

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

ITA No. 651 of 2008 (O&M)

Date of Decision: 02.05.2016

Commissioner of Income Tax, Ludhiana-II

.....Appellant

Versus

M/s Rockman Cycle 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 16.10.2007 passed by the Income Tax Appellate Tribunal, Chandigarh Bench (A), in ITA No. 928/Chandi/2006, for the assessment year 2002-03, raising the following substantial question of law:

- (i) Whether on the facts and in law the ITAT was justified in deleting the addition of ₹ 4,54,349/- being expenditure incurred on the foreign travels of the director's spouses for non-business purpose?
- (ii) Whether on the facts and in the circumstances of the case ITAT was justified in law in deleting the addition of ₹ One lakh on account of estimating the value of closing stock of consumable store, machinery repair etc.?
- (iii) Whether on the facts and in law the ITAT was

justified in treating the expenditure incurred on the death anniversary of the Ex Director of the company as admissible expenditure as the expenditure so incurred was not in any way connected with the business of the assessee and a perverse finding?

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

02.05.2016
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