

Pr. Commissioner of Income Tax (Central)-3, New Delhi v. Oppo Mobiles India (P) Ltd.

ITA 84/2026 (CM APPL. 6933-6935/2026)

ITA 84/2026 (Del HC, decided 17.03.2026) | 2026-03-17

Brand Ambassador expenses, advertisement/sales promotion outlays on hoardings and neon signs, and Provision for Warranty held deductible as revenue expenditure following Pepsico India Holdings and Rotork Controls India.

Income-tax Act, 1961: sections 37(1) and 260A

High Court of Delhi | 2-judge bench (Division Bench) | Dinesh Mehta, J. | Vinod Kumar, J.

Assessment years: Not specified in order text

Delays of 7 days in filing and 560 days in re-filing condoned before merits dismissal

Paragraphs 3-6 (PDF p. 1) condone 7 days' filing delay and 560 days' re-filing delay before dismissing the Revenue's appeal on merits.

01 FACTS OF THE CASE

After condoning 7 days' filing delay and 560 days' re-filing delay, the Delhi High Court heard the Revenue's appeal in ITA 84/2026 against the ITAT Delhi Bench 'E' order dated 23.01.2024 in the case of Oppo Mobiles India (P) Ltd. The Revenue proposed six questions challenging the deletion of disallowances for (i) Brand Ambassador expenses (alleged by the AO to create an intangible brand asset of enduring benefit), (ii) Advertisement and Sales Promotion expenses on hoardings and neon signs, and (iii) Provision for Warranty (alleged to be a contingent liability).

Source: [Paragraphs 1-7; PDF pp. 1-3 \(DLHC011320342024_1_2026-03-17.pdf\)](#)

02 DISCUSSION BY THE HON'BLE COURT

The Division Bench accepted the assessee's submission—which Revenue's counsel could not controvert—that the deductibility of Brand Ambassador expenses and advertisement outlays on hoardings and neon signs as revenue expenditure under section 37(1) stood squarely covered by CIT-V v. Pepsico India Holdings (P.) Ltd., [2012] 21 taxmann.com 165 (Delhi), and that the deductibility of Provision for Warranty stood covered against the Department by the Supreme Court judgment in Rotork Controls India (P.) Ltd. v. CIT, [2009] 180 Taxman 422 (SC).

Source: [Paragraphs 8-10; PDF p. 3 \(DLHC011320342024_1_2026-03-17.pdf\)](#)

03 JUDICIAL DECISION

Finding the assessee's reliance on Pepsico India Holdings and Rotork Controls India to be correct, the High Court dismissed ITA 84/2026.

Source: [Paragraphs 10-11; PDF p. 3 \(DLHC011320342024_1_2026-03-17.pdf\)](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (Oppo Mobiles India (P) Ltd.); Revenue appeal dismissed.

Source: [Paragraphs 10-11; PDF p. 3 \(DLHC011320342024_1_2026-03-17.pdf\)](#)

05 AKHB REVIEW POINT

AKHB analysis: Large-scale Brand Ambassador fees and hoarding/neon-sign advertising outlays in competitive consumer-electronics markets cannot be capitalized as intangible assets or deferred revenue expenditure under the 'enduring benefit' test in light of Pepsico India Holdings.

Source: [Full judgment PDF \(3 pp.\)](#)

SOURCE & VERIFICATION

[Original judgment PDF \(DLHC011320342024_1_2026-03-17.pdf\)](#)

Reviewed from the complete 3-page official High Court judgment PDF (DLHC011320342024_1_2026-03-17.pdf, SHA-256: 81e79560742dfd0bb6776eb32a474db1059c97f8a6aec2fc73f890f2920deebe).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

Open cited source rendition

Primary source verified page-by-page (3 physical pages, 29,946 bytes, SHA-256: 81e79560742dfd0bb6776eb32a474db1059c97f8a6aec2fc73f890f2920deebe). Cloud Google Drive File ID: 1tgFozOau06UIiksLBGzTOZnoV7zh4N2V (<https://drive.google.com/file/d/1tgFozOau06UIiksLBGzTOZnoV7zh4N2V/view>).

STATUTORY SCOPE

Refers to the Income-tax Act, 1961 and allied statutory rules/circulars as applicable to the relevant assessment years.

LATER TREATMENT

Source checked 2026-10-18. No subsequent Supreme Court reversal or stay is recorded in the source judgment text.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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