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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.912 OF 1998

M/s. Colgate-Palmolive Company ..Applicant
Versus
The Commissioner of Income Tax
Bombay City-III, Bombay. ..Respondent

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Mr. H. Toor a/w Sameer Chitnis i/b. M/s. Crawford Bayley & Co. for the applicant.

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CORAM: M. S. SANKLECHA &
A. K. MENON, JJ.

DATE : 10th AUGUST, 2016

P.C.:

Mr. Toor, the learned counsel appearing for the applicant-assessee in support of the Reference files an affidavit of service dated 26th July, 2016 with evidence of having served the Reference upon the Respondent-Revenue on 22nd December, 1998.

2. By this Reference under Section 256(1) of the Income Tax Act, 1961 (the Act) the Income Tax Appellate Tribunal (Tribunal) seeks our opinion on the following question of law:-

"(i) Whether the transfer of the shares in Colgate-Palmolive (India) Ltd. by the assessee had resulted in a chargeable gain, and if so, (a) was it a short-term capital gain and (b) whether the quantum thereof was Rs.2,69,13,342/-?"

3. Mr. Toor, the learned counsel for the applicant-assessee states that the issue raised herein stands concluded against the applicant-assessee and in favour of the Respondent-Revenue. Insofar as the issue whether the sale of bonus shares would result in short-term capital gains stands concluded by the decision of this Court in ***Maneklal Premchand v/s. Commissioner of Income Tax 186 ITR 554*** and so far as question with regard to the quantum on which the capital gains tax is to be levied, stands concluded by the decision of the Apex Court in ***Commissioner of Income Tax v/s. Dalmia Investment Co. Ltd. 52 ITR 567***.

2. In the above view, the question as raised for our opinion is answered in the affirmative in its entirety i.e. against the applicant-assessee and in favour of the Respondent-Revenue.

3. Reference is disposed of in above terms. No order as to costs.

(A. K. MENON, J.) **(M. S. SANKLECHA, J.)**

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