Commissioner of Income Tax, Central-III, Kolkata v. Appeline Cosmetics and Toiletries Ltd.

ITA/167/2011

ITA/167/2011 (High Court at Calcutta, 2024-05-06) | 2024-05-06

Share application money and repayment penalties: Revenue appeal dismissed following same-day Vamshi Chemicals decision.

269SS | 269T | 271D | 271E

High Court at Calcutta | Justice Surya Prakash Kesarwani; Justice Rajarshi Bharadwaj | Justice Surya Prakash Kesarwani | Justice Rajarshi Bharadwaj

Assessment years: 2002-03, 2003-04, 2004-05, 2007-08

Scope of this order

Assessee: the Tribunal's favourable treatment on the stated penalty question remained undisturbed.

01 FACTS OF THE CASE

Revenue's ITA 167/2011 concerned AYs 2002–03, 2003–04, 2004–05 and 2007–08. The question admitted on 21 September 2011 challenged the Tribunal's conclusion that receipt and repayment of share application money did not violate sections 269SS and 269T attracting penalties under sections 271D and 271E.

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02 DISCUSSION BY THE HON'BLE COURT

The Court stated that the same question on similar facts had been answered that day in ITA 68/2012, CIT v. Vamshi Chemicals Ltd., in favour of the assessee. The detailed reasoning of that companion decision is not reproduced here.

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03 JUDICIAL DECISION

Revenue's appeal was dismissed. The substantial question was answered in the negative, against Revenue and in favour of the assessee.

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04 OUTCOME / IN WHOSE FAVOUR

Assessee: the Tribunal's favourable treatment on the stated penalty question remained undisturbed.

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05 EXPERT COMMENTS

Keep receipt and repayment distinct — The admitted question pairs receipt with section 269SS/271D and repayment with section 269T/271E. Collapsing both into a generic cash-credit or section 68 issue would misidentify the controversy.

The reasoning is incorporated by reference — This two-page order relies on Vamshi Chemicals on similar facts. It does not reproduce the precise transaction terms or the companion court's legal analysis, so it cannot support an unlimited exemption for every share-application transaction.

Retain all four assessment years — The single appeal covers four expressly stated years. They should remain visible even though the Court resolves one common question and gives no year-wise amounts.

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SOURCE & VERIFICATION

High Court at Calcutta source judgment/order

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STATUTORY SCOPE

The admitted question expressly links receipt and repayment of share application money to sections 269SS/269T and penalties under sections 271D/271E.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

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