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**IN THE HIGH COURT OF DELHI AT NEW DELHI**

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**ITA 553/2015**

PR.COMMISSIONER OF INCOME TAX-6 ..... Appellant  
Through: Mr. Kamal Sawhney, Senior Standing  
counsel.

versus

MINDA ACOUSTIC LTD. .... Respondent

**AND**

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**ITA 554/2015**

PR.COMMISSIONER OF INCOME TAX-6 ..... Appellant  
Through: Mr. Kamal Sawhney, Senior Standing  
counsel.

versus

MINDA ACOUSTIC LTD. .... Respondent

**CORAM:**  
**HON'BLE DR. JUSTICE S. MURALIDHAR**  
**HON'BLE MR. JUSTICE VIBHU BAKHRU**

**ORDER**  
**10.08.2015**

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**CM No. 14089 of 2015 (for exemption)**

1. Exemption allowed subject to all just exceptions.



2. The application is disposed of.

**ITA No. 553/2015 & 554/2015**

3. These two appeals by the Revenue under Section 260A of the Income Tax Act, 1961 ('Act') pertain to the same Assessment Year ('AY') 2007-08 and are directed against the common order passed by the Income Tax Appellate Tribunal ('ITAT') in ITA No. 553/2015 and 554/2015.

4. In ITA No. 553 of 2015, two issues have been projected by the Revenue. The first is that the ITAT was not justified in disallowing depreciation of Rs.30,09,738 out of legal and professional fees as the payments were excessive/unreasonable.

5. The Court is of the view that the question whether legal and professional fees could be said to be reasonable would depend on the facts of each case. The ITAT has in its impugned judgment pointed out that the Assessing Officer ('AO') failed to examine what could be the fair market value of said services and was in no position therefore to conclude that the payments were either excessive or unreasonable. The Court finds no legal infirmity in the decision of the ITAT. It accordingly declines to frame a question of law.



6. The second issue projected in ITA No. 553 of 2015 is whether the ITAT was justified in not upholding disallowance of Rs.1 lakh for foreign travel expenditure. The amount involved being insubstantial and further since the finding on the issue is purely factual, the Court declines to frame a question.

7. In ITA No. 554/2015, there are two questions projected by the Revenue. The first concerns the claim of depreciation on goodwill. Considering that the amount involved is Rs.5,48,622 and, therefore, insubstantial the Court is not inclined to frame a question of law in this case. However, the question is left open for determination in an appropriate case.

8. The next question in ITA No. 554/2015 concerns disallowance of Rs.64,821 on account of depreciation on vehicles. Since the amount involved is insubstantial, no question is framed.

9. The appeals are accordingly dismissed.

A handwritten signature in black ink, appearing to be 'S. Muralidhar', written in a cursive style.

**S. MURALIDHAR, J**

A handwritten signature in black ink, appearing to be 'Vibhu Bakhru', written in a cursive style.

**VIBHU BAKHRU, J**

**AUGUST 10, 2015/dn**