

M/s Shri Gopal Paper Mills Co. Ltd. v. Commissioner of Income-tax, Central Calcutta

Civil Appeal No. 1669 of 1966

[1971] 1 SCR 323 | 1970-04-21

Historical corporation-tax rebate: when bonus shares were issued under a capitalisation resolution.

Finance Act, 1956: Part II, Paragraph D and provisos | Companies Act principles on issue and allotment of shares

3-judge bench; unanimous judgment delivered by K. S. Hegde, J. | J. C. Shah, J. | K. S. Hegde, J. | A. N. Grover, J.

Assessment years: 1956-57

Historical statutory setting

The case applies historical corporation-tax rebate provisions and company-law concepts; it does not state current dividend or capitalisation tax treatment.

Fact and procedural limits

Apply the holding only within the facts, statutory text and procedural posture described in the primary report.

No current-law clearance

Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

01 FACTS OF THE CASE

A general meeting resolved on 30 December 1954 to capitalise accumulated profits and distribute fully paid bonus shares, with dividends beginning 1 January 1955. Revenue treated later implementation as issue during the next accounting year (SCR pp.323-329; PDF pp.1-7).

Source: [Primary judgment: facts](#)

02 DISCUSSION BY THE HON'BLE COURT

Issue does not invariably await a certificate. Reading the resolution as a whole, capitalisation, distribution and shareholder ownership took effect on 30 December; directions to directors governed implementation and book recording, not the substantive transfer date (SCR pp.329-334; PDF pp.7-12).

Source: [Primary judgment: discussion](#)

03 JUDICIAL DECISION

The Court allowed the appeal, answered both questions for the assessee and awarded costs in both courts (SCR p.334; PDF p.12).

Source: [Primary judgment: decision](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee: the bonus shares counted in paid-up capital and were not issued in the later period for rebate reduction (SCR pp.333-334; PDF pp.11-12).

Source: [Primary judgment: outcome](#)

05 AKHB REVIEW POINT

AKHB analysis: read the whole corporate resolution to separate immediate legal effect from later certificates and records. Current company-law issuance rules and tax consequences must be verified independently (based on SCR pp.331-334; PDF pp.9-12).

Source: [Primary judgment: review point](#)

SOURCE & VERIFICATION

[Supreme Court Reports scan - public eSCR mirror](#)

Full 12-page SCR source asset read in page-preserving text and visually inspected; adjacent-report boundaries were checked.

[Open cited source rendition](#)

Exact source bytes, SHA-256 and 12-page count match catalogue asset 1971_1_323_334; every page was read and visually inspected.

The source verifies the stated case identity, bench, statutory issue and operative order.

No exact source-hash, asset-ID, SCR-citation, docket or same-judgment match was found in the published corpus or reviewed archive.

STATUTORY SCOPE

The case applies historical corporation-tax rebate provisions and company-law concepts; it does not state current dividend or capitalisation tax treatment.

LATER TREATMENT

Source checked 2026-10-11. Later judicial treatment and current statutory applicability have not been comprehensively checked; no current-law or citator clearance is represented.

AI DISCLOSURE

This AKHB research note was prepared with AI assistance from the identified primary report and has not been represented as independently human-reviewed.

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General legal and tax research only; not legal or tax advice. Verify the original judgment, the governing historical statute and subsequent judicial treatment before reliance. The AKHB REVIEW POINT is editorial analysis, not the Court's holding, and no current-law clearance is claimed.