

**Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
Foreign Tax & Tax Research-I Division
APA-I Section**

New Delhi, dated the 29th January, 2015

To
All Principal CCsIT/DsGIT and CCsIT/DsGIT
Madam/Sir

Subject: Acceptance of the Order of the Hon'ble High Court of Bombay in the case of Vodafone India Services Pvt. Ltd.-reg.

In reference to the above cited subject, I am directed to draw your attention to the decision of the High Court of Bombay in the case of [Vodafone India Services Pvt. Ltd. for AY 2009-10 \(WP No. 871/2014\)](#), wherein the Court has held, inter-alia, that the premium on share issue was on account of a capital account transaction and does not give rise to income and, hence, not liable to transfer pricing adjustment.

2. It is hereby informed that the Board has accepted the decision of the High Court of Bombay in the above mentioned Writ Petition. In view of the acceptance of the above judgment, it is directed that the ratio decidendi of the judgment must be adhered to by the field officers in all cases where this issue is involved. This may also be brought to the notice of the ITAT, DRPs and CsIT (Appeals).

3. This issues with the approval of Chairperson, CBDT.

Yours faithfully,

(Anchal Khandelwal)

Under Secretary to the Govt. of India

Copy to:

1. Chairperson and Members of CBDT
2. All Officers of CBDT
3. ITCC Division of CBDT (3 copies)
4. Office of Pr. DGIT (Systems) for uploading on Departmental website
5. Database Cell for uploading on IRS Officers website
6. Guard File

(Anchal Khandelwal)

Under Secretary to the Govt. of India

This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.

Lunawat & Co.

Chartered Accountants

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