

**IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'F' BENCH,  
NEW DELHI**

**BEFORE SHRI N.K. BILLAIYA, ACCOUNTANT MEMBER, AND  
MS ASTHA CHANDRA, JUDICIAL MEMBER**

ITA No. 7564/DEL/2019 [A.Y. 2015-16]

Shri Ramesh Chandra Aastha  
2033, Bank Street,  
Karol Bagh, New Delhi

Vs.

The A.C.I.T  
Circle - 19  
New Delhi

PAN: AAEPD 6433 D

(Applicant)

(Respondent)

Assessee By : Shri Ankit Madnani, CA

Department By : Shri P.N. Barnwal, CIT-DR

**Date of Hearing : 30.10.2023**

**Date of Pronouncement : 03.11.2023**

**ORDER**

**PER N.K. BILLAIYA, ACCOUNTANT MEMBER:-**

This appeal by the assessee is preferred against the order of the  
ld. CIT(A) - 27, New Delhi dated 15.07.2019 pertaining to A.Y. 2015-16.

2. The solitary grievance of the assessee is that the Id. CIT(A) erred in upholding the disallowance of interest amounting to Rs. 14,26,981/- u/s 37 of the Income-tax Act, 1961 [the Act, for short].

3. Briefly stated, the facts of the case are that during the course of scrutiny assessment proceedings, the Assessing Officer noticed that the assessee has paid interest of Rs. 28,42,413/- on loans. The Assessing Officer further noticed that the assessee had earlier raised loan of Rs. 2.25 crores from Tata Capital Housing Finance Limited for purchase of property belonging to his wife.

4. The Assessing Officer found that new loan had been raised for repayment of old loan and came to the conclusion that the loan was not utilised for the purpose of business and proceeded by disallowing the interest on the same.

5. Before the Id. CIT(A), the assessee contended that the loan raised from Tata Capital Housing Finance Limited was partly utilized for the purchase of property and the balance amount was utilized in the proprietary business M/s Hans Raj Jewellers.

6. On these facts, the ld. CIT(A) was of the opinion that the loan raised from IDBI and Standard Chartered Bank was partly utilized for repayment of loan from Tata Capital Housing Finance Limited and partly for the purposes of business of the assessee and was of the opinion that the component of loan was diverted between housing and business and concluded by holding that the interest charged should be allowed proportionately and accordingly, restricted the disallowance of interest to Rs. 14,26,981/-.

7. After giving thoughtful consideration to the findings of the ld. CIT(A), we are of the considered opinion that the ld. CIT(A) has very pragmatically and logically restricted the disallowance of interest, which calls for no interference.

8. In the result the appeal of the assessee in ITA No. 7564/DEL/2019 is dismissed.

The order is pronounced in the open court on 03.11.2023.

Sd/-

**[ASTHA CHANDRA]  
JUDICIAL MEMBER**

Sd/-

**[N.K. BILLAIYA]  
ACCOUNTANT MEMBER**

Dated: 03<sup>rd</sup> NOVEMBER, 2023.