

PR. Commissioner Of Income-Tax, 5th Floor, BMTC Building, 80 Feet Road, Kormangala, Bengaluru 560095 & Ors Vs SAP India Pvt. Ltd., 6Th Floor, RMZ Ecoworld, 8a Campus, Sarjapur, Marathahalli Outer Ring Road, Deverabeesanahalli, Bengaluru, Karnataka 560103 PAN AACCS 7483E

Court: Karnataka High Court At Bengaluru

Date of Decision: Jan. 28, 2025

Acts Referred: Income Tax Act, 1961 &" Section 37(1)

Hon'ble Judges: Krishna S Dixit, J; G Basavaraja, J

Bench: Division Bench

Advocate: Sushal Tiwari N, Nageswar Rao D.D

Final Decision: Dismissed

Judgement

Krishna S Dixit, J

1. The learned counsel appearing for the appellant having argued the matter for sometime very fairly submits that the subject matter of this appeal is

substantially similar to the one in I.T.A.No.65 of 2024 between the PRINCIPAL COMMISSIONER OF INCOME-TAX VS. SAP INDIA

PRIVATE LIMITED, heard and disposed of by a Co-ordinate Bench of this Court vide order dated 19th August, 2024.

2. The Co-ordinate Bench at paragraph Nos.7, 8 and 9 has observed as under:

7. Although learned counsel for Revenue does not dispute the proposition of law as held by the Tribunal and as laid down by the

coordinate Bench of this Court in the case of Biocon Ltd., it is sought to be contended that the relevant material has not been placed by the

assessee to claim the said deduction. The DRP while considering the said aspect has noticed various legal provisions and disallowed the

same. However, the position of law as relied on by the Tribunal not having been disputed, considering a question of fact in the present

appeal does not arise and hence the contention sought to be put forth by the Revenue in the present appeal is liable to be rejected.

8. It is clear and forthcoming that the Revenue had sought to contend in the present appeal that the expenditure towards ESPO is not an

allowable expenditure as per Section 37(1) of the IT Act. However, this Court in the case of Biocon Ltd., having categorically held that the

same is an allowable expenditure, there is no merit in the contention sought to be put forth by the Revenue.

9. In view of the aforementioned, and as no substantial question of law would arise, it is not a case for admission, the appeal is dismissed as

being devoid of merit".

In view of the above, no substantial question of law would arise in this case too and therefore, the appeal is dismissed in limine.

Registry to send a copy of this judgment to the assessee by speed post immediately.