

IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH : COCHIN

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER  
AND  
SHRI AMARJIT SINGH, ACCOUNTANT MEMBER

I.T.A.No.296/COCH./2023 (Sl.No.44)  
Assessment Year 2014-2015

M/s. Muthoot Motors, Cochin. PAN AAIFM4822C C/o. K. Venkatachalam Aiyer & Co. 41/3647-B, 1 <sup>st</sup> Floor, Blue Bird Towers, Providence Road, KOCHI. KERALA. PIN – 682 018.	vs.	The DCIT, Corporate Circle-1(1), Muthoot Towers, 5 <sup>th</sup> Floor, M.G. Road, ERNAKULAM PIN – 682 035. KERALA.
(Appellant)		(Respondent)

For Assessee :	Shri Gopalakrishnan Nair, CA
For Revenue :	Smt. V. Swarnalatha, Sr. DR

Date of Hearing :	21.08.2024
Date of Pronouncement :	25.09.2024

**ORDER**

**PER SATBEER SINGH GODARA, J.M. :**

This assessee's appeal, for assessment year 2014-2015, arise against the CIT(A)-National Faceless Appeal Centre [in short the "NFAC"] Delhi's Din and Order No. ITBA/NFAC/S/250/2022-23/1050229200(1), dated 28.02.2023, in proceedings u/s. 143(3) of the Income Tax Act, 1961 (in short "the Act").

Heard both the parties. Case file perused.

2. The assessee through its substantive grounds raised in the instant appeal seek to reverse both the learned lower authorities action *inter alia* making sec.14A read with Rule 8D disallowance of proportionate interest expenditure amounting to Rs.39,079/-; PF & ESI to the tune of Rs.9,19,407/- and Rs.3,61,111/- and interest expenditure disallowance and Rs.15,54,947/-; respectively.

3. Both the parties reiterated their respective stands against and in support of the foregoing three heads. Learned counsel *inter alia* submits that so far as sec.14A read with Rule 8D proportionate interest expenditure and 36(1)(iii) disallowance of business interest expenditure(s) are concerned; the assessee was having huge non-interest bearing funds and therefore, the only presumption which arises in such an instance is that of utilization of such non-interest bearing funds only for making investments in both exempt income yielding investments as well as to non-business purposes; as the case may be. He further submits regarding foregoing issue of sec.36(1)(viiia) PF & ESI although hon'ble apex court's landmark decision in Checkmate Services P. Ltd. & Ors. VS. CIT & Ors. (2022) 448 ITR 518 (SC), has settled the issue in department's favour in principle, the

learned lower authorities have not taken into consideration the clinching fact that the same had been credited/paid within the due date only as per the corresponding statute(s). Faced with this situation, we deem it appropriate in the larger interest of justice to restore the assessee's instant substantive grounds back to the learned Assessing Officer for his afresh factual verification and adjudication, preferably within three effective opportunities of hearing, subject to the rider that it shall be the taxpayer's onus and responsibility only to file and prove all the relevant facts in consequential proceedings. Ordered accordingly..

4. This assessee's appeal is allowed for statistical purposes in above terms.

Order pronounced in the open Court on 25.09.2024.

Sd/-  
[AMARJIT SINGH]  
ACCOUNTANT MEMBER

Sd/-  
[SATBEER SINGH GODARA]  
JUDICIAL MEMBER

Cochin, Dated 25<sup>th</sup> September, 2024

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	The CIT(A) concerned.
4.	The CIT concerned
5.	The D.R. ITAT, Cochin Bench, Cochin.
6.	Guard File.

//By Order//

//True copy//

Sr. Private Secretary, ITAT, Cochin Bench,  
Cochin