

| आयकर अपीलीय अधिकरण न्यायपीठ, मुंबई |
IN THE INCOME TAX APPELLATE TRIBUNAL
"F" BENCH, MUMBAI

BEFORE SHRI NARENDRA KUMAR BILLAIYA, HON'BLE ACCOUNTANT MEMBER
&
SHRI SANDEEP SINGH KARHAIL, HON'BLE JUDICIAL MEMBER

I.T.A. No. 1124/Mum/2025
Assessment Year: 2012-13

Freudenberg Gala Household Product Private Limited B-902, 903, 904, O2 Galleria Plot No. 23/24 Minerva Industrial Estate Mulun West Mumbai - 400080 [PAN: AADCG4345E]	Vs	ITO, Circle - 15(1)(1), Mumbai
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अपीलार्थी/ (Appellant)	प्रत्यर्थी/ (Respondent)
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Assessee by :	Ms. Ashwini Bhide/Mr. Nilesh Dhedia, A/Rs
Revenue by :	Ms. Kavita P. Kaushik, Sr. D/R

सुनवाई की तारीख/Date of Hearing : 25/06/2025
घोषणा की तारीख /Date of Pronouncement: 27/06/2025

आदेश/ORDER

PER NARENDRA KUMAR BILLAIYA, AM:

This appeal by the assessee is preferred against the order dt. 29/01/2025 by NFAC, Delhi [hereinafter "the Id. CIT(A)"] pertaining to AY 2012-13.

2. The grievance of the assessee relates to the disallowance of depreciation on distribution network rights, non-compete rights and on good-will.

3. Representatives were heard at length, case records carefully perused and the relevant documentary evidence brought on record duly considered.

4.

Frendenberg Gala Household Product Private Limited
(formerly Gala Cleanaids Private Limited)
Notes to financial statements (continued)

12 Fixed assets

Amount in Rs

Description	Gross Block (at cost)				Accumulated depreciation and amortisation				Net Block	
	As at 1-Apr-11	Additions	Deletions	As at 31-Mar-12	As at 1-Apr-11	Charge for the year	Deletions	As at 31-Mar-12	As at 31-Mar-12	As at 31-Mar-11
Tangible assets										
Land - freehold	-	25,555,697	-	25,555,697	-	-	-	-	25,555,697	-
Building	-	98,400,509	-	98,400,509	-	4,058,347	-	4,058,347	94,342,162	-
Plant and machinery	-	134,862,500	-	134,862,500	-	8,562,430	-	8,562,430	126,300,070	-
EDP equipment including software	1,702,438	3,290,807	-	4,993,245	267,465	707,027	-	974,492	4,018,753	1,434,973
Furniture and fixture	220,052	12,003,275	-	12,223,327	27,597	1,802,535	-	1,830,132	10,393,195	192,455
Vehicles	2,738,958	1,549,773	440,410	3,848,321	723,748	485,989	151,848	1,057,889	2,790,432	2,015,210
Office equipment	150,598	513,361	-	663,959	52,044	68,191	-	120,235	543,724	98,554
	4,812,046	276,175,922	440,410	280,547,558	1,070,854	15,684,519	151,848	16,603,525	263,944,033	3,741,192
Intangible assets										
Goodwill	12,491,600	-	-	12,491,600	2,063,681	1,249,160	-	3,312,841	9,178,759	10,427,919
Trade marks, copy rights and patents	133,900,000	-	-	133,900,000	22,121,014	13,390,000	-	35,511,014	98,388,986	111,778,986
Non compete rights	18,000,000	-	-	18,000,000	5,947,397	3,600,000	-	9,547,397	8,452,603	12,052,603
	164,391,600	-	-	164,391,600	30,132,092	18,239,160	-	48,371,252	116,020,348	134,259,508
Total	169,203,646	276,175,922	440,410	444,939,158	31,202,946	33,923,679	151,848	64,974,777	379,964,381	138,000,700
Previous year	167,865,481	1,338,165	-	169,203,646	12,230,719	18,972,228	-	31,202,946	138,000,700	

4.1. A perusal of the above chart clearly shows that under the block tangible assets, comprising of good-will, trade marks, copy rights and patents and non-compete rights, written down value (WDV) as at 31st March, has been shown on which the depreciation has been claimed. The WDV is the broughtforward WDV as on 31/03/2011 which means that the assessee has claimed depreciation on the WDV of the assets there being no addition in the block. Therefore, we do not find any reason why the depreciation on the WDV should be disallowed when the depreciation has been allowed in the assessment year on the same block of assets. We accordingly direct the AO to allow the claim of depreciation. The substantial grievance of the assessee is allowed.

4.2. Charging of interest is madatory but consequential, the AO shall charge interest as per the provisions of law and since other grounds were not argued, the same are dismissed as not pressed.

5. In the result, appeal of the assessee is partly allowed.

Order pronounced in the Court on 27th June, 2025 at Mumbai.

Sd/-
(SANDEEP SINGH KARHAIL)
JUDICIAL MEMBER

Sd/-
(NARENDRA KUMAR BILLAIYA)
ACCOUNTANT MEMBER

Mumbai, Dated 27/06/2025

Sd/-

आदेश की प्रतिलिपि अद्येषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent
3. संबंधित आयकर आयुक्त / Concerned Pr. CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)-
5. विभागीय प्रतिनिधि , आयकर अपीलीय अधिकरण, मुंबई /DR,ITAT, Mumbai,
6. गार्ड फाई/ Guard file.

आदेशानुसार/ BY ORDER,
TRUE COPY

Assistant Registrar
आयकर अपीलीय अधिकरण
ITAT, Mumbai