(2001) 09 P&H CK 0068

In the Punjab And Haryana At Chandigarh

Case No : Income-tax Appeal No. 31 of 2001

Commissioner of Income Tax APPELLANT

Vs

Varun Processors (P.) Ltd. RESPONDENT

Date of Decision : 19-09-2001

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

Citation : (2002) 254 ITR 564

Hon'ble Judges : Jawahar Lal Gupta, J;Ashutosh Mohunta, J

Bench : Division Bench

Advocate : R.P. Sawhney and Rajesh Bindal, for the Appellant;

Final Decision : Dismissed

Judgement

Jawahar Lal Gupta, J.—In this appeal u/s 260A of the Income Tax Act, 1961, the Revenue maintains that the following substantial question of law arises for consideration of this court:

"Whether the process of bleaching, dyeing, printing, etc., amounted to manufacture of an article or thing within the meaning of Section 32A of the Income Tax Act, 1961, and whether the assessee is entitled to investment allowance on the value of the machinery installed and used for the purposes of such business ?"

2. The Income Tax Appellate Tribunal has found that the respondent/assessee was entitled to claim deduction on account of the unabsorbed investment allowance of Rs. 8,34,978 in respect of the assessment years 1987-88 and 1988-89.

3. The short contention raised by Mr. R.P. Sawhney, learned counsel for the Revenue, is that the matter is pending before their Lordships of the Supreme Court in S. L. P. (Civil) No. 17881 of 1993.

After hearing learned counsel for the Revenue, we find that in Empire Industries

Limited and Others Vs. Union of India and Others, it was, inter alia, held that bleaching, dyeing and printing fell within the expression "manufacture", so as to make it exigible to the levy of excise duty. Following this decision, a Full Bench of this court in Commissioner of Income Tax Vs. Sovrin Knit Works, held that dyeing, bleaching, printing and embroidering of grey cloth constitutes production and manufacture under the Income Tax Act, 1961, so as to entitle the assessee to claim deduction on account of investment allowance.

4. In view of these binding precedents, we find that no substantial question of law arises. Resultantly, no ground for admission of the appeal exists. The appeal is accordingly dismissed in limine.