IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "E", MUMBAI

BEFORESHRI ANIKESH BANERJEE, JUDICIAL MEMBER AND
SHRI PRABHASH SHANKAR, ACCOUNTANT MEMBER

I.T.A No.2842/Mum/2025
(Assessment Year: 2017-18)

HDFC ERGO General Insurance Company Limited. 6th Floor, Leela Business Park Andheri Kurla Road, Andheri J.B. Nagar S.O. Mumbai-400059 **PAN : AABCL5045N**	**vs**	**DCIT, Central Circle-6(2), Mumbai** R. No.450, 4th Floor, KautilyaBhavan, BKC, Bandra(E), Mumbai-400051
APPELLANT		**RESPONDENT**

I.T.A No.3282/Mum/2025
(Assessment Year: 2017-18)

DCIT, Central Circle 6(2), Mumbai R. No.450, 4th Floor, KautilyaBhavan, BKC, Bandra(E), Mumbai-400051	**vs**	**HDFC ERGO General Insurance Company Limited** 6th Floor, Leela Business Park Andheri Kurla Road, Andheri J.B. Nagar S.O. Mumbai-400059 **PAN : AABCL5045N**
APPELLANT		**RESPONDENT**

Assessee by	:	ShriAbdulla Pettiwala
Revenue by	:	Shri RiteshMisra(CIT DR)a/w Shri Hemanshu Joshi, (SR DR)

Date of hearing : 12/01/2026
Date of pronouncement : 20/01/2026

O R D E R

Per Bench:

The instant appeal and cross appeal filed by the assessee and the revenue against the order of the Ld. Commissioner of Income-tax (Appeals)-54, Mumbai [for brevity, 'Ld.CIT(A)'] order passed under section 250 of the Income-tax Act, 1961 (for brevity, 'the Act) for the Assessment Year 2017-18, date of order 28/02/2025. The impugned order emanated from the order of the Learned Deputy Commissioner of Income Tax Circle 1(1)(2), Mumbai(for brevity, 'the Ld.AO') order passed u/s143(3)of the Act, date of order 30/12/2019.

2. The assessee has taken following grounds:

"*1. The Order of the Commissioner of Income Tax (Appeals) -54, Mumbai (hereinafter referred to "the CIT(A)"] dated 28-Feb-25 passed under section 250 of the Income Tax Act, 1961 (hereinafter referred to as "the Act") is bad in law since the same was passed based on the submissions made by the appellant for appeal preferred for Assessment Year 2014-15 ("AY 14-15") without providing the appellant sufficient opportunity, thereby violating principles of natural justice.*

2. The CIT(A) erred in confirming disallowance made in order under section 143(3) of the Act ("the order") passed by the Deputy Commissioner of Income Tax-1(1)(2) Mumbai, (hereinafter referred to as the "AO") amounting to Rs.34,80,23,328 under Section 37(1) of the Income tax Act, 1961 ('the Act") read with Explanation 1 thereto, being expenditure incurred for providing various administrative services / fulfilment services on the ground that it was illegal higher insurance commission paid in contravention of the provisions of section 40(1) of the Insurance Act, 1938.

3. The CIT(A) erred in confirming disallowance of Rs.34,80,23,328 under Section 37(1) of the Act read with Explanation 1 thereto, being expenditure incurred for providing various administrative

services / fulfilment services on the ground that it was paid in contravention of the provisions of Guidelines on Outsourcing of Activities by Insurance Companies dated 01-Feb-11 issued by the Insurance Regulatory and Development Authority of India ("IRDAI") without any discussion in the order in this regard.

4. The CIT (A) erred in confirming the disallowance made by AO under section 40(a)(i) of the Act amounting to Rs.99,10,219, being reinsurance commission paid by Appellant to non-resident reinsurers notwithstanding that the said payments were not liable for tax deduction at source.

5. The CIT (A) erred in confirming the disallowance made by AO under section 40(a)(ia) of the Act amounting to Rs.1,61,71,012 being 30% of the amount paid by Appellant to resident reinsurers, having failed to appreciate that, the nature of the payments made was on a principal basis and not in the nature of brokerage or commission referred to in section 194H and therefore the said payments were not liable for tax deduction at source under section 194H of the Act and also ignoring that the matter is covered by judicial precedents in favour of the appellant.

6. The CIT(A) erred in not directing the AO to grant refund of Rs.3,78,31,605 being excess Dividend Distribution Tax ('DDT') paid by the Appellant being the difference between the rate of 20.35765 percent under section 115-0 of the Act on the dividends declaredand paid by the Appellant to its foreign promoter shareholder ERGO International AG, a tax resident of Germany, and the rate of 10% being the rate under Article 10 of the India-Germany Double Taxation Avoidance Agreement (DTAA).

7. The CIT(A) erred in not directing the AO to grant interest under section 244A of the Act amounting to Rs. 1,83,48,328 on the refund referred to in ground no. (6) above due to the Appellant.

8. The CIT(A) erred in not directing the AO to allow the claim of Rs.76,27,772 (towards provision for gratuity and leave encashment) under section 43B of the Act (which was added back in the computation of income), in the event the deduction claimed in the successor company (on account of reversal thereof) is not allowed in the assessment of that Company."

3. The revenue has taken following grounds:

"*i. "Whether on the facts and circumstances of the case and in law, the Ld. CIT(A) erred in deleting the addition made by the AO u/s 14A of the Act without appreciating the fact that if*

section 14A is not applicable to insurance companies by virtue of falling u/s. 44 of Income Tax Act, then, it cannot take selective benefit of section 10 also?"
ii. "Whether on the facts and circumstances of the case and in law, the Ld. CIT(A) erred in deleting the addition made by the AO u/s 14A of the Act without appreciating the fact that the arrangement given in section 44 is only applicable on insurance company being a non-obstate clause and has an over-riding effect on other sections and the assessee cannot take the benefit of section 10 as well as section 44; and if the assessee takes benefit of section 10 then provisions of section 14A is also applicable in the case of assessee?"
iii. "Whether on the facts and circumstances of the case and in law, the Ld. CIT(A) erred in deleting the addition."

4. The revenue has filed the appeal with delay for 8days. The Ld. AR had not made any objection related to delay of revenue. We condone the marginal delay of revenue for 8days. The appeal is taken for adjudication.

5. Both the appeals have emanated from the single appellate order. Both the appeals are taken together, heard together and disposed by a common order. The appeals of the assessee and revenue are adjudicated separately by a common order.

6. Brief facts of the case are that the assessee is a resident of corporate entity engaged in the business of providing general insurance. The assessee offers general insurance in the sector of motor, health, travel, home and personal accident in the retail space and customized products like property. During the impugned assessment year the Ld. AO had observed as per material available in the record. The Director General of Central Excise Intelligence, Chennai Zone (DGCEI) had carried out investigation in respect of certain dealers of motor vehicles, their intermediaries and their head office. In course of such investigation

it is found that the insurance company has making payouts on account of commission to various dealers of motor vehicles through intermediaries/aggregators. As per the report of DGCEI the motor dealers have been licensed as agent brokers/intermediaries of the insurance company, they are not entitled to receive any commission directly from insurance company. Therefore, the format of the invoices to be raised and the amount to be raised by the motor dealers are given by assessee to the motor vehicle dealers through intermediaries for which the intermediaries charged for 3.5% of the amount towards commission payable to motor vehicle dealers. The Ld. AO rejected the assessee's claim of deduction under section 37(1) which comes amount to Rs.34,80,23,328/- and added back with the total income. Further the Ld. AO rejected the assessee's expenses related to reinsurance commission paid to the non-resident and resident insurers amount to Rs.99,12,019/- and Rs.1,61,71,012/- respectfully. The assessee has not deducted TDS on nonresident insurers for reinsurance. So, disallowance was made U/s 40(a)(i) of the Act amount to Rs. 99,12,019/- related to non-resident insurers. For resident insurers the Ld. AO confirmed disallowance U/s 40(a)(ia) of the Act @30% of the amount paid by the assessee to resident insurers amount to Rs. 5,39,03,374/- which comes to Rs. 1,61,71,012/- was duly added with the total income of the assessee. Further the disallowance was made U/s 14A of the Act amount to Rs. 8,40,54,097/- & was added back with total income of the assessee. Being aggrieved the assessee filed an appeal before the Ld. CIT(A). The Ld. CIT(A) deleted the addition under section 14A of the Act. But related to in other issue upheld the observations of the Ld. AO. Being aggrieved the assessee and revenue filed an appeal before us.

ITA No.2842/Mum/2025 (assessee's appeal)

1.**Ground No.1**is general in nature

2. **Ground No.2 and 3**. The assessee claimed the expenses on commission paid to the aggregators or facilitator under section 37(1) of the Act. Before the Ld. AO the assessee submitted the explanation related to the claim of expenses U/s 37(1) of the Act which is duly reproduced in **page 2 and 3** of the assessment order. The contention of the assessee is annexed as below:

"1. During the year under consideration, the assessee has appointed Ashar Mehta & Associates ("AMA") and other as "Aggregators" of various service providers to provide various administrative services/ fulfilment services such as verification of customer, verification of asset, KYC document collection, discrepancy curing, tele verification, welcome calling services, payment pick-up from customers etc. The said services are in turn outsourced by the Aggregators to Dealers of MotorVehicles and other parties. The Aggregators have entered into an MOU with the dealers wherein it was agreed that the services to be provided to the Company by AMA will be provided by the dealers. Further, in addition to being an aggregator, AMA, and others provide services like enrollments of service providers, contract management, KYC document collection, payment processing to such service providers, TDS payments, and queries of payments for these service providers.

To ensure that the amount payable to such service providers is determined accurately, the same is confirmed by the assessee and details of the same are sent to the service provider. The service providers accordingly raise their invoices on AMA and others in its capacity as service aggregator.

Services of the Aggregators have been availed by the Company and accordingly payment for said services was made by the Company to the Aggregators.

The Aggregators in turn have availed services of the service providers' i.e. motor dealers and other parties. The Aggregators disburse the payments to service providers for providing aforesaid services to them after withholding applicable taxes.
Accordingly during the period ended 31 December 2016 the Comp Accordingly, during the during the period ended 31 December 2016, the Company paid/accrued Rs. 34,80,23,328 to

AMA and others for providing aforementioned services from which tax was deducted at source and deposited with the government treasury.
Further, tax has been deducted at source on payments made to AMA and others per the rate mentioned in the lower withholding tax certificate under Section 197 provided by the AMA and others.
Details of payments made to motor car dealers during the period 1 April 2016 to 31 December 2016 are enclosed.

2. In the past, assessment / reassessment proceedings were initiated based on the show cause Notice issued by the Additional Director General under the service tax law. Vide letter dated 15 March 2016 the Directorate of Income Tax (Investigation), Chennai forwarded the report of Directorate General of Central Excise Intelligence (DGCEI), Chennai Zonal Unit stating that the intermediaries i.e. AMA & TFSL have not rendered the services agreed upon in the agreement whereas the CENVAT credit on the same has been availed. The show cause focuses on the availment of service tax input credit in absence of any services being rendered."

7. The Ld. AR contended that the same fact is already dealt by the Coordinate Bench of ITAT, Mumbai in the case of in assessee's own case bearing **ITA No.2836 to 2841/Mum/2025** date of pronouncement **30.07.2025** wherein the relevant observations of Coordinate bench is reproduced as below:

"19. Thus, it could be seen from the above observations, while deciding identical nature of dispute, the CESTAT has discarded all the allegations of the Central Excise Authorities and reversed their decision declining CENVAT credit to the Insurance Companies. Notably, though, the decision of the CESTAT were furnished before learned First Appellate Authority by the assessee, however, instead of taking note of the decisions of higher appellate authorities, learned CIT(A) has thought it appropriate to rely upon the report of DGCEI and the order of Central Excise Department, which virtually have become inconsequential as a result of the decisions rendered by the CESTAT in identical nature of dispute. Therefore, in our view, the disallowance of deduction claimed by the assessee purely based on the report of the Central Excise Authorities is unsustainable.

20 Having held so, it is now necessary to advert to the issue as to whether, the payment can at all be disallowed by invoking Explanation-1 to Section 37(1) of the Act. On a reading of Explanation-1 to Section 37(1) of the Act it becomes clear that any expenditure incurred by assessee for any purpose, which is an offence or is prohibited by law shall not be regarded as

expenditure incurred for the purpose of business, hence, no deduction can be allowed. So the exceptions are, the expenditure incurred must not be for any purpose whichis an offence, secondly which is prohibited by law. As far as the first limb of Explanation-I is concerned, it cannot be said that the expenditure incurred by the assessee is in the nature of an offence. At least there is nothing on record to suggest that any prosecution has been launched against the assessee to try any offence committed under the Insurance Act or the assessee has been held guilty for committing any offence. Second limb of the explanation is for expenditure prohibited by law. The relevant law in the present case is the Insurance Act. The AO has alleged that the assessee has violated the provision of Sections 40(1) and 40(2A) of the Insurance Act and IRDAI guidelines. In this context, the allegation of the Departmental Authorities is the assessee has paid commission in excess of what is authorized under the Insurance Act. Per contra, assessee has claimed that it has paid agency commission for motor insurance purely in accordance with the provisions of Insurance Act, which is 10% of the premium value. It is the case of the assessee that the alleged excess payment made is not insurance commission but payment made towards services rendered in relation to non-core activities such as policy servicing and related activities.

21. Though, the Departmental Authorities have not accepted the aforesaid claim of the assessee, however, there is no material on record to demonstrate that any action has been taken by the competent authorities under the Insurance Act. As per our understanding. Sections 102, 103, 104, 105, 105A and 105B contain provisions to impose penalty for default in complying with or acting in contravention of any provisions of the Act. Whereas, Section 105A deals with offences by company and awarding of punishment in case a company is found to be guilty of any offence. No material has been brought on record by the Department to demonstrate that the competent authority under the Insurance Act or the IRDAI has taken any punitive or penal action against the assessee for violation or contravention of any of the provisions of Insurance Act, as alleged by the AO. Thus, whenthe assessee has not been declared to be guilty of any offence nor there is any penal action initiated against the assessee for violation of the provisions of the Insurance Act or IRDAI guidelines, in our humble opinion, the exceptions provided under Explanation-I to Section 37(1) of the Act would not apply. In this context, we respectfully agree with the observations made by the coordinate Bench in case of Milestone Real Estate Fund (Supra). Pertinently, in case of M/s Cholamandalam MS General Insurance Co. Ltd. [2025] 174 taxmann.com 603 (Mad.), identical issue of disallowance of payment made to motor vehicle dealers u/s. 37(1) of the Act came up for consideration. While deciding the issue, the Hon'ble Court upheld the decision of the Tribunal restoring the issue to the AO to decide afresh. Keeping in view the order of CESTAT in case of the same party. The decision taken by the Tribunal to restore the issue was for the fact that the CESTAT decision was not available before the Departmental Authorities. However, in the facts of the present appeal,

the material on record do establish that the orders of CESTAT, though, were furnished before learned First Appellate Authority, however, they were completely ignored. Therefore, we do not intend to remit the issue to the Departmental Authorities. Thus, on overall consideration of facts and materials on record, we are inclined to accept assessee's claim and hold that the payment made is allowable as deduction u/s. 37(1) of the Act. In view of our decision on merits as above, other grounds raised by the assessee have become infructuous hence, dismissed."

8. The Ld. DR argued and stands in favor of the order of the revenue authorities.

9. We have heard the rival submissions and carefully perused the material available on record. The Ld. AO disallowed the assessee's claim of deduction under section 37(1) of the Act amounting to Rs.38,40,23,228/-, being commission paid to facilitators, particularly Ashar Mehta and Associates (AMA) and other entities acting as aggregators of various service providers. We note that the very same issue has already been examined and adjudicated by the Coordinate Bench of the ITAT, Mumbai, in the **assessee's own case** (supra). The Ld. DR was unable to place on record any contrary judicial precedent to rebut the findings of the Coordinate Bench rendered in the assessee's case. Respectfully following the principles of judicial discipline and consistency, we are inclined to follow the decision of the Coordinate Bench.

Accordingly, **Ground Nos. 2 and 3** raised by the assessee stand allowed.

10. **Ground No.4 to 5**. The issue is related to the non-deduction of TDS on payment of reinsurance commission to nonresident & resident insurers. The assessee has not deducted the TDS related payment of reinsurance commission to non-resident amounting to Rs.99,10,219/-. The expenses is disallowed as per

provision of section 40(a)(i) of the Act. Same nature of payment was made by the assessee for resident reinsurer amount to Rs. 5,39,03,374/-. Disallowance was made @30% of the expenses amount to Rs. 5,39,03,374/- which comes to Rs.1,61,71,012/- U/s 40(a)(ia) of the Act. The revenue has taken view that the assessee has contravening the provision of section 40(a)(i) & 40(a)(ia) of the Act for non deduction of TDS on payment of commission to the reinsurers. The Ld. AR argued that the same issue has already been examined and adjudicated by the Coordinate Bench of the ITAT, Mumbai, in assessee's own case bearing **ITA No. 5455/Mum/2017** for assessment year **2005-06** date of pronouncement **05.12.2018**. Where in the relevant observation of the Bench is reproduced as below:

"3.4. I have considered the facts and circumstances of the case, submissions and arguments of the appellant and the assessment order.

The AO has disallowed a sum of Rs.1,03,12,055/- under reinsurance commission for non-deduction of TDS u/s 40(a)(ia) whereas the AR of the appellant argues that the amount paid to various insurance companies are not in the form of commission but is only administration charges paid to them to administer the insurance. The AR is relying on the Central Board of Excise and Customs notification number F. No.332/29/2009-TRU dated 16/04/2010, which is as under.-

> *4. The issue has been examined. As explained in para 2 above, the arrangement between the insurance company and the reinsurance is only sharing of expenses and there is no services provided by the insurance company to the re-insurer for a consideration. Since the policyholder may not even be aware of the operations of the reinsurer, it cannot be said that the payment made by the re-insurer to the insurance companies for its business promotions or a service on behalf of the re-insurance company (ie. Business Auxiliary Service). In fact, it is the reinsurer which provides insurance service to the insurance company. As both the insurance company and reinsurer pay service tax on the entire amount of premium charged by them, the question of charging service tax under any other taxable service does not arise."*

Further the AR is also relying on the jurisdictional Hon'ble ITAT decision in the case of Tata AIG General Insurance Co. Ltd. vs ITO (OSD) 3(2) wherein reliance was placed on the decision of General Insurance Corporation of India v ACIT [2009] 29 SOT 453 (Mum) for holding that no tax is required to be deducted at source on the commission paid on reinsurance ceded under section 194D of the act since the ceding insurance companies have not provided any service of soliciting or procuring insurance business for the assessee company and that the assessee company has provided insurance to the insurance companies.

So in the light of the above discussion, the disallowance made of Rs. 1,03, 12,055/-under reinsurance commission disallowed u/s 40(a)(ia) may not be justifiable one by the 40/50 respectfully following the jurisdictional Hon'ble ITAT decision cited above Le. Tata AIG General Insurance Company Ltd Vs ITO (OSD) 3(2), I am of the opinion that it is not liable deducting TDS. Therefore, I direct the AO to delete the above addition."

11. The Ld. DR argued and stands in favor of the order of revenue authorities.

12. We heard the rival submission and considered the documents available in the record. We find that the said issue is squarely covered by the order of Hon'ble Bombay High Court in case of **DCIT vs. TATA AIG General Insurance Company Ltd. (2019) 111 taxmann.com 92(Bom)** date of order **19/08/2019**,where no tax is deductable U/s 194D in respect of payment of reinsurance commission. The same view was taken by the Coordinate Bench of ITAT in **assessee's own case** (supra). The Ld. DR was unable to place on record any contrary judicial precedent to rebut the findings of the Coordinate Bench rendered in the assessee's case. Respectfully following the principles of judicial discipline and consistency, we are inclined to follow the decision of the Hon'ble Jurisdictional High Court &Coordinate Bench. The disallowances U/s 40(a)(i) & 40(a)(ia) of the Act are quashed.

So the **Ground No.4 and 5** of the assessee's appeal stands allowed.

13. **Ground No.6**. The assessee contended that it had claimed a refund of Rs.3,78,31,605/-, being the excess Dividend Distribution Tax (DDT) paid under section 115-O of the Act. The assessee had declared dividends in favour of a non-resident shareholder resident in Germany, and the applicable tax rate, as per the India–Germany DTAA, was 10%.The Tribunal, in the assessee's own case, had already observed that the claim for refund of excess DDT does not arise out of the assessment order and, therefore, cannot be adjudicated in an appeal against the assessment order. It was further noted that such a claim is required to be pursued through a separate appeal.In compliance thereof, the assessee has already filed a separate appeal before the Tribunal in respect of the said refund claim. Accordingly, the present ground does not survive for adjudication in this appeal and has become infructuous. The Ld. DR accepted the contention of the Ld. AR.
Consequently, **Ground No. 6** raised by the assessee is dismissed as infructuous.

14. **Ground No. 7** relates to the levy of interest under section 244A of the Act in connection with the refund pertaining to DDT. The levy of such interest is purely consequential and dependent upon the final outcome of the proceedings relating to the DDT refund.
Accordingly, **Ground No. 7** raised by the assessee is dismissed as consequential in nature.

15. **Ground no.8** is related to the additional ground taken before the Ld. CIT(A) towards the provision for gratuity or leave encashment under section 43B of the Act which was added back in the computation of income. In the event of the deduction claimed in the successor company on account of reversal thereof which is not allowed in the assessment of the company was the amount of

gratuity amount to Rs.36,43,557/- and amount of leave encashment Rs.39,84,219/-. The issue was not adjudicated by the Ld. CIT(A) which was raised by the assessee through additional ground. Accordingly, with the consent of both the parties we restore the alleged ground to the file of the Ld. CIT(A) and direct pass a speaking order by adjudicating this ground. Needless to say the assessee should get a reasonable opportunity of hearing in set aside the proceeding.

In the result the assessee's appeal **Ground No.8** is allowed for statistical purpose.

ITA No.3282/Mum/2025 (revenue's appeal)

16. The present appeal filed by the revenue is confined to the deletion of the disallowance made under section 14A read with Rule 8D of the Income-tax Rules, 1962, by the Ld. CIT(A).The Ld. AR relied upon and supported the findings recorded by the Ld. CIT(A). It was submitted that the Ld. CIT(A) had examined the issue in detail and adjudicated the same in favour of the assessee. The relevant portion of the findings and observations of the Ld. CIT(A), as relied upon, is reproduced hereunder:

"7.3.1 The facts of the case of the appellant are that during the year the appellant earned the exempt interest income and dividend of Rs.10,32,52,169/-. The AO invoked of provisions of section 14A and made disallowance of Rs. 1,13,93,635/- as per Rule 8D.

7.3.2 During the appellate proceedings, the appellant submitted that the appellant is an insurance business and the income is to be computed u/s.44 of the IT Act and First Schedule of the Income Tax Act. The appellant also submitted that provisions of section 14A are notapplicable to the assessee engaged in the insurance business. To support the argument, the appellant relied upon various decisions in the case of Bajaj Allianz General Insurance Co. Ltd. v. ACIT (2010) 130 TTJ 398 (Pune Tribunal), JCIT v. Reliance General Insurance Co. [2010] (ITA No.3083, 2950, 2951, 3084, 3085 and 3026/M/2008) (Mumbai Tribunal), ICICI Prudential Life

Insurance vs ACIT (2012) (ITA No. 6854, 6855, 6856 and 6059/Mum/2010), Kotak Mahindra Old Mutual Life Insurance Company v. ACIT (ITA 2901/Mum/2010) (Mum Tribunal) and Birla Sunlife Insurance Co. Ltd vs. Addl. CIT (ITA 2253/M/2006) (Mum Tribunal).

7.3.3 It is now settled that in the case of insurance business, the income of the assessee engaged in insurance business is to be computed as per provisions of section 44 read with First Schedule of the IT Act. Therefore, the provisions of section 14A are not applicable in the case of the assessee engaged in the business of providing insurance. The decisions relied upon by the appellant has been perused. In all the decisions, it has been held that the provisions of section 14A are not applicable to the insurance business. Thus, respectfully following the decisions relied upon by the appellant as above, the disallowance of Rs. 1,13,93,635/- made by the AO u/s. 14A is deleted."

17. The Ld. DR argued and stands in favour of the order of the Ld. AO.

18. We have heard the rival submissions and perused the material available on record. We find that the Ld. CIT(A) has examined the issue in detail and, after considering the settled legal position, has rightly held that in the case of an assessee engaged in the insurance business, income is required to be computed in accordance with the provisions of section 44 read with the First Schedule to the Act. Consequently, the provisions of section 14A of the Act are not applicable. The Ld. CIT(A) has followed a series of consistent decisions of the Coordinate Benches of the Tribunal holding that disallowance under section 14A cannot be made in the case of insurance companies. The revenue has not brought on record any contrary decision or material to controvert the findings of the Ld. CIT(A).In view of the above, we find no infirmity in the order of the Ld. CIT(A) in deleting the disallowance made under section 14A read with Rule 8D of the Rules. Accordingly, the **Ground (i) to (iii)** of revenue's appeal are dismissed.

19. In the result, appeal filed by the assesse bearing **ITA No.2842/Mum/2025** is partly allowed for statistical purpose and the appeal of the revenue bearing **ITA No.3282/Mum/2025** is dismissed.

Order pronounced in the open court on 20th day of January, 2026.

Sd/-	Sd/-
(PRABHASH SHANKAR)	(ANIKESH BANERJEE)
ACCOUNTANT MEMBER	JUDICIAL MEMBER

Mumbai,दिनांक/Dated: 20/01/2026
Saumya

Copy of the Order forwarded to:

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. आयकरआयुक्त CIT
4. विभागीयप्रतिनिधि, आय.अपी.अधि., मुंबई/DR, ITAT, Mumbai
5. गार्डफाइल/Guard file.

BY ORDER,

//True Copy//

(Asstt. Registrar), **ITAT, MUMBAI**