

**IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH, BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER AND
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA No.1989 & 1990/Bang/2024
Assessment Year: 2011-12 & 2017-18

The Dy. Commissioner of Income Tax, Circle – 2(1)(1), Bangalore .	Vs.	Bioplus Life Sciences Pvt. Ltd., 10/1 Hoodi Village, Bangalore. .
APPELLANT		RESPONDENT

Assessee by	:	None
Revenue by	:	Shri V Parithivel, JCIT (DR)

Date of hearing	:	25.11.2024
Date of Pronouncement	:	29.11.2024

ORDER

PER WASEEM AHMED, ACCOUNTANT MEMBER:

These appeals are filed by the revenue against the order passed by the NFAC, Delhi both dated 25/09/2020 in DIN No. ITBA/NFAC/S/250/2024-25/1067372701(1) for the assessment year 2011-12 and 2017-18.

2. The only issue raised by the revenue is that the Id. CIT(A) erred in deleting the addition made by the AO for Rs.2,19,15,602/- representing the product registration expenses treating the same as revenue in nature.

3. The AO during the assessment proceedings found that the assessee has incurred expenses amounting to Rs.2,19,15,602/- representing the product registration expenses. According to the AO, such expenses represents licence fee i.e to obtain prospective licence for sale of products, which is capital in nature, therefore, the AO disallowed the same and added to the total income of the assessee.

4. Aggrieved, assessee preferred an appeal to the Id. CIT(A), who deleted eth same by observing as under:-

"3.3. In the next material Ground of appeal, the assessee raised the issue of disallowance of product registration expenses paid by the company to the tune of Rs.2,19,15,602/-, which the AO held as a capital expenditure and thus, denied the benefit of deduction from the total income disclosed by the assessee in the Return. I have perused the issue and I find that in the immediate subsequent AYs of AY 2012-13 and AY 2013-14, after dealing with the issue at length, the Hon'ble ITAT, C-Bench, Bangalore in an order dated 30.12.2021, in assessee's own case had allowed such expenditure as Revenue Expenditure, allowable u/s. 37 of the Act. Respectfully following such decision, I direct the AO to delete the disallowance of Rs.2,19,15,602/-, in respect of product registration charges and the Grounds taken by the assessee in this issue are allowed."

5. Being aggrieved by the order of the Id. CIT(A), the revenue is in appeal before us.

6. The Id. DR before us contended that the quantum involved in the assessment years 2012-13 and 2013-14 were below the threshold limits and, therefore, the order of the ITAT in these assessment years were not contested before the higher forum.

7. We have heard the Id. DR and perused the materials available on record. At the outset, we note that ITAT in the own case of the assessee in the later assessment year have decided the issue in favour of the assessee and against the revenue. Before us, no contrary material has been brought on record by the revenue suggesting any distinguishable facts in the case on hand vis-à-vis in the case cited above. Therefore, respectfully following the order of the ITAT, we do not find any infirmity in the order of Id. CIT(A) and accordingly we uphold the same. Hence, the ground of appeal of the revenue is hereby dismissed.

8. In the result, the appeal of the revenue is dismissed

Coming to ITA No.1990/Bang/2024 for the assessment years 2017-18

9. The facts of the case on hand is identical to the facts of the case discussed above, therefore, respectfully following the order of the ITAT, we do not find any infirmity in the order of Id. CIT(A) and accordingly we uphold the same. Hence, the ground of appeal of the revenue is hereby dismissed.

10. In the result, the appeal of the revenue is dismissed

11. In the combined result, both the appeals of the revenue are dismissed

Order pronounced in court on 29th day of November, 2024

Sd/-

Sd/-

(KESHAV DUBEY)

(WASEEM AHMED)

Judicial Member

Accountant Member

Bangalore

Dated, 29th November, 2024

/ vms /

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore