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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO. 307 OF 2024

Pr. Commissioner of Income Tax 1
Thane : Appellant.

Versus

ACE Plastics AY 2005-06 : Respondent

Mr. Akhileshwar Sharma, (Through V.C.), for the Appellant
Mr. Akshay Pawar i/by Mr. Ajay Singh, for the Respondent.

CORAM **M.S. Sonak &**
Advait M Sethna, JJ.
DATED: **07 November 2025**

PC:-

1. Heard Mr. Akhileshwar Sharma for the Appellant and Mr. Akshay Pawar for the Respondent.

2. Mr. Sharma, the learned counsel for the Appellant submits that though the tax effect in this Appeal is less than Rs.2 Crores, the Appeal falls within the exempted category.

3. Accordingly, we have heard the learned counsel for the parties on merits.

4. Mr. Sharma proposes the questions of law set out in the Appeal Memo for the admission of this Appeal. He submits that these are the substantial questions of law which may be considered.

5. Mr. Pawar, the learned counsel for the Respondent, submits that the issues raised in this Appeal is covered by the decisions of this Court, and therefore, give rise to no substantial questions of law.

6. The record shows that the Commissioner of Income Tax (Appeals) and the ITAST have held in favour of the Respondent – assessee. The ITAT has relied upon the decision of its Coordinate Bench in the case of **Sunrise Metal Industries Vs. Income Tax Officer**[1]**.** The ITAT has also noted that the view taken by its Coordinate Bench is endorseed by this Court in the case Commissioner of Income-tax (CIT) v. Penwalt India Ltd.[2] and **CIT Vs. Oricon P. Ltd.**[3] **151 ITR 296**. Both these decisions take the view that merely because a part of manufacturing process resulting in the end products was carried out by an outside agency, it is not as if the assessee could not be considered as a manufacturer. These are basically findings of fact and assuming that any question of law was involved, the same, stands answered against the revenue.

7. For the above reasons, we are satisfied that no substantial question of law is involved or in any event, such question, is required to be answered against the revenue and in favour of the assessee given the above rulings made by this Court.

8. For the above reasons, we dismiss this Appeal without any order for costs.

(Advait M Sethna, J) **(M.S. Sonak, J)**

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1 (2004) 89 ITD 406 (MUM)
2 196 ITR 813 BOM
3 (1985) 151 ITR 296