

(1987) 11 AHC CK 0067
In the Allahabad High Court
Case No : W.T.R. No. 1417 of 1977

Commissioner of Wealth-tax

APPELLANT

Vs

Jagphool Narain

RESPONDENT

Date of Decision : 10-11-1987

Acts Referred:

Wealth Tax Act, 1957 — Section 5(1)

Citation : (1988) 172 ITR 69 : (1987) 35 TAXMAN 497

Hon'ble Judges : R.M. Sahai, J;Om Prakash, J

Bench : Division Bench

Advocate : V.K. Rastogi, for the Appellant; V. Gulati, for the Respondent

Judgement

R.M. Sahai, J.—The following question of law has been referred u/s 27 of the Wealth-tax Act, 1957 :

"Whether, on the facts and in the circumstances of the case, the assessee's share in the firms, M/s. Chintamani Brothers and M/s. Kastoor Chand Munna Lal, was exempt from wealth-tax u/s 5(1)(xxxii) of the Wealth-tax Act, 1957 ?"

2. The assessee, an individual, was a partner in M/s. Chintamani Brothers and M/s. Kastoor Chand Munna Lal. Both the firms were engaged in dyeing and printing white cloth and sarees therefrom. In the return filed for the assessment year 1974-75, he claimed exemption in respect of his share in these firms u/s 5(1)(xxxii) of the Wealth-tax Act. Its claim was not accepted by the Wealth-tax Officer. In appeal, it was held that the firms were industrial undertakings within the meaning of the Explanation to the aforesaid section. Therefore, the petitioner was entitled to the exemption. The order was affirmed by the Tribunal.

3. In Commissioner of Wealth Tax Vs. Radhey Mohan Narain, , it was held that since dyeing and printing amounted to processing, the firm engaged in it was an industrial undertaking within the meaning of Section 5(1)(xxxii) of the Wealth-tax Act. On the facts found which appear to be more or less similar as in Commissioner of Wealth Tax Vs. Radhey Mohan Narain, , the aforesaid decision is

squarely applicable. Learned counsel for the Department failed to point out any distinguishing feature.

4. In the circumstances, the question is answered in the affirmative, against the Department and in favour of assessee. There shall be no order as to costs.