

**IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ' B ' Bench, Hyderabad**

Before Smt. P. Madhavi Devi, Judicial Member

AND

Shri S.Rifaur Rahman, Accountant Member

ITA NoS.170, 171, 182 & 183, 184 & 185/Hyd/2017		
Assessment Years:2006-07, 2007-08, 2008-09 & 2009-10 2010-11 & 2011-12		
Shri Duddukunta Sreedhar Reddy, Hyderabad PAN: AHSPD0865H	Vs.	Dy. Commissioner of Income Tax, Central Circle 6, Hyderabad
(Appellant)		(Respondent)
Assessee by:	Sri S. Rama Rao	
Revenue by:	Sri Y.V.S.T. Sai, CIT-DR	
Date of hearing:	01/08/2019	
Date of pronouncement:	29/10/2019	

ORDER

Per Smt. P. Madhavi Devi, J.M.

These are all assessee's appeals for the A.Ys 2006-07, 2007-08, 2008-09 and 2009-10 respectively, against the common and consolidated order of the CIT (A)-11,Hyderabad, dated 09.09.2016. The common issue in all these appeals for the A.Y 2006-07 to 2009-10 is against the disallowance of interest representing 1/3rd interest on loans obtained from Indian Overseas Bank.

A.Y 2006-07

2. Brief facts on this issue are that there was a search and seizure u/s 132 of the I.T. Act on 30.11.2011 and consequently, the assessment u/s 143(3) r.w.s. 153A was

completed. During the relevant assessment proceedings, the AO observed that on the head “income from house property”, the assessee has claimed interest of Rs.1,50,000/-paid on housing loan in the computation statement, but has not produced the Bank statement in respect of loan availed and payment of interest. He therefore, disallowed the claim of interest for all the relevant A.Ys. On appeal, the CIT (A) considered the additional evidence filed by the assessee in the form of copies of certificates dated 20.08.2007 by Indian Overseas Bank, R.P. Road, Secunderabad for the financial years 2005-06 and 2006-07, vide certificate dated 5.5.2008 for the financial year 2007-08, vide certificate dated 20.07.2009 for financial year 2008-09, wherein the payment of interest on housing loan by the assessee was confirmed. A remand report from the AO was called for who submitted that the loan was availed by three persons i.e the assessee, his wife Smt.D.Aparna Reddy and his brother Shri D. Srinivas Reddy and since the share of each persons was evidenced from the certificates, the AO suggested to disallow equally from on each of the assessee’s shares of interest. In rebuttal, the assessee stated that the entire loan taken from Indian Overseas Bank was utilized by the assessee for purchase of a house and therefore, interest amount is allowable from the income of the assessee only. The CIT (A) however, observed that the loan was a housing loan availed by three persons. Therefore, he directed the AO to allow only 1/3rd of the interest paid as being the assessee’s share of interest. The learned Counsel for the assessee submitted that though the loan was taken by three persons, the entire loan was utilized in construction of the house property by two people only, i.e.the assessee and his wife at Plot No.301, GR Elite, Road No.14, Banjara Hills, Hyderabad, and since he was offering the income from house property in his