

Computer Graphics Ltd. Vs. Assistant Commissioner of Income-tax

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Court : Chennai

Decided On : Aug-06-2008

Reported in : [2009]308ITR96(Mad)

Judge : K. Raviraja Pandian and ;P.P.S. Janarthana Raja, JJ.

Acts : [Income Tax Act, 1961](#) - Sections 80IB

Appeal No. : T.C. Appeal Nos. 1160 to 1162 of 2008 and M.P. No. 1 of 2008

Appellant : Computer Graphics Ltd.

Respondent : Assistant Commissioner of Income-tax

Advocate for Pet/Ap. : C.V. Rajan, Adv.

Disposition : Appeal dismissed against the assessee

Judgement :

K. Raviraja Pandian, J.

1. These are the appeals at the instance of the assessee against the order of the Income-tax Appellate Tribunal, Madras 'A' Bench, dated April 30, 2008, passed in ITA Nos. 288/Mds of 2006, 1052/Mds of 2007 and 2314/Mds of 2006 by formulating the following common question of law:

Whether, on the facts and in the circumstances of the case, the Income-tax Appellate Tribunal was right in law in holding that the appellant was not entitled to deduction under Section 80-IB of the Income-tax Act, 1961, on the ground that conversion of jumbo rolls into salable packets/rolls of standard size was not manufacture or production of article or thing ?

2. The relevant assessment years are 2002-03, 2003-04 and 2004-05. The facts, as culled out from the statement of facts, are as follows:

3. The assessee is a company in which the public are not substantially interested. It is engaged in the business of conversion of jumbo rolls of Konica colour paper, Konica graphic art film and medical X-ray films into commercially saleable packets/rolls of standard size. Along with the returns of income filed by the appellant before the Assessing Officer in the relevant assessment years, the elaborate activity of conversion of jumbo rolls into salable packets, rolls of standard sizes was narrated in the note to drive home the point that such conversion involved manufacture or production of articles or things. The Assessing Officer disallowed the claim of deduction on the ground that there was no manufacture of article or thing and relied upon the decision of the Supreme Court in the case of CIT v. Relish Foods : [1999]237ITR59(SC) . The assessee filed further appeals in respect of the relevant assessment years to the Commissioner of Income-tax (Appeals), who confirmed the disallowance and dismissed the appeal. Aggrieved by the same, the assessee filed further appeals to the Income-tax Appellate Tribunal, which by reason of the impugned common order, nonsuited the appellant for the relief claimed.

4. The very same issue involved in these appeals has been considered by this Court in the assessee's own case reported in CIT v. Computer Graphics Ltd. : [2006]285ITR84(Mad) , wherein this Court has held that the activity of converting jumbo rolls into marketable small sizes cannot be regarded as a manufacturing activity and as such he is not entitled to the benefit of Section 80I-B.

5. As there is no merit in these appeals and the abovesaid question of law has already been answered against the assessee in the above case and also India Cine Agencies v. CIT : [2003]261ITR491(Mad) , these appeals are dismissed.

Consequently, the connected M.P. No. 1 of 2008 are also dismissed.

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