

**IN THE INCOME TAX APPELLATE TRIBUNAL
“C” BENCH : BANGALORE**

**BEFORE SHRI SUNIL KUMAR YADAV, JUDICIAL MEMBER
AND SHRI. INTURI RAMA RAO, ACCOUNTANT MEMBER**

ITA No.420/Bang/2016
Assessment year : 2007-08

M/s. P. C. Properties, No. 64, ‘Sathi Complex’, Mission Road, Bengaluru – 560 027. PAN : AAIFP 2254 K	Vs.	The Assistant Commissioner of Income Tax, Circle-2(2)(1) [Old Circle – 9(1)], Bengaluru.
APPELLANT		RESPONDENT

Assessee by	:	None
Revenue by	:	Dr. P. V. Pradeep Kumar, Addl. CIT

Date of hearing	:	14.03.2018
Date of Pronouncement	:	23.03.2018

ORDER

Per Sunil Kumar Yadav, Judicial Member

This appeal is preferred by the assessee against the order of CIT(A), *inter alia*, on the following grounds:

1. *The order of the LAA is bad in law and not in accordance with the provisions of Income Tax Act, 1961.*
2. *The LAA failed to appreciate the stand taken by the appellant that the LAO had erred in passing a Suo Moto rectification order on debatable issues*

3. *The LAA failed to appreciate that the contentions of the appellant and erred in affirming the LAO's move of adding a sum of Rs.15,96,412/- u/s 40(a)(ia) of the Income Tax Act, 1961, though the expenses were not outstanding as on March 31, 2007*

4. *The LAA erred in not considering the decision laid down by the Hon'ble Allahabad High Court in the case of Vector Shipping Services (P) Ltd (ITA No. 122/2013). The Hon'ble Allahabad High Court stated that 'the provisions of section 40(a)(ia) were applicable only to amount of expenditure which were payable as on 31st March, of every year and it could not be invoked to disallow expenses which had been actually paid during previous year without deduction of TDS'. Further, the LAA erred in not considering that the SLP filed by the Revenue against the decision of Hon'ble Allahabad High Court in the case of Vector Shipping Services (P) Ltd is being dismissed by the Hon'ble Supreme Court of India. Further, the decision of the Hon'ble Allahabad High Court was affirmed by the Hon'ble Bangalore ITAT in the case of DCIT Circle — I, Udupi v. Ananda Marakala [2014] 48 taxmann.com 402.*

Without prejudice to the above, the appellant submits that the dismissal of the SLP filed by the Revenue against the decision of Hon'ble Allahabad High Court in the case of Vector Shipping Services (P) Ltd affirms that the decision laid down by the Hon'ble Allahabad High Court shall be applicable to the appellant.

On the above and such other grounds as may be urged at the time of hearing your appellant prays your Honour to consider the facts and circumstances of the case and render justice.

2. This appeal came up for hearing on 14.03.2018 but none appeared despite valid service of notice of hearing. I therefore had no option but to hear the appeal ex-parte and accordingly revenue was heard.

3. I have carefully examined the order of the CIT(A) in the light of the rival submissions and I find that CIT(A) had adjudicated the issue raised before it in detail and since I do not find any infirmity therein, I confirm his order.

4. In the result, appeal of the assessee is dismissed.

Pronounced in the open court on 23rd March, 2018.

Sd/-

(INTURI RAMA RAO)
Accountant Member

Sd/-

(SUNIL KUMAR YADAV)
Judicial Member

Bangalore.

Dated: 23rd March, 2018.

/NS/*

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| 1. Appellants | 2. Respondent |
| 3. CIT | 4. Guard file |

By order

Sr. Private Secretary,
ITAT, Bangalore.