

**IN THE INCOME TAX APPELLATE TRIBUNAL
"C" BENCH: BENGALURU
BEFORE SHRI N.V. VASUDEVAN, VICE PRESIDENT
AND
SHRI D.S. SUNDER SINGH, ACCOUNTANT MEMBER**

**I.T.A No.1314/Bang/2018
(Assessment Year: 2014-15)**

M/s. Prosim Research and Development Pvt. Ltd.,
#21/B, 9th Main, Mahalakshmpuram,
Shankaranagar,
Bengaluru – 560 096.

Vs. The Income Tax Officer,
Ward-5(1)(3),
Bengaluru.

[PAN: AADCP 1815A]

(अपीलार्थी /Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Assessee by : Shri Narendra Sharma, Advocate
प्रत्यर्थी की ओर से/Respondent by : Smt. R. Premi, JCIT

सुनवाई की तारीख/ Date of hearing : 27.11.2019
घोषणा की तारीख /Date of Pronouncement : 29.11.2019

ORDER

PER D.S. SUNDER SINGH, A.M. :

This appeal filed by the assessee directed against the order of the Commissioner of Income Tax (Appeals)-5, Bengaluru (hereafter referred as "CIT(A)") in ITA No.262/W(1)(3)CIT(A)BNG-5/2016-17 dated 27/02/2018 for the assessment year 2014-15.

2. All the grounds of appeal are related to the addition of Rs. 1,13,59,703/- u/s. 40(a)(ia) of the Income Tax Act, 1961 ("the Act"). The assessee filed return of income declaring at total

income of Rs. 60,68,280/- on 29.11.2014 and the assessment was completed on total income of Rs. 1,74,27,983/- by an order dated 26.12.2016. The Assessing Officer (AO) made the addition of Rs. 1,13,59,703/- for the assessee's failure to deduct tax at source u/s. 195 of the Act. The assessee went on appeal before the ld. CIT(A) and the ld. CIT(A) decided the appeal exparte following the decision of Hon'ble High Court of Delhi in the case of CIT v. Multiplan India Ltd. 38 ITD 320. Against which, the assessee filed appeal before us.

3. We heard the rival submissions and perused the material placed on record. In the instance case, the ld. CIT(A) decided the appeal exparte following the decision of Multiplan India Ltd., supra and the ld. CIT(A) did not consider the merits while disposing the appeal. As per the provisions of the Act, the ld. CIT(A) is bound to pass order on merits even there is no response from the assessee. Therefore, in the interest of justice, we remit the matter back to the file of ld. CIT(A) to afford opportunity to the assessee to decide the appeal on merits. The ld. DR assured that he will co-operate with the ld. CIT(A) and furnish all the information required for disposal of the appeal. Accordingly, the appeal is allowed for statistical purpose.

4. In the result, the appeal filed by the assessee is allowed for statistical purpose.

Order pronounced in the open court on 29th November, 2019.

Sd/-
(N.V. VASUDEVAN)
VICE PRESIDENT
Bengaluru, Dated: 29-11-2019
EDN

Sd/-
(D.S. SUNDER SINGH)
ACCOUNTANT MEMBER

Copy to

1. The appellant
2. The Respondent
3. CIT (A)
4. Pr. CIT
5. DR, ITAT, Bangalore.
6. Guard File

By order

Assistant Registrar
Income-tax Appellate Tribunal
Bangalore