

IN THE INCOME TAX APPELLATE TRIBUNAL

"F" BENCH, MUMBAI

BEFORE SHRI SANDEEP SINGH KARHAIL, JUDICIAL MEMBER

SHRI JAGADISH, ACCOUNTANT MEMBER

ITA No. 6746/Mum./2025

(Assessment Year : 2015-16)

United Builders,

1404, Arcadia, 195, Nariman Point,

Mumbai – 400021

PAN : AAFU1040L

..... Appellant

v/s

Assistant Commissioner of Income Tax,

Circle – 17(3)

Room No.137, Aayakar Bhavan,

Maharishi Karve Road,

Churchgate, Mumbai – 400020

..... Respondent

Assessee by : Ms. Mansi Chatwani

Revenue by : Shri Abhirama Karthikeyan, SR. DR

Date of Hearing – 01/04/2026

Date of Order – 07/04/2026

ORDER

PER SANDEEP SINGH KARHAIL, J.M.

The assessee has filed the present appeal against the impugned order dated 25.08.2025, passed under section 250 of the Income Tax Act, 1961 (*"the Act"*) by the learned Additional / Joint Commissioner of Income Tax (Appeals), Agra [*"learned Addl./Joint CIT(A)"*], for the assessment year 2015-16.

2. The solitary grievance of the assessee is against the disallowance made under section 69C of the Act in respect of interest expenditure on unsecured loans.

3. We have considered the submissions of both sides and perused the material available on record. The brief facts of the case are that the assessee is a partnership firm engaged in the business of builders and developers. For the year under consideration, the assessee filed its return of income on 30.09.2015, declaring a total income of Rs.34,14,120/-. As the assessee claimed interest expenditure of Rs.25,07,683/- on unsecured loans, which were found to be non-genuine in the year of receipt, i.e., assessment year 2013-14, the Assessing Officer ("AO"), vide order dated 22.12.2017 passed under section 143(3) of the Act, proceeded to make the disallowance of interest expenditure under section 69C of the Act on unsecured loans, as the identity and creditworthiness of the loan lenders and the genuineness of the transaction was not proved.

4. The learned Addl. / Joint CIT(A), vide impugned order, upheld the disallowance made by the AO under section 69C of the Act, as a similar issue had been decided against the assessee in the assessment year 2013-14, and those findings have remained undisturbed by any appellate order. Being aggrieved, the assessee is in appeal before us.

5. During the hearing, the learned Authorized Representative ("*learned AR*") submitted that the assessee's appeal in assessment year 2013-14 is

currently pending adjudication before the learned CIT(A) and outcome of the said appeal has a direct bearing on the present case as the assessee received the unsecured loan in the assessment year 2013-14 and only interest payment was made in the year under consideration, which disallowed under section 69C of the Act.

6. On the other hand, the learned Departmental Representative did not dispute the submissions made by the learned AR.

7. Having considered the submissions of both sides and perused the material available on record, we deem it appropriate to restore the appeal, for the year under consideration, to the file of the learned CIT(A) / Addl. CIT(A)/ Joint CIT(A) for *denovo* adjudication after deciding the assessee's appeal for the assessment year 2013-14, as the unsecured loans were received by the assessee in the assessment year 2013-14 and the genuineness of the said loan has been doubted by the Revenue in that year. Since in the year under consideration, the assessee has only claimed interest expenditure, which has been disallowed under section 69C of the Act, we are of the considered view that the same is only consequential to the outcome of the assessee's appeal in the assessment year 2013-14, currently pending adjudication before the learned CIT(A). Accordingly, with the above directions, the impugned order is set aside, and the grounds raised by the assessee are allowed for statistical purposes.

8. In the result, the appeal by the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 07/04/2026

**Sd/-
JAGADISH
ACCOUNTANT MEMBER**

**Sd/-
SANDEEP SINGH KARHAIL
JUDICIAL MEMBER**

MUMBAI, DATED: 07/04/2026

Prabhat

Copy of the order forwarded to:

- (1) *The Assessee;*
- (2) *The Revenue;*
- (3) *The PCIT / CIT (Judicial);*
- (4) *The DR, ITAT, Mumbai; and*
- (5) *Guard file.*

By Order

Assistant Registrar
ITAT, Mumbai