

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

**BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER
AND
SHRI PRAKASH CHAND YADAV, JUDICIAL MEMBER**

ITA No.799/Bang/2024
Assessment Year: 2021-22

Autoliv India Private Limited Plot # 31, 32-P, 33-P Hi-Tech Defence and Aerospace Park IT Sector, Jala Industrial Area Bangalore 562 149 PAN NO : AADCA6222E	Vs.	DCIT Circle-1(1)(1) Bangalore
APPELLANT		RESPONDENT

Appellant by	:	Smt. Tanmayee Rajkumar, A.R.
Respondent by	:	Sri M. Harischandra Naik, D.R.

Date of Hearing	:	20.06.2024
Date of Pronouncement	:	20.06.2024

O R D E R

PER CHANDRA POOJARI, ACCOUNTANT MEMBER:

This appeal by assessee is directed against the order of NFAC for the assessment year 2021-22 dated 29.2.2024 passed u/s 250 of the Income Tax Act, 1961 (in short “The Act”). The assessee has raised following grounds of appeal:

<i>Sl.No.</i>	<i>Grounds of Appeal</i>	<i>Tax effect (in INR)</i>
<i>1</i>	<i>The Order/ Directions are bad in law and on facts</i>	
<i>1.1</i>	<i>The order dated 29 February 2024 passed by the Additional/ Joint Commissioner of Income Tax (Appeals) — I ['CIT(A)'] under section 250 of the Income-tax Act, 1961 ['Act'] pursuant to the appeal filed against the Intimation dated 25 October 2022 issued by the Assistant Director of Income-tax, Centralized Processing Center ['ADIT-CPC'] u/s 143(1) of the Act, is bad in law and on facts</i>	
<i>2</i>	<i>Erroneous addition of INR 17,770,943 towards interest paid under the Act</i>	<i>INR 4,472,591</i>

2.1	<i>The CIT(A) grossly erred in upholding the disallowance u/s 37 of the Act towards interest of INR 17,770,943 paid towards delayed payment of taxes, without considering the fact that the same had already been disallowed by the Appellant in the Income Tax Return ['ITR'] and has, therefore resulted in a double disallowance of the same amount.</i>	
2.2	<i>The CIT(A) grossly erred in upholding the disallowance merely by comparing the disclosure made in Clause 21 (a) of Form 3CD vis-à-vis disclosure made in the ITR without taking into consideration the Appellant's reply filed in response to the proposed addition u/s 143(l)(a) of the Act</i>	
3	<i>Short grant of credit of foreign taxes paid outside India</i>	INR
3.1	<i>The CIT(A) grossly erred in upholding the short grant of foreign tax credit of INR 1,866,641 relating to tax suffered by the Appellant in Korea against its income earned from Korea.</i>	
3.2	<i>The CIT(A) grossly erred in holding that foreign tax credit of INR 15,893,989 has been granted in the Intimation whereas the fact is that foreign tax credit of only INR 14,027,348 was granted in the Intimation</i>	
4	<i>Erroneous computation of interest u/s 234A of the Act</i>	INR 843,633
4.1	<i>The CIT(A) erred in confirming interest of INR 989,391 u/s 234A of the Act as against INR 145,758 computed by the Appellant in its ITR filed for AY 2021-22</i>	
5	<i>Erroneous computation of interest u/s 234B of the Act</i>	INR 5,474,629
5.1	<i>The CIT(A) erred in confirming interest of INR 7,623,123 u/s 234B of the Act as against INR 2,148,494 computed by the Appellant in its ITR filed for AY 2021-22</i>	
6	<i>Erroneous computation of interest u/s 234C of the Act</i>	INR
6.1	<i>The CIT(A) erred in confirming interest INR 5,142,643 u/s 234C of the Act as against INR 3,840,382 computed by the Appellant in its ITR filed for AY 2021-22.</i>	
7	<i>Relief</i>	
7.1	<i>The Appellant prays that Order be passed to grant all such relief arising from the above grounds and all relief consequential thereto.</i>	
7.2	<i>The Appellant craves leave to add to or alter, by deletion, substitution or otherwise, any or all of the above grounds of objections, at any time before or during the hearing of the Appeal.</i>	
<i>Total tax effect</i>		INR 13,959,755

2. The first ground for our consideration is with regard to addition of Rs.1,77,70,943/- towards interest paid under the Act. The contention of the Id. A.R. is that this amount has already been

disallowed u/s 40(a)(ii) of the Act and same has been disclosed in the return of income. However, while processing the return u/s 143(1)(a) of the Act, once again ld. AO made addition on this count, which amounts to double additions, which shall be avoided.

3. On the other hand, ld. D.R. submitted that there is a disparity in the information available in 3CD and the ITR, the CPC has made addition and same has been confirmed by the NFAC and same may be confirmed.

4. We have heard the rival submissions and perused the materials available on record. The ld. A.R. before us drew our attention to the computation of income where the assessee has made disallowance of this amount of Rs.1,77,70,943/- being interest paid under the Act towards delayed payment of taxes u/s 37 of the Act. However, according to the ld. D.R. there is a disparity in the information available in 3CD and the ITR. In our opinion, if there is a disparity, the same could have been verified at the end of the lower authorities by calling the information from the assessee, which they failed to do so. Hence, in the interest of justice, we remit this issue to the file of jurisdictional AO to carry out necessary enquiry on this issue and giving opportunity of hearing to the assessee to explain the same and decide thereupon in accordance with law.

5. Next ground in this appeal is with regard to short grant of credit of foreign taxes paid outside India.

6. The ld. A.R. submitted that the foreign tax credit to the tune of Rs.18,66,641/- was not given credit which has been offered to tax in Korea against the assessee's income earned from Korea and prayed that proper credits should be given towards foreign tax payment.

7. The ld. D.R. submitted that the assessee has claimed foreign tax credit of Rs.1,58,93,989/- same has been granted to the assessee while processing the return u/s 143(1) of the Act.

8. We have heard the rival submissions and perused the materials available on record. The contention of the ld. A.R. is that

foreign credit has been given only to the tune of Rs.1,40,27,348/-. Thus, there was a difference of Rs.18,66,641/-. In our opinion, this requires verification at the end of jurisdictional AO. Accordingly, the issue is remitted to the file of jurisdictional AO to carry out necessary enquiry and to grant foreign tax credit in accordance with law. The issue is remitted to the file of jurisdictional AO for fresh consideration after giving an opportunity of hearing to the assessee.

9. Interest u/s 234A of the Act is consequential and to be computed accordingly.

10. In the result, appeal of the assessee is partly allowed for statistical purposes.

Order pronounced in the open court on 20th June, 2024

Sd/-
(Prakash Chand Yadav)
Judicial Member

Sd/-
(Chandra Poojari)
Accountant Member

Bangalore,
Dated 20th June, 2024.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

Asst. Registrar,
ITAT, Bangalore.