2004) 192 CTR 517 : (2005) 274 ITR 489

Hon'ble Judges : S.R. Singharavelu, J;R. Jayasimha Babu, J

Bench : Division Bench

Advocate : J. Naresh Kumar, for the Appellant; Philip George, for the Respondent

Judgement

R. Jayasimha Babu, J.—The assessment year is 1982-83. The question referred is, whether the Tribunal was right in law in holding that the machinery deployed by the assessee in the seed processing unit and the marine products division are entitled to investment allowance u/s 32A of the IT Act.

2. The assessee is engaged in the operation of catching of fish, processing the same, treating the fish with chemicals, freezing it and packing it in a cold storage plant.'' This Court, in the case of Commissioner of Income Tax Vs. George Maino Exports (P.) Ltd., , has held that the processing of shrimps does not amount to manufacture and, therefore, the assessee is not entitled to investment allowance u/s 32A of the Act. That decision squarely applies here.

3. The assessee also maintains a seed processing unit. In a case concerning the same assessee, this Court has in the case of Commissioner of Income Tax Vs. E.I.D. Parry (India) Ltd., held that the processing of seeds amounts to production. The assessee is, therefore, entitled to claim investment allowance on its seed processing unit.

4. The question referred to us is, therefore, answered partly in favour of the Revenue, with regard to the investment allowance on marine products, such investment allowance is not allowable, and partly in favour of the assessee,

investment allowance for seed processing unit being allowable.

