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

204 **ITA-266-2009 (O&M)**
Date of Decision: 05.02.2026

COMMISSIONER OF INCOME TAX ...Appellant

Vs.

M/S GLAXO SMITHKLINE CONSUMER HEALTHCARE LTD.
…Respondents

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
***

JAGMOHAN BANSAL, J. (ORAL)

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 existing factory premises, which is an expansion of the existing factory?

3. Learned counsel for the respondent submits that question No.1 stands answered by this Court vide order dated 04.02.2026 passed in *ITA-267-2009.* Question No.2 stands settled in favour of assessee vide order dated 27.01.2026 passed by Hon'ble Supreme Court in ***"CIT Vs. Lakshmi Machine Works",*** **[2007] 160 Taxman 404 (SC).** Question No.3 also stands answered in favour of assessee vide order dated 27.11.2025 passed by this Court in *ITA-269-2009*.

4. Learned counsel for appellant expressed her inability to controvert aforesaid statement.

5. In the wake of statement of both sides, questions raised by appellant are answered in view of orders of this Court as well as Hon'ble Supreme Court as noticed hereinabove.

6. 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