

**IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH, COCHIN**

Before Shri Satbeer Singh Godara, Judicial Member and  
Shri Amarjit Singh, Judicial Member

**ITA Nos. 609 & 610/Coch/2023**  
(Assessment Years: 2008-09 & 2013-14)

Muthoot Bankers Punnen Road Trivandrum 695034 [PAN: AAEFM0671P]	vs.	ACIT, Circle 1(2) Trivandrum
(Appellant)		(Respondent)

Appellant by:	Shri Sreenivasan, CA
Respondent by:	Smt. V. Swarnalatha, Sr. D.R.

Date of Hearing:	19.08.2024
Date of Pronouncement:	23.10.2024

**ORDER**

Per Bench

These assessee's twin appeals arise against orders of the National Faceless Appeal Centre , Delhi [CIT(A)] in proceedings u/s. 250 of the Income Tax Act, 1961 (the Act) as under : -

Sr. No.	ITA No.	AY	DIN & Order No.	Date
1	609/Coch/2023	2008-09	ITBA/NFAC/S/250/2023-24/1054690829(1)	28.07.2023
2	610/Coch/2022	2013-14	ITBA/NFAC/S/250/2023-24/1054691683(1)	28.07.2023

Heard both the parties at length. Case files perused.

2. It emerges at the outset that the assessee's identical sole substantive question which invites our apt adjudication in both these cases is that of section 14A r.w. rule 8D disallowance(s) amounting to Rs.88,68,993/- and Rs. 96,41,136/-; assessment year-wise; respectively, made in both the lower proceedings. There is hardly any dispute between the parties that this is the second round of proceedings in the tribunal, as the earlier learned coordinate bench had directed the Assessing Officer to re-compute the impugned disallowance(s) going by the assessee's corresponding cash flow statement. We note in this factual backdrop that although we are not supposed to comment anything regarding the first round directions, at the same time, it is indeed our bounden duty to at least reiterate the settled law that in section 14A r.w.r. 8D disallowance computation issues, it is not the cash flow statement but assessee's fund position regarding non interest vis-à-vis interest bearing ones, which ought to be considered as held in *HDFC Bank Ltd., vs. DCIT [2016] 67 taxmann.com 42 (Bom.)*. Their lordships' have settled the law that the presumption which arises in such a factual backdrop is that of utilisation of non interest bearing funds only for the purpose of deriving exempt income which is not taxable under the provisions of the Act.

3. Faced with this situation, and in light of the fact that the learned lower authorities have not examined the assessee's evidence(s) filed in the instant second round, we consider it appropriate to remand these twin appeals once more back to the Assessing Officer for his afresh appropriate adjudication. It goes without saying that so far as section 14A r.w.r. 8D(2) is concerned the same is to be confined only to the extent of assessee's investments made over and above the non interest bearing funds in the relevant previous year for the purpose of earning the exempt income.

4. Coming to the last head of “administrative” expenditure disclosure under section 14A r.w.r. 8D(2)(iii), we wish to make it clear that the learned Assessing Officer’s consequential computation only consider the dividend income yielding investments. Ordered accordingly
5. No other ground or argument has been pressed before us.
6. These assessee’s twin appeals ITA.Nos.609 & 610/Coch/2023 are allowed for statistical purposes in above terms. A copy of this common order be placed in the respective case files.

Order pronounced in the open court on 23<sup>rd</sup> October, 2024.

Sd/-  
(Amarjit Singh)  
Accountant Member

Sd/-  
(Satbeer Singh Godara)  
Judicial Member

Cochin, Dated: 23<sup>rd</sup> October, 2024

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar  
ITAT, Cochin