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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 94/2025

HINDUSTAN COCA COLA BEVERAGES PRIVATE LTD.

.....Appellant

Through: Mr. Sachit Jolly, Sr. Adv. with Ms. Ankita Prakash, Mr. Abhyudaya Shankar Bajpai, Mr. Sohum Dua, Ms. Saloni Ray, Mr. Ghunaim Siddiqui and Ms. Manvi, Advs.

versus

ADDL. CIT, SPL. RANGE 4, NEW DELHI

.....Respondent

Through: Mr. Abhishek Maratha, Sr. Standing Counsel, Mr. Apoorv Agarwal Jr. SCs, Ms Nupur Sharma, Adv.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE VINOD KUMAR

O R D E R

% **22.04.2026**

1. By way of present appeal under Section 260A of the Income Tax Act, 1961 (*hereinafter referred to as 'the Act of 1961'*), the appellant has challenged the order dated 03.01.2025 passed by Income Tax Appellate Tribunal Delhi Bench 'C', New Delhi (*hereinafter referred to as 'the Tribunal'*), whereby the appellant's appeal in relation to addition on account of long term capital gain has been rejected.

2. The facts in brief are that the petitioner purchased a property in a slump sale in the Financial Year (FY) 1998-99 and prior to such purchase, a

certificate dated 19.05.1998 as mandated under Section 269UD of the Act of 1961, was obtained, wherein the appropriate authority valued the sale consideration (so far land is concerned) at Rs.20,93,29,162/-.

3. It is the case of the appellant that during the FYs 1999-2000 and 2000-2001, the assessee revalued its assets and accordingly, the value of the land was reduced to Rs.10,84,01,361/-.

4. Subsequently, the appellant sold the land and building for a sum of Rs.68,83,50,000/- and the petitioner calculated the capital gain keeping the cost of acquisition of land and building at Rs.20,93,29,162/- and paid for.

5. The Assessing Officer (AO) however, did not agree with the appellant's stand and recalculated the capital gain keeping the value of the land as shown in the books of account i.e. Rs.10,84,01,361/-.

6. While doing so, the AO took the view that since the books of account reflected the value of the land and building at Rs.10,84,01,361/-, such figure shall be the cost of acquisition. The appellant challenged the Assessment Order dated 23.12.2016 and calculation of capital gain so made by the AO before the Commissioner Income Tax (Appeal) [CIT(A)] by way of appeal.

7. The CIT(A) rejected the appellant's appeal against which the appellant preferred an appeal before the Tribunal.

8. While deciding the appeal the Tribunal in paragraph 30 has observed that the assessee had failed to produce depreciation chart prepared for the purpose of income tax.

9. Mr. Sachit Jolly, learned Senior Counsel for the appellant, pointed out that such finding is factually incorrect, rather contrary because in previous line itself, the Tribunal has observed that the assessee has filed depreciation schedule prepared for the purpose of income tax.

10. Be that as it may. He submitted that there may be a typographical or inadvertent error in the order of Tribunal. He further argued that in view of the certificate issued by the competent authority on 19.05.1998 under Section 269UD of the Act of 1961 (wherein the cost of acquisition of land has been determined to be Rs.20,93,29,162/-), the AO could take no other figure.

11. He further submitted that in a slump sale (Rs.68.83 crores) the cost of acquisition of the land has to be estimated and since the same had been estimated by none other than the appropriate authority under the Act, at Rs.20,93,29,162/-, the same has to be taken as the cost of acquisition and no other figure can be taken. It was argued that for whatever reasons or for business expediency, if the appellant had revalued its assets, such book value cannot be the cost of acquisition so far as the provisions of Act of 1961 are concerned.

12. We are of the firm view that the certificate dated 19.05.1998 issued by the appropriate authority under the provision of Section 269UD of the Act of 1961 has a necessary bearing. Given that said certificate was relied upon before the AO and cited before the Tribunal, it was incumbent upon the Tribunal to have pronounced upon its effect.

13. The appeal is, therefore, partly allowed.

14. The impugned order dated 03.01.2025 passed by the Tribunal is set aside to the extent of issue relating to capital gain. Other part of the Tribunals order remains intact.

15. The Tribunal is directed to decide the issue of capital gain afresh, after considering the certificate dated 19.05.1998 and appellant's arguments in this regard.

16. Needless to observe that we have not commented upon merit of the issue, more particularly the effect of the certificate dated 19.05.1998. Whatever has been observed by us, is only to the extent necessary for a remand. The Tribunal shall therefore, independently decide the issue, as directed above.

DINESH MEHTA, J

VINOD KUMAR, J

APRIL 22, 2026/*dd*