

Since ITAT confirmed disallowance since cash payments exceeded threshold limit no question of law arises

Summary – The High Court of Punjab & Haryana in a recent case of Nangal Spun Pipe Co. (P.) Ltd., (the Assessee) held once the ITAT has confirmed disallowance since cash payments exceeded threshold limit no question of law arises

Facts

- During the course of assessment proceedings, the assessee was asked to explain certain cash payments made to a sister concern of the assessee. The assessee submitted that due to mistake of the accountant incorrect details had been filed and filed revised details showing all the payments to be below Rs. 20,000. The Assessing Officer while rejecting the plea of the assessee made addition on account of expenditure under section 40A(3).
- On appeal, the Commissioner (Appeals) and the Tribunal also upheld the addition made by the Assessing Officer.
- On appeal to the High Court:

Held

- The HC held that in the present case the issue for examination is a question of fact and not a question of law. Since the aforesaid findings of fact recorded by the Assessing Officer, the Commissioner (Appeals) and the Tribunal are based on materials on record, the same cannot be held to be perverse which may warrant interference by this Court.
- No question of law, arise in the appeal.