$~29

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 518/2022

PR. COMMISSIONER OF INCOME TAX, DELHI-7

..... Appellant

Through: Mr. Sanjeev Menon, Jr.SC for Mr. Zoheb Hossain, Adv.

versus

M/S PUSHPANJALI FINCON PVT. LTD.

..... Respondent

Through: Mr. Gautam Jain and Mr. Manish Yadav, Advs.

CORAM:
HON'BLE MR. JUSTICE YASHWANT VARMA
HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

ORDER

% **20.03.2024**

1. From the order dated 08 December 2022, we note that proposed questions A, B and C were found to be covered by the decision of this Court in **Cheminvest Ltd. v. CIT** [(2015) SCC OnLine Del 11713]. The only question which stood over was question D which reads as follows:

> "D. Whether on the facts and in the circumstances of the case, the Ld. ITAT erred in law in holding that no disallowance of Rs. 25.30 crores being the interest expenditure can be made u/s 36(l)(iii) of the Income Tax Act, 1961 since the interest expenditure and interest income were directly linked to the business of the assessee, without appreciating that as per the Memorandum of Association of the Company, its business activity relates to consultancy in financial matted and not to earn income from investments made, and that the assessee itself has shown its interest receipt as :other income: in its computation of income ?"

2. However and undisputedly, the issue of interest expenditure

under Section 36 (1) (iii) of the Income Tax Act,1961 does not appear to have been either raised or urged before the Income Tax Appellate Tribunal.

3. In that view of the matter, we find no ground to entertain the appeal. It shall stand dismissed.

YASHWANT VARMA, J.

PURUSHAINDRA KUMAR KAURAV, J.

MARCH 20, 2024/p