IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH
****

204 **ITA-265-2009 (O&M)**
Date of Decision: 05.02.2026

COMMISSIONER OF INCOME TAX ...Appellant

Vs.

M/S GLAXO SMITHKLINE CONSUMER HEALTHCARE LTD.
…Respondent

CORAM:- HON'BLE MR. JUSTICE JAGMOHAN BANSAL
HON'BLE MR. JUSTICE AMARINDER SINGH GREWAL

Present:- Ms. Urvashi Dhugga, Sr. Standing Counsel with
Mr. Vaibhav Gupta, Jr. Standing Counsel and
Ms. Kavita, Advocate for Income Tax

Mr. Rohit Jain, Advocate *(through V.C.)* and
Mr. Abhishek Sharma, Advocate for the assessee
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<u>JAGMOHAN BANSAL, J. (ORAL)</u>

1. The appellant through instant appeal under Section 260A of the Income Tax Act, 1961 (for short '1961 Act') is seeking setting aside of order dated 21.03.2007 passed by Income Tax Appellate Tribunal, Chandigarh (for short 'ITAT').

2. The appellant has raised following questions for adjudication by this Court:-

i. Whether on facts and in the circumstances of the case, the ITAT is right in law in treating the expenditure incurred on product development as revenue expenditure, when the purpose of the expenditure & its intended reality is to obtain benefit of enduring nature?

ii. Whether on the facts and in the circumstances of the case, the

ITAT was right in holding that Excise Duty will not form part of "total turnover" while computing deduction u/s 80HHC?

iii. Whether on the facts and in the circumstances of the case the ITAT was right in law in allowing the deduction u/s 80-I of the 1961 Act, in as much as the machinery had been installed in the same

iv. Whether on the facts and in the circumstances of the case, the ITAT is correct in law in holding that interest on capital borrowed for acquisition of new machinery and overhead expenses incurred during trial run period in expansion of its existing business are expenses of revenue nature?

v. Whether on the facts and in the circumstances of the case, the ITAT is correct in law in holding that expenditure incurred on implementation of the new ERP package, an input to take business decisions and which results into carrying on business more efficiently and smoothly, cannot be said to be an advantage accruing in the capital field?

vi. Whether on the facts and in the circumstances of the case, the ITAT was right in law in upholding the order of the CIT (A) in deleting the addition made on account of change in the method of valuation of closing stock in respect of excise duty?

3. Learned counsel for the parties are *ad idem* that question No.1 raised by appellant stands answered by this Court vide order dated 04.02.2026 passed in *ITA-267-2009*, question No.2 is covered by order dated 27.01.2026 passed in *ITA-645-2008*, questions No.3 and 4 are covered by order dated 19.01.2026 passed in *ITA-269-2009,* question No.5 is covered by

order dated 05.02.2026 passed in *ITA-271-2009* and question No.6 is covered by order dated 27.11.2025 passed in *ITA 62 to 65 of 1995*.

4. The questions raised by appellant are answered in terms of aforesaid orders of this Court.

5. Pending application(s), if any, stands disposed of.

(JAGMOHAN BANSAL)
JUDGE

(AMARINDER SINGH GREWAL)
JUDGE

February 05, 2026
Deepak DPA

Whether Speaking/reasoned	Yes/No
Whether Reportable	Yes/No