

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

ITA No. 370 of 2008 (O&M)

Date of Decision: 25.04.2016

Commissioner of Income Tax, Ludhiana-II

.....Appellant

Versus

M/s Highway Cycles Industries Ltd.

.....Respondent

**CORAM: HON'BLE MR. JUSTICE RAJESH BINDAL
HON'BLE MR. JUSTICE HARINDER SINGH SIDHU**

Present: Mr. Zora Singh Klar, Advocate
for the appellant.

Mr. Alok Mittal, Advocate
for the respondent.

RAJESH BINDAL, J.

This appeal has been filed under Section 260 A of the Income Tax Act, 1961 (for short 'the Act'), against the order dated 22.5.2007 passed by the Income Tax Appellate Tribunal, Chandigarh Bench (A), in ITA No. 813/Chandi/2006, for the assessment year 1997-98, raising the following substantial question of law:

Whether on the facts and in Law the ITAT was justified in law in deletion of ₹ 2,86,234/- being expenditure incurred on the foreign Travels of the director's wives for the purposes of non business purposes?

Learned counsel for the appellant-revenue submitted that in view of circular No.21/2015 dated 10.12.2015 read with circular No.279/Misc/M-142/2007-ITJ (Part) dated 8.3.2016, issued by Central Board of Direct Taxes, he does not wish to press the present appeal, as the tax effect involved is less than ₹ 20 lacs. However, he prays that liberty be granted to the revenue to file an application for revival of the appeal in case something survives therein.

Dismissed as not pressed with liberty as prayed for. It is however, clarified that withdrawal of the appeal by the revenue shall not be taken as affirmation of order of the Tribunal on merits. The legal issue as claimed by the revenue is left open to be adjudicated in an appropriate case.

(RAJESH BINDAL)
JUDGE

(HARINDER SINGH SIDHU)
JUDGE

25.04.2016
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