Dabwali Transport Co. v. Commissioner of Income Tax, Rohtak and another

ITA 175 and 176/2007

ITA 175/2007 and ITA 176/2007 | 2007-10-15

Labour-expense findings raised no substantial question of law

260A

High Court of Punjab and Haryana | Chandigarh | M.M. Kumar | Ajay Kumar Mittal

Assessment years: 2000-01

01 FACTS OF THE CASE

Dabwali Transport challenged labour-expense additions in two appeals, with the lead facts concerning assessment year 2000–01. Records of recipients were incomplete, persons said to have been paid were not produced, and HAFED enquiries indicated lower loading/unloading rates. The show-cause notice went unanswered.

Source: PDF pp.1–3

02 DISCUSSION BY THE HON'BLE COURT

The Court regarded the quantum of labour expenditure as factual and declined to reappraise the evidence under section 260A. No standard method or legal norm was shown to have been violated, and no error of law or jurisdiction was established in the Tribunal's sustained addition.

Source: PDF pp.1–3

03 JUDICIAL DECISION

Both appeals were dismissed for want of a substantial question of law. The source narrates a Rs.15 lakh sustained labour-charge addition; the proposed questions also mention Rs.3,98,670 payable charges.

Source: PDF pp.1–3

04 OUTCOME / IN WHOSE FAVOUR

The Tribunal's result remained undisturbed. The Court established no universal allowable labour rate or general disallowance percentage.

Source: PDF pp.1–3

05 EXPERT COMMENTS

Record failures supported the factual inference — The absence of complete payment particulars, non-production of recipients, comparative HAFED rates and unanswered notice formed the factual setting. The result should not be reduced to an assumption that high labour expenses alone are disallowable. The appellate court declined to substitute its own factual estimate.

A legal challenge required more than a different preferred estimate — The Court found no demonstrated norm or jurisdictional error that turned the expenditure dispute into a substantial legal question. This explains dismissal on the record before it; it is not a claim that every estimation issue is immune from review regardless of perversity or legal error.

The source's figures are not a reliable standalone reconciliation — The narrative contains Rs.37,79,920 and a shortened Rs.3,79,920, while its intermediate reduction figures do not transparently reconcile with the stated Rs.15 lakh. The separate payable-charge figure appears in the proposed questions. This note preserves the clear dismissal without manufacturing a combined total or a companion assessment year.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

Punjab and Haryana High Court order; verified source copy

Complete source PDF reviewed: 3 physical pages.

All 3 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies. Source contains inconsistent expense/reduction figures; no reconstructed net total asserted. Lead AY2000–01 retained; later year appears in proposed question as payment timing, not independently established companion AY.

STATUTORY SCOPE

Sections and disposition are recorded only to the extent stated in this source order.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

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.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.