(1991) 01 AHC CK 0077

In the Allahabad High Court

Case No : Wealth-tax Reference No. 136 of 1979

Commissioner of Wealth-tax APPELLANT

Vs

Hari Kishan RESPONDENT

Date of Decision : 31-01-1991

Acts Referred:
Wealth Tax Act, 1957 — Section 5(1)

Citation : (1991) 192 ITR 686

Hon'ble Judges : B.P. Jeevan Reddy, C.J;R.A. Sharma, J

Bench : Division Bench

Advocate : Vikram Gulati, for the Respondent

Final Decision : Allowed

Judgement

1. u/s 27(3) of the Wealth-tax Act, 1957, the following two questions have been stated by the Tribunal :

"1. Whether the Income Tax Appellate Tribunal was correct in law in holding that preparation of biris from tendu leaves and tobacco can be called ''manufacturing or processing of goods'' within the meaning of Section 5(1)(xxxii) of the Wealth-tax Act, 1957?

2. If the answer to the above is in the affirmative, whether the Income Tax Appellate Tribunal was correct in law in holding that the firm, Messrs Ram Kishan Daya Ram and Co., was an industrial undertaking even though the firm did not prepare biris by itself ?"

2. It is brought to our notice that both the questions are concluded in favour of the assessee and against the Revenue by the decision of this court in Commissioner of Wealth-tax Vs. Mubarakali Khan and Mujahid Ali Khan, , wherein it has been held that preparation of biris from tendu leaves and tobacco can be called "manufacturing or processing of goods" within the meaning of Section 5(1)(xxxii) of the Wealth-tax Act. If it is manufacturing or processing of goods, it would also constitute an industrial undertaking.

3. Accordingly, the two questions are answered in the affirmative, that is, in favour of the assessee and against the Revenue.

4. No costs.