

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

**BEFORE SHRI. LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND SHRI. SOUNDARARAJAN K, JUDICIAL MEMBER**

ITA No.1288/Bang/2025
Assessment Year : 2020-21

Course5 Intelligent Ltd., Unit 104, Ladybird Building C4, 1 st Floor, Brigade Tech Gardens SEZ, Kundalahalli S.O. Bangalore North, Bangalore– 560 037, Karnataka. PAN : AABCC 6525 A	Vs.	PCIT - 2, Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Smt. Suman Lunkar, CA
Revenue by	:	Shri. Balusamy N, JCIT(DR)(ITAT), Bangalore.

Date of hearing	:	12.11.2025
Date of Pronouncement	:	27.11.2025

ORDER

Per Laxmi Prasad Sahu, Accountant Member :

This is an appeal filed by the assessee against the Order passed by the learned PCIT, vide DIN ITBA/REV/F/REV5/2024-25/1075159137(1) dated 28.03.2025.

2. Briefly stated facts of the case are that assessee filed return of income on 12.02.2021 declaring total income of Rs.6,16,32,020/-. The case was selected for scrutiny and statutory notices were issued to the assessee. During the course of assessment proceedings, assessee filed detailed written submissions. After considering the written submissions the AO disallowed Rs.6,59,463/- towards education cess and income was assessed under section 143(3) of the Act at Rs.6,22,91,483/- on 28.09.2022.

3. The learned Pr,CIT exercised his jurisdiction under section 263 of the Act called for the records and found that the Assessment Order passed by the AO dated 28.09.2022 is erroneous and prejudicial to the interest of the Revenue. Accordingly, show cause notice was issued to the assessee and further assessee filed detailed written submissions justifying the observation raised by the learned Pr.CIT and stated that regarding TDS on professional services, the rate was deducted at the current applicable rate and the TDS challan has been paid and quarterly TDS return has also been filed. Further, the expenditure incurred of Rs.6,36,41,216/- towards land / building / furniture / rent, assessee stated that TDS has been deducted at the current applicable rate to the payee and some of the payees furnished lower deduction tax certificate. Therefore, TDS has been deducted as per the rate specified in the LDC (lower Deduction Certificate) issued by the Income Tax Department. Further, on examination of the detailed documents which has been incorporated by the learned Pr.CIT in his Order. The learned Pr.CIT further observed that a sum of Rs.20,74,567/- received from the employees towards PF/ESI contribution which has not been remitted within due date is specified in the respective Act. Therefore as per section 36(1)(va) of the Act, the same should be disallowed. Accordingly, the learned Pr.CIT set aside the Assessment Order passed by the AO dated 28.09.2022 and directed to verify whether the assessee has deducted current rate of TDS on the payments made towards professional fees paid of Rs.8,92,19,079/- and land / building / furniture / rent of Rs.6,36,41,216/- and directed to pass a fresh Assessment Order. Against the Order passed by the learned Pr.CIT dated 28.03.2025 assessee filed appeal before the Tribunal.

4. The learned Counsel reiterated the submissions made before the learned PCIT and submitted that the assessee has deducted TDS at the correct

applicable rate and the same is also reported in Form No.3CD in the tax audit report and she conceded towards disallowance made towards employees contribution and did not argue on this point and she further submitted that learned PCIT has given direction for verification of the TDS deduction at the applicable rate since there is disallowance only for the employees contribution to PF/ES covered by the apex Cort judgementI. Therefore, assessee has no grievance.

5. Learned DR relied on the Order of the learned Pr.CIT and submitted that the Ao has not done enquiry and straight awy allow the expenditure claimed by the assessee.

6. Considering the rival submissions and perusing the entire materials available on record and Orders of authorities below, we noted that issue raised by the learned Pr.CIT is only towards verification of TDS deduction at different rates to the different payees under the professional services and lease rents. The assessee has submitted details during the course of proceedings before the learned Pr.CIT. During the course of hearing, the learned Counsel for the assessee conceded the addition for direction towards disallowance of employees contribution to PF/ESI of Rs.20,74,567/- since, this issue is covered by the judgement of Hon'ble Apex Court as relied on by the ld. Pr.CIT and she agreed for the verification of the TDS as points raised by the ld. Pr.CIT. Accordingly, we uphold the Order of the learned Pr.CIT.

7. We noted from the grounds of appeal No.5 that the assessee has raised issue regarding addition made are eligible for exemption under section 10AA of the Act. Therefore, the Order passed by the AO is not erroneous and prejudicial to the interest of Revenue. This issue was not raised before the ld.

Pr. CIT and it is not emanating from the order of Id. Pr. CIT and assessment order, accordingly we are dismissing this ground.

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

Pronounced in the open court on the date mentioned on the caption page.

Sd/-

(SOUNDARARAJAN K)
Judicial Member

Sd/-

(LAXMI PRASAD SAHU)
Accountant Member

Bangalore.

Dated: 27.11.2025.

/NS/*

Copy to:

1. Appellants
2. Respondent
3. DRP
4. CIT
5. CIT(A)
6. DR,ITAT, Bangalore.
7. Guard file

By order

Assistant Registrar,
ITAT, Bangalore.