

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI “A” BENCH: NEW DELHI**

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &  
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA Nos. 6406 & 6407/Del/2025  
[Assessment Year : 2017-18 & 2018-19]**

ACIT, Circle 70(1), Room No. 1802,E-2 Block, Civic Centre, New Delhi-110002.	vs	Ashish Kumar Chaurasia, 347, Naya Bans, Khari Baloi, New Delhi-110006 <b>PAN: AAAPK2435R</b>
<b>APPELLANT</b>		<b>RESPONDENT</b>
<b>Appellant by</b>	Shri Ajay Kumar Arora, Sr DR	
<b>Respondent by</b>	None	
<b>Date of Hearing</b>	18.02.2026	
<b>Date of Pronouncement</b>	08.05.2026	

**ORDER**

**PER MANISH AGARWAL, AM :**

The captioned appeals are filed by the Revenue against the separate orders of Id. Commissioner of Income Tax (Appeals) National Faceless Appeal Centre, (NFAC), New Delhi [CIT(A), in short] both are dated 12.08.25 arising out of the assessment orders passed under section 143(3) of the Income Tax Act, 1961 (hereinafter referred as ‘the Act’) dated 20.12.2019 and 31.03.2021 for Assessment Year 2017-18 and 2018-19 respectively.

2. Since both the appeals filed by the revenue are having common issue and thus, they both are decided by a common order. First, we take revenues appeal for AY 2017-18.

**ITA NO. 4606/Del/2025 AY 2017-18**

3. Briefly stated the facts are that the AO observed that during the year under appeal assessee has declared interest income of Rs.2,03,74,092/- under the head “Income from Other Sources” and claimed deduction u/s 57 of the Act to the tune of 1,86,75,473/-. The assessee explained that he has taken loan of Rs. 25.00 crores from M/s Siddhi Vinayak International which was credited in his saving bank account and paid interest 12% totalling to Rs. 1,86,75,473/-. The said loan amount was transferred to the capital account of his proprietorship firm M/s Siddhivinayak Traders. The AO observed that the Nexus between the interest income earned and deduction claimed u/s 57 of the Act has not been established. Thereafter before the AO, the assessee made a revised claim by stating that the said loan was utilized for the purpose of business therefore had filed revised computation of income wherein interest expenses was claimed as deduction against business income. The AO observed that assessee has made a fresh claim without filing the revised return of income thus by following the order of **Hon’ble Supreme Court** in the case of **Goetz India Limited Vs. CIT** reported in **(2006) 284 ITR 323 (SC)**, disallowed the revised claim and further made the disallowance of deduction claimed u/s 57 of the Act and made the addition for the same. Thereafter the total income of the assessee was assessed at Rs. 5,27,40,210/-.

4. Against the said order, assessee preferred an appeal before the ld. CIT(A) who vide impugned order dated 12.08.2025 has

allowed the appeal of the assessee. Aggrieved by the said order, the revenue is in appeal before the Tribunal by taking following grounds of appeal:

1. *On the facts and circumstances of the case, the Ld. CIT, Appeal has erred in deleting the addition amounting to Rs. 1,86.75,473/- on account of disallowance of expense claimed under Section 57 of the Act by ignoring the fact that assessee has failed to prove nexus between interest expense claimed under section 57 of the Income Tax Act, 1961 and interest income earned and declared under the head Income from Other Sources.*
  2. *On the facts and circumstances of the case, the Ld. CIT, Appeal has erred by not appreciating the fact that the AO has denied a revised computation to claim the interest expense from the head Income from Business and Profession instead of Income From Other Sources, which was not claimed earlier.*
  3. *On the facts and circumstances of the case, the Ld. CIT, Appeal has erred in not appreciating the fact that in the judgment of Honourable Supreme Court in the case of Goetze India Ltd. vs. Commissioner of Income Tax, the Honourable Supreme Court held that additional claim cannot be made before the Assessing Officer, as there is no provision under the Income Tax Act to make amendment in the return without filing a revised return.*
  4. *On the facts and circumstances of the case, the Ld. CIT. Appeal has erred in ignoring the fact that the assessee runs his business in the name and style of Siddhivinayak International and its accounts are audited under section 44AB and in which all business related transactions are reflected. In the assessee case, unsecured loan taken from various parties for the purpose of earning interest income taxable under the head Income from Other Sources and not under the head Profit and Loss from Business Profession, are not reflected in audited books of accounts.*
  5. *On the facts and circumstances of the case, the Ld. CIT, Appeal has erred in ignoring the fact that the name of the money lender Shri Kamal Kant Chaurasia did not figure in the audited Form 3CD containing list of parties from which loan was taken during the year.*
  6. *The appellant craves, leave OR reserve the right to 6 amend, modify, alter, add or forgo any ground/grounds of appeal at any time during the hearing of appeal.*
5. None appeared on behalf of the assessee and the ld. SR. Dr vehemently supported the order of AO and submits that the ld.

CIT(A) has exceeded his jurisdiction in admitting the alternate claim of the assessee without filing the revised return which is gross violation of the order of hon'ble Supreme Court in the case of Goetz India Limited (supra). He thus prayed for the confirmation of the addition made by the AO towards the interest expenses claimed by the assessee.

6. Heard the ld. SR. DR on all the grounds for appeal and perused the material available on record. The solitary issue involved in this appeal is with respect to the allowability of deduction of interest expenses of Rs. 1,86,75,473/- paid by the assessee on the unsecured loan taken of Rs. 25.00 crores from M/s Siddhivinayak International a Proprietary firm of Sri Kamals Kant Chaurasia, brother of assessee which was utilized wholly and exclusively for the purpose of business which fact has not been denied by the AO however, the deduction was denied solely for the reason that assessee he has not claimed the same out of business income through revised return. Ld. CIT appeal observed that though the Hon'ble Supreme Court in the case of Goetz India Limited (supra) has restricted the power of the AO in entertaining the fresh claim without original return of income or revised return of income however, the Hon'ble Supreme Court has further observed that this restricted has not impinge the power of the Appellate authorities in admitting the fresh claim. Ld. CIT(A) After considering these facts has deleted the addition made by the AO by making following observations:

*The assessee filed its original return of income u/s 139(1) of the Act on 31.10.2017 declaring total income of Rs. 3,40,64,740/-. The case was selected for scrutiny under CASS and assessment order passed*

*u/s 143(3) of the Act on 29/12/2018 on Rs. 5,27,40,213/- making addition on account of disallowing interest paid of Rs.1,86,75,473/- . Hence, this appeal.*

*I have duly considered the facts of the case, submission of the appellant and the assessment order of the AO. The appellant raised various grounds of appeal contesting the action of the AO in disallowing interest of Rs.1,86,75,473/- incurred by assessee for his business. The assessee has made detailed submission on the grounds raised by him in the appeal which is considered on merit. The AO in the assessment order noted that the appellant has taken a loan on which interest was paid after due compliances with provisions of TDS and claimed it as expenses in income from other sources in the return of income filed u/s 139. The appellant during the assessment proceeding submitted that the loan was taken for business purpose and claim of expenses is justified. The appellant submitted revised computation of income before the AO.*

*The AO disallowed interest paid as disallowed expenses citing case of Goetze (India) Ltd. vs. Commissioner of Income Tax. It is perused thoroughly and it is seen that Hon'ble Supreme Court in the case concluded that no claim of any new deduction shall be made before the AO without filing revised return of income.*

*It is seen that in the case of the appellant no new claim of deduction was made before the Ld. AO, only nomenclature of deduction was changed by way of claiming deduction out of Income from business in place of Income from Other sources.*

*On the basis of fact and legal position the appeal is decided as under:*

*Ground No. 1 and 2: Claim of interest of Rs. 1,86,75,473/- out of income of the appellant for the assessment year 2017-18 is justified. The appellant provided documents related with loan taken by him, and it is seen from submitted documents that loan taken was utilized for the purpose of business of the appellant. The AO found no infirmity with the loan taken by the appellant. The reliance on decided case law of Hon'ble Supreme Court Goetze (India) Ltd. vs. Commissioner of Income Tax is misplaced according to facts of the case. Considering the fact, as circumstances of the case, I am agreeing with the contention of the Appellant and deleting addition in the income by disallowing interest paid of Rs.1,86,75,473.*

*As a result, these grounds of appeal are allowed.*

7. As could be observed that Id. CIT(A) while allowing the appeal of the assessee has given a categorical finding of fact, that the loan taken was utilized for the purpose of business by the appellant and the AO has found no infirmity in the loan taken by the assessee. This

fact has not been controverted by the revenue before us, and argued that the amount claimed by the assessee should not be allowed as there was no nexus established between the interest income and the interest expenses. Once the revenue has failed to control the finding of the fact that the assessee has utilized the loan amount for the purpose of his business carried out under the proprietary firm M/s Siddhi Vinayak Traders, the interest paid on such loan deserves to be allowed as deduction out of the business income.

8. Regarding the ground of the revenue with respect to admission of the fresh claim by Id. CIT(A) without filing revised return, it is observed that admission of a fresh claim in the appellate proceedings is purely a legal issue and whether the assessee is eligible for such claim and what would be the correct amount of claim is purely a question of fact. The Hon'ble Apex Court in the case of **Goetz India Ltd. vs CIT** has held that no fresh claim could be made before the AO otherwise than by way of revised return however, the Hon'ble Court further clarified that decision is limited to the power of the assessing authority and does not impinge on the power of appellate authorities.

9. In the case of **CIT v. Jai Parabolic Springs Ltd.** reported in **(2008) 306 ITR 42 (Delhi)**, the AO disallowed the claim of the assessee on the ground that *“since the claim for the deferred revenue expenditure of INR 15,58,500/- was not claimed by the assessee in the return of income for the assessment year 1990-91, the same is not allowed”*. Their Lordships after considering the

decision of the Hon'ble Apex Court in the case of Goetze (India) Ltd. (supra) has held as under (Head note)

*“Held, dismissing the appeal, that there was no prohibition on the powers of the Tribunal to entertain an additional ground which according to the Tribunal arose in the matter and for the just decision of the case. There was no infirmity in the order of the Tribunal”.*

10. The CBDT as back as in 1955 issued a circular No. 14(XL-35), dated 11th April, 1955 wherein the Board has recognized the fact that responsibility for claiming refunds and relief rests with the assessee as imposed by law, even then the Board has directed the officers to draw the attention of the assessees in respect of any refunds or reliefs to which they are eligible, which they have not claimed for some reason or other. The Board later issued Circular F.No.81/27/65-IT(B) dated 18<sup>th</sup> May,1965, defining the duties of PROs in providing assistance to the public in filing correct return and making eligible claims. In the case of **Essar Oil Ltd.** the coordinate bench of **ITAT Mumbai** in **ITA No. 3661 & 2827/Mum/2000**, after considering various CBDT Circulars and the decision of the Hon'ble Apex Court in the case of NTPC Ltd. (229 ITR 383); UCO Bank (237 ITR 889) and in the case of Shelly Products and Anr. (261 ITR 367) and various decisions and Circulars has held as under:

*“Having regard to these decisions, in our view the order of the CIT(A) cannot be found fault with. **The learned Departmental Representative to the query from the Bench has fairly admitted that there is nothing in Goetze (India) Ltd., which prevents the Tribunal from entertaining any fresh claim if the same can be entertained in the light of the available material on the face of the record.** Anything to the contrary of the proposition will only negate the principle laid down by the Hon'ble Supreme Court in the case of National Thermal Power Co. Ltd. (supra). We therefore confirm his order. It may be mentioned that we have taken this view*

*after considering the fact that in all other years the department has accepted these expenses and allowed deduction as claimed by the assessee”*

11. In view of the above discussion and by respectfully following the judgements of hon’ble Supreme Court and of the jurisdictional high court and other hon’ble High courts and coordinate bench of Tribunal, we find no error in the order of learned CIT(A) in allowing the deduction of interest expenses as business expenditure by admitting the alternate claim made by the assessee. Accordingly, we uphold the order of ld. CIT(A) and dismissed all the grounds of the appeal raised by the revenue

12. In the result appeal of the revenue for AY 2017-18 is dismissed.

**ITA No. 4607/Del/2025 AY 2018-19**

13. While deciding the appeal of the revenue in ITA No. 4606/Del/2025 for Assessment Year 2017-18, under identical circumstances, interest expenses was disallowed by the AO which stood deleted by ld. CIT(A). Before us, both ld. SR DR fairly agreed that the facts in the present appeals are similar to the facts in AY 2017-18, thus, by following the aforesaid observations in ITA No. 4606/Del/2025 for AY 2017-18 which are ***Mutatis Mutandis*** applicable to the facts of present case also, we find no error in the order of ld. CIT(A) deleting the additions made by AO, which order is hereby upheld. Thus, all the Grounds of appeal raised by the revenue are dismissed.

14. In the result, appeal of the revenue for AY 2018-19 is dismissed.

15. In the final result, appeals of the revenue in **ITA Nos. 4606 & 4607/Del/2025** for **AYs 2017-18 & 2018-19** respectively, are dismissed.

Order pronounced in the open Court on 08.05.2026.

Sd/-

**(ANUBHAV SHARMA)**  
**JUDICIAL MEMBER**

**Date:- 08.05.2026**

*\*Pramod Kumar, Sr. P.S\**

Copy forwarded to:

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2. Respondent
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Sd/-

**(MANISH AGARWAL)**  
**ACCOUNTANT MEMBER**

ASSISTANT REGISTRAR  
ITAT, NEW DELHI