

**SUPREME COURT OF INDIA**

Sumanth Ramanujam

Vs.

Commissioner of Income-Tax

(S.P. Bharucha, N. S. Hegde and Y.K. Sabharwal JJ.)

13.03.2001

**ORDER**

1. In view of a conflict of opinion, the following question stands referred to this court:

"Whether, on the facts and in the circumstances of the case, in computing the capital gains arising from the transfer of original share's, the subsequent issue of bonus shares should be taken into account for the purpose of averaging and reducing the cost of acquisition of those original shares ?"

2. The question is now covered by the decision of this court in *Escorts Farms (Ramgarh) Limited v. CIT*<sup>1</sup>. Following that decision, the question is answered in the affirmative and in favour of the Revenue.

3. The civil appeal is, accordingly, disposed of.

4. No order as to costs.

<sup>1</sup>[1996] 222 ITR 509