

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

Before Sh. Satbeer Singh Godara, Judicial Member

ITA No. 8331/Del/2025 : Asstt. Year: 2018-19

Deepak Batra, R-9/5, Raj Nagar, Ghaziabad-201001 (APPELLANT)	Vs	CIT(A)/NFAC, Delhi (RESPONDENT)
PAN No. AHQPB0224N		

Assessee by: Sh. Sandeep Vijh, CA

Revenue by : Sh. Manoj Kumar, Sr. DR

Date of Hearing: 29.01.2026

Date of Pronouncement: 29.01.2026

ORDER

This assessee's appeal for Assessment Year 2018-19 arises against the CIT(A)/NFAC, Delhi's DIN & order No. ITBA/NFAC/S/250/2025-26/1081748523(1) dated 14.10.2025, in proceedings u/s 143(3) of the Income Tax Act, 1961 (in short "the Act").

2. Heard both the parties at length. Case file perused.

3. Coming to the assessee's sole substantive ground raised herein, a perusal of the case file indicates that both the learned lower authorities have restricted his interest expenditure claim u/s 57(iii) of the Act for the sole reason that since he is a director in M/s Shamsons Polymers (P) Ltd. and had availed interest bearing loans facility from M/s HSBC Bank whereas the realization of interest thereupon from the company happens to

be only @ 6%. It is in this factual backdrop that both the learned lower authorities are of the considered view that the assessee is not entitled for the differential rate of interest @3.4% as deduction against his interest income u/s 57(iii) of the Act. They have disallowed the same in assessment order dated 12.03.2021 as upheld in the lower appellate discussion in other words.

4. Faced with this situation, it is noticed that the tribunal in Mahendra Singh Meel Vs. ITO, ITA No. 55/JP/2018 decided on 29.10.2019 has already settled the issue that the impugned section 57(iii) interest expenditure claim could not be limited only to the extent of the interest income received or realized thereupon; as the case may be. I accordingly delete the impugned disallowance in very terms.

5. No other ground or argument has been pressed.

6. This assessee's appeal is allowed.

Order Pronounced in the Open Court on 29/01/2026.

Sd/-
(Satbeer Singh Godara)
Judicial Member

Dated: 29/01/2026

Subodh Kumar, Sr. PS

Copy forwarded to:

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

ASSISTANT REGISTRAR