

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'E': NEW DELHI  
(Through Video Conferencing)**

**BEFORE,  
SHRI N.K. BILLAIYA, ACCOUNTANT MEMBER  
AND  
SHRI SUDHANSHU SRIVASTAVA, JUDICIAL MEMBER**

**ITA No.7315/Del/2017  
(ASSESSMENT YEAR 2013-14)**

M/s. Maruti Insurance Distribution Services Ltd. [through its successor-in- interest M/s. Maruti Suzuki India Limited] Plot No.1, Nelson Mandela Road, Vasant Kunj, New Delhi-110 070. PAN -AADCM 3497P <b>(Appellant)</b>	Vs.	Dy. CIT, Circle-16(1), New Delhi. <b>(Respondent)</b>
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Appellant By	<b>Sh. Rohit Jain, Adv. Ms. Soniya Jain, CA.</b>
Respondent by	<b>Ms. Rakhi Vimal, Sr. DR</b>
Date of Hearing	<b>04.01.2021</b>
Date of Pronouncement	<b>04.01.2021</b>

**ORDER**

**PER SUDHANSHU SRIVASTAVA, JM:**

This appeal is preferred by the assessee against order dated 22.09.2016 passed by the Learned Commissioner of Income Tax (Appeals)-37, New Delhi {CIT(A)} for Assessment Year 2013-14.

The only issue under challenge is the upholding of the disallowance of Rs.8,28,036/- u/s 14A of the Income tax Act, 1961 (hereinafter called 'the Act').

2.0 The brief facts of the case are that the assessee company is a 100% owned subsidiary company of M/s Maruti Suzuki India Limited (formerly known as Maruti Udyog Limited). It has tied up with New India Assurance Company Ltd. as its Licensed Corporate Insurance Agent for vehicle insurance. The return for the year under consideration was filed declaring a loss of Rs.11,20,235/- and as per the provisions of section 115JB of the Act, the book profit was calculated at Rs.1,34,53,447/-. The case was selected for scrutiny and the assessment was completed at a loss of Rs.2,92,199/- after making a disallowance of Rs.8,28,036/- in terms of Rule-8D of the Income tax Rules, 1962 r.w.s 14A of the Act.

3.0 The assessee's appeal before the Ld. CIT(A) was dismissed and now the assessee is before this Tribunal challenging the upholding of the impugned disallowance.

4.0 The Ld. Authorized Representative (AR) submitted that the Assessing Officer had made the impugned disallowance in terms of provision of Rule 8D(2) (iii), which was incorrect because there was no opening and closing balance of investments in the assessee's books on the first day and the last day of the year under consideration. It was submitted that if the average value of assets was nil, the disallowance would also be nil. It was also submitted that the Assessing Officer has made an incorrect assertion in the assessment order that the assessee had made a *suo motu* disallowance of Rs.67,853/- (being the dividend earned during the income) in terms of section 14A of the Act. In the alternative, the Ld. Authorized Representative pleaded that the disallowance may be restricted to the dividend earned during the year i.e., Rs.67, 853/-.

5.0 Per contra, the Ld. Sr. Departmental Representative (DR) submitted that the disallowance had been correctly calculated. She placed reliance on the orders of both the Lower Authorities.

6.0 Having heard the rival submissions and after having gone through the records, we note that the Assessing Officer has

mentioned specifically in para 3.3 of the assessment order that the assessee has *suo motu* disallowed an amount of Rs.67,853/- as disallowance u/s 14A of the Act. Although, the Ld. Authorized Representative has argued that no such *suo motu* disallowance was made by the assessee in its computation of income, for want of evidences we cannot look into the issue at this juncture. Considering the smallness of the amount and also the alternate plea of the Ld. Authorized Representative on overall facts of the case, we direct that the disallowance be restricted to Rs.67,853/- i.e. the amount of dividend earned by the assessee during the year under consideration.

7.0 In the final result, the appeal of the assessee stands partly allowed

Above decision was announced on conclusion of Virtual Hearing on 4<sup>th</sup> January, 2021.

Sd/-  
**(N.K. BILLAIYA)**  
**ACCOUNTANT MEMBER**

Dated: 04/01/2021  
PK/PS

Sd/-  
**(SUDHANSHU SRIVASTAVA)**  
**JUDICIAL MEMBER**

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1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR  
ITAT NEW DELHI

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