

IN THE INCOME TAX APPELLATE TRIBUNAL  
“C” BENCH : BANGALORE

BEFORE SHRI N.V. VASUDEVAN, VICE PRESIDENT  
AND SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER

ITA No.822/Bang/2019
Assessment year : 2015-16

Smt. Sujaya Seshadri Bhagawan, No.201, Cricket House, 34, 16 <sup>th</sup> Cross, 10 <sup>th</sup> A Main, Malleshwaram, Bangalore – 560 055. <b>PAN: AKMPB 5685J</b>	Vs.	The Income Tax Officer, Ward 2(2)(3), Bangalore.
APPELLANT		RESPONDENT

ITA No.1094/Bang/2019
Assessment year : 2015-16

The Income Tax Officer, Ward 2(2)(3), Bangalore.	Vs.	Smt. Sujaya Seshadri Bhagawan, No.201, Cricket House, 34, 16 <sup>th</sup> Cross, 10 <sup>th</sup> A Main, Malleshwaram, Bangalore – 560 055. <b>PAN: AKMPB 5685J</b>
APPELLANT		RESPONDENT

Appellant by	:	Smt. Sheetal Borkar, Advocate
Respondent by	:	Smt. R. Premi, Jt.CIT(DR)(ITAT), Bengaluru.

Date of hearing	:	07.07.2021
Date of Pronouncement	:	29.07.2021

**ORDER**

*Per Chandra Poojari, Accountant Member*

These are cross appeals by the assessee and revenue against the order of the CIT(Appeals), Bengaluru-2, Bengaluru dated 22.03.2019 for the assessment year 2015-16.

2. The assessee has raised the following ground:-

<b>Sl. No.</b>	<b>Grounds</b>	<b>Tax effect</b>
1.	The learned CIT (A) erred in passing the order in the manner which he did.	General
2.	On the facts the learned CIT(A) ought to have given the full exemption u/s 54 of the Act in respect of entire cost of the residential building acquired by the appellant.	Rs.39,975,318
3.	The learned CIT(A) ought to have appreciated that the Appellant has sold residential house and investment made in the residential house, accordingly the Appellant is eligible for the exemption u/s 54 of the Act.	Rs.39,975,318
4.	Without prejudice the addition is excessive arbitrary and excessive and ought to be reduced substantially.	General
5.	The learned CIT(A) erred in upholding the interest under sec 234B of the Act	Interest
6.	For these and such other grounds that may be urged at the time of hearing the Appellant prays that the appeal may be allowed.	General

3. The revenue has raised the following grounds:-

“1. CIT(A) has erred on law and facts in adopting the value of land as on 1.4.1981 at Rs 250 per Sq ft without providing a single instance of comparable sale whereas the Assessing Officer had taken the value of Rs 100 per sq ft after considering three comparable sale instances obtained from the sub-registrar as per the assessment order.

2. (i) CIT(A) has erred on law and facts in determining the value for the surrender of land to the developer by the assessee and the co-owner, for the development of a housing project, because he considered a part (11475 sq ft) of the corresponding built up area of 23,409 sq ft at only Rs 2,86,87,500!-, when the almost equal remaining part of 11934 sq ft was rightly valued at Rs 13,30,00,000.

(ii) Alternately, CIT(A) erred on law and facts in considering the sale consideration of a short-term asset, ie "Built up area" as the sale consideration of the long term asset, ie, "land" and therefore, incorrectly calculated the short term capital gain on the sale of "Built up area" at "Nil" instead of short term capital gain as calculated in the assessment order."

4. The brief facts are that assessee is an individual. In the return of income, she declared the capital gains on transfer her share in the immovable property at No. 68, Old No 285, 17th Cross, 4th Main Road Malleswaram, Bangalore 560055 measuring 1693 sq mt [hereinafter referred to as Schedule Property] on account of Joint Development Agreement executed on 30.10. 2014 with M/s. Pavithra Constructions Pvt Ltd [Developer].

5. Owners of the property and the Developer of the property have agreed to share the built up area in the ratio of 48.15 percent to the Owners and 51.85 percent to the Developer respectively and accordingly the undivided share in the land was also to be divided. However, on 23.12.2014 a revised Supplemental agreement was made where the sharing ratio had been modified to 47.39 percent and 52.61 percent. In accordance with the supplementary agreement to JDA, the owners were entitled to 23,409 sq.ft. of built up area in the form of 11 apartments out of 46,818 sq.ft. of constructed area and further it was agreed that developer will acquire 11934 sq.ft. built up area along with undivided share in the land from the share of land owner for a lumpsum consideration of

Rs.13,30,00,000 which was also paid to the owners after TDS @ 1 per cent on the sale consideration. Accordingly, the long term capital gains in respect of surrendering of 52.61% of the undivided share in the land to the developer was determined estimating cost at Rs.2500 per sq.ft. While doing so, the owners have also valued the land as on 1.4.81 at Rs 500 per sq.ft. which was supported by the Valuation Report of an approved Valuation Officer. Also the Owners claimed deduction towards value of the existing building on the site which was around 5000 sq.ft. and further improvement cost of Rs.20 lakhs in respect of improvement made in the year 2007-08 and thereafter applied cost inflation index to arrive at the total cost for determination of proportionate capital gains. The assessee computed the capital gain as follows:-

**Computation of Long Term Capital Gain**

Sale consideration for 6 flats agreed to be sold with net super built up area of 11934 sq.ft.	13,30,00,000
Built up area of flats retained by owners 11475 sq ft @ Rs.2500/- per sq.ft.	2,86,87,500
Total consideration	16,16,87,500
50% for each owner	8,08,43,750
Less: Indexed Cost of Acquisition on proposition of land area disposed off:	3,51,85,612
1. 6872.19 sq.ft. land area @ Rs.500 per sq.ft. as on 01.04.1981	
2. 2500 sq.ft. proportionate built up area @ Rs.200 per sq.ft. as on 01.04.1981	51,20,000
3. Proportionate Built up area of additions made in F.Y. 2007-08 = Rs.10,00,000 x 1024/51	18,58,439
4. Total expenses & cost of acquisition & improvement	4,21,64,052
Long Term Capital Gain	3,86,79,698
Less: Deduction u/s. 54	
(i) Investment in New House property	3,99,75,318
(ii) Capital gain account scheme	1,25,00,000
Long term capital loss	1,37,95,620

6. The AO has computed the capital gains as under:-

Area of the land sq.ft.		18150
Area exchanged with Developer sq.ft		9552.63
Area retained by the owners sq.ft.		8597.37
Sujaya Sheshadri Bhagawan AKMPB5685J Co Owner 1		
Shreyus Mohan Bhagawan, BVJPB0762M Co Owner 2		
FMV per sq.ft. as on the date of exchange as per Guidance Value adopted by the registering authority as on 30-10-2014 being the date of registered joint development agreement		7.800
Total fair market value as per guidance value method approach (Method-I)		7,45,10,514
Total Built up area received by the owners sq.ft.		23,409
Value adopted by the assessee at Rs.2500 per sq.ft as the estimated cost of construction		2,500
Sale consideration under the estimated cost of constructed method adopted by the assessee (Method II)		58,522,500
The method adopted by the assessee is beneficial and hence concluded under II method	A	58,522,500
Share of sale proceeds of each co-owner on the basis of JDA	$B = A/2$	29,261,250
Less FMV as on 1.4.1981 since the property is inherited. Value adopted at Rs.100 per sq.ft. for 9552.63 sq.ft		955,263
Indexed cost of acquisition 1024/100	C	9,781,893
Indexed cost of acquisition – Share of each assessee	$D = C/2$	4,890,947
as claimed by the assessee $2500 \times 100 \times 1024 / 100 = 25,60,000$	E	25,60,000
Assessee share in indexed cost of improvement	$F = E/2$	12,80,000
Total cost of acquisition to assessee	$G = D+F$	6,170,947
<b>Long term capital gains on JDA</b>	<b><math>H = B - G</math></b>	<b>23,090,303</b>

## Long Term Capital Gain on sale of Apartments

Built up area received 23,409

UDI of land sold with built up area : 4191.75 sq.ft.

Guidance value 7,800 per sq.ft (Subsequently revised to Rs.9000 per sq.ft.)

Total consideration for land 4191.75 x 7800	I	32,695,650
Assessee's share	$J = I/2$	16,347,825
FMV as on 01.04.1981 for 4191.75 at 100 each		419,175
Indexed cost (419175 X 1024/100)	K	4,292,352
Assessee's share	$L = K/2$	2,146,176
Long term capital gain on UDI of land in apartments treated as LT assets	$M = J-L$	14,201,649

## Long Term Capital Gain for a assessee on JDA and sale of apartments

Total Long Term Capital Gain	$N = H + M$	37,291,952
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## Exemption claimed by the assessee

Investment in House Property	O	39,975,318
Amount invest in capital gain account	P	12,500,000
Total utilization	$Q = O+P$	52,475,318
Total Exemption allowed and restricted to LTTCG as computed	$Q > N$	37,291,952

## Short Term Capital Gain on Sale of apartments (built up area):

Gross sale value received from developer on 11,934 sq.ft built up area as accepted by Assessee, on sale of built up area treated as ST capital assets	R	133,000,000
Value of land 4191.75 Sq.ft treated as LT asset	I	32,695,650
Sale value of apartments with built up area 11,934 sq.ft considered for	$S = R-I$	1,00,304,350

STCG		
Assessee's share	$T = S/2$	50,152,175
Cost of apartment @ Rs.2500 per sq.ft for 11934 adopted for LTCG	U	29,835,000
Assessee's share	$V = U/2$	14,917,500
<b>Short term capital gain subject to tax</b>	$W = T-V$	<b>35,234,675</b>

7. The AO while concluding the assessment did not accept the capital gains as computed by the assessee. He estimated the value as on 1.4.81 at Rs 100 per sq ft. However he did not accept the cost of improvement alleging that there was lack of evidence. The AO held that the buyback agreement was an independent transaction and worked out short term capital gains in respect of super structure to be constructed and to be transferred. Thus, the long term capital gains was computed excessively. With regard to the superstructure of the apartments the capital gains was determined as short term capital gains. After computing the capital gains accordingly 50 percent of the capital gains was assessed in the case of the appellant at Rs 3,72,91,952 and allowed the exemption under sec 54 of the Act considering the actual cost of investment in the new property at Rs 5,24,75,318. Independently short term capital gains was determined at Rs 3,52,34,675 in respect of super structure of the apartments to be transferred to the Developer. Thus, a total income of Rs 3,52,34,675 was determined and brought to tax.

8. On appeal, the CIT(Appeals) was of the view that the transfer of land since the holding period is more than 36 months resulted into LTCG and the transfer of flats into STCG and computed the capital gain as follows:-

<b>Long Term Capital Gain</b>		Rs.
Sq Ft:	23409	
Agreement of Sale	11934 11475	
Sale Consideration of 6 flats agreed to be sold Built up area 11934		133,000,000
Built up area of flats retained by owners 11475 Sq ft Rs.2500/- Sq ft		28,687,500
Total		161,798,500
Less: Building Construction cost of 6 flats (11934*2500)		29,835,000
		131,852,500
50% for each Owner (Rs.131852500/2)		65,926,250
Less: Indexed Cost of Acquisition Proportion land area disposed off:		
1. 6872.19 Sq ft Land area @ 250 Per Sq ft as on 01.04.1981	1,718,047	
2. 2500 Sq ft Proportionate built up area @ 200 Per Sq ft as on 01.04.1981	<u>500,000</u>	
	2,218,047	
Indexed at 2218047*1024/100	22,712,801	
Long Term Capital Gain		2,49,30,848
		<b>4,09,95,402</b>
Investment in Capital Gain account Scheme		12,500,000
<b>Long Term Capital Gains</b>		<b>2,84,95,402</b>

## Short Term Capital Gain on Building

Building Consideration (2500*11934)	29,835,000	
50% Share		14,917,500
Less: Cost of Acquisition (2500*11934)	29,835,000	
50% Share		14,917,500
<b>Short Term Capital Gain</b>		-

**Revenue's appeal**

9. First we will take up revenue's appeal for consideration. The first ground of the revenue is that the CIT(Appeals) adopted the value of land as on 1.4.1981 at Rs.250/sq.ft. as against Rs.100/sq.ft. by the AO.

10. The contention of the Id. DR is that adopting value of land as on 1.4.1981 at Rs.250 / sq.ft. by the CIT(A) without providing a single instance of comparable sale is inappropriate, instead of taking the AO's valuation made @ Rs.100 / sq.ft. The AO had considered 3 comparable sale instances obtained from Sub-Registrar.

11. The Id. AR strongly relied on the order of CIT(Appeals) and submitted that the Sub-Registrar's guidance value as on date is Rs.8,500 / sq.ft. and going by reverse indexation method, the value of the same property would be Rs.781.25 / sq.ft. as on 1.4.1981. Being so, the value adopted by the CIT(Appeals) @ Rs.250 / sq.ft. is very reasonable and same is to be upheld.

12. We have heard both the parties and perused the material on record. The AO in this case brought on record comparable instances obtained from Sub-Registrar's Office, Rajajinagar, Bangalore and ascertained the market guidance value of the property as on 1.4.1981 @ Rs.85/sq.ft. On that basis, he considered cost of acquisition of land @ Rs.100/sq.ft. But the AO failed to mention the exact nature and address of the property considered for determining the value of property as on 1.4.1981. The CIT(Appeals) after considering the submissions of the assessee that on reverse indexation method, the value of land as on 1.4.1981 is @ Rs.781.25 / sq.ft., considered the same at Rs.250 / sq.ft, which is most reasonable and the same is to be adopted. Further the jurisdictional High Court in the case of

*Late Smt. Krishna Bajaj v. ACIT in ITA No.391 of 2007 dated 25.11.2013*  
held as under:-

“7. One other aspect, which the authorities have failed to notice is, where the property is situated and its location. From the address given above, it is clear that the property is situated in the heart of Bangalore city, in a prime commercial locality where the value of the property has multiplied automatically over the years. If the property was purchased for Rs.25,000/- in 1964 and that property was sold for Rs.27,55,000/- in 2000, either adopting a procedure for escalation or re-escalation, the fair market value of the property would be around Rs.2,75,000 as put forth by the assessee.”

13. Accordingly, we dismiss this ground taken by the revenue.

14. The second ground of the revenue is with regard to determining the value for the surrender of land to the developer by the assessee and the co-owner for development of a housing project wherein the CIT(A) considered a part (11475 sq.ft.) of the corresponding built-up area of 23,409 sq.ft. at Rs.2,86,87,500 when the almost equal remaining part of 11934 sq.ft. was rightly valued at Rs.13,30,00,000. Alternately, the CIT(A) considered the sale consideration as a short term asset i.e., built-up area as the sale consideration of the long term asset i.e., the land and therefore incorrectly calculated the short term capital gain of the built-up area at Nil.

15. The contention of the Id. DR is that the CIT(Appeals) considered the value of 11934 sq.ft. of constructed area at Rs.13.30 crores which was sold to the Developer vide supplementary agreement to JDA. However, he also considered the balance 11475 sq.ft. of constructed area returned by the land owner at RS.2,86,87,500 which is wrong. According to the Id. DR, the value of 11475 sq.ft. of constructed area to be valued in line with the valuation of 11934 sq.ft. of constructed area and he prayed accordingly.

16. The Id. AR submitted that the JDA has to be read along with supplementary agreement to JDA which suggests that the assessee has transferred 75.72% proportionate share of undivided interest in land as against the original transfer of 51.85% of undivided share in land and assessee will retain only 24.28% of proportionate share of undivided interest in land [11475 sq.ft. of constructed area]. Being so, the value of 11475 sq.ft. undivided share in land to be valued at the cost incurred by the Developer. The same was followed by the CIT(Appeals) and there is no error in the computation.

17. We have heard both the parties and perused the material on record. In this case, the undivided share in land between the landlord and developer as per first JDA dated 30.10.2014 was 51.85% and 48.15% respectively. This was revised vide supplementary agreement dated 19.8.2015 i.e., developer 75.72% and landlord 24.28% and the assessee also received extra consideration of Rs.13.30 crores vide agreement dated 19.8.2015 for giving up the right in 11934 sq.ft. of constructed area in favour of the developer. Being so, when we read JDA dated 13.10.2014 along with supplementary agreement dated 9.8.2015 it shows that assessee transferred only 24.28% of undivided interest in land to the developer for a consideration of Rs.13.30 crores and 11475 sq.ft. of constructed area. Further, the 6 flats agreed to be surrendered by the landlord by the revised JDA agreement comprises of two components i.e., land and building. The value of proportionate area of undivided interest in the landed property of 8957.37 sq.ft at Rs.24,611.64 per sq.ft. and the value of building of constructed area of 11934 sq.ft. charged at Rs.2,500 per sq.ft. works out to Rs.2,98,35,000. The land value will be Rs.10,91,65,000 worked out at Rs.24,611.44 per sq.ft. The registered valuer has given the value of land in his report at Rs.20,000 to Rs.22,000 per sq.ft. which is kept on record at page 127 of PB. Therefore, the

valuation adopted for 11934 sq.ft. constructed area cannot be compared with the value of constructed area of 11475 sq.ft. retained by the Owner. Being so, this was rightly followed by the CIT(Appeals) as mentioned in his order. We do not find any infirmity in the valuation of the CIT(Appeals) towards transfer of 75.72% undivided interest in land to the developer. The same is confirmed.

18. The next ground of the revenue is that the CIT(Appeals) calculated the short term capital gain on sale of built-up area at Nil. According to the Id. DR the short term capital gain to be computed as done by the AO. In our opinion, this argument of the Id. DR is misconceived. The assessee herein transferred 75.72% of undivided share in land to the developer. The JDA and supplementary agreement cannot be read isolatedly and it gives distorted picture on transfer of landed property to the developer. When we read JDA dated 13.10.2014 along with supplementary agreement to JDA dated 19.8.2015, it suggests that the whole arrangement is to transfer 75.72% of undivided share in land to the developer and this is a single transaction so that there is no computation of short term capital gain in this case as computed by the AO. The CIT(Appeals) has given relief on a different count and computed the short term capital gain at Nil. The same is confirmed.

### **Assessee's appeal**

19. The grievance of the assessee is with regard to denial of exemption u/s. 54 of the Act. In this case, originally the AO granted deduction u/s. 54 at Rs.3,99,75,318. However, this was withdrawn by the CIT(Appeals) by placing reliance on the provisions of section 54F and observed that the assessee could not have more than one residential house. The CIT(Appeals) observed as follows:-

“5.4. From the plain reading of the provision of section 54F(1) of the Act it is amply clear that the appellant should not own more than one residential house, other than the new asset, on the date of transfer of the original asset. In the present case under consideration the appellant has got four individual flats which have separate municipal receipts, separate tenants, and they are situated on different floors. Though the words 'constructed a residential' house have been substituted as constructed one residential house in India by Finance(No.2) Act, 2014 w.e.f.01/04/2015, prior to this amendment since there was an ambiguity as to whether a means many or, a, single house and invested in India or elsewhere. However, in the appellant's case the claim of deduction u/s 54 of the Act stating that the investment is nothing but the cost of the flats received is therefore denied on two counts. As on the date of transfer of the flats the appellant was having in possession of more than two flats and the cost of construction of the flats cannot be treated as investment of the sale proceeds. The computation of the LTCG and STCG are worked out as under based on the submissions made by the appellant and also the AO's findings by denying the claim of deduction u/s 54 of the Act. A show cause notice dated 20.03.2019 was issued to the appellant to explain as to why the deduction claimed u/s 54 should not be denied as under:

During the assessment proceedings the appellant has declared as LTCG and claimed u/s 54 apart from investment made in CG scheme u/s 54 whereas the AO has treated the entire CG as short term and taxed at 30% rate. During the appellate proceedings, the issue has been examined and noticed that the exemption claimed u/s 54 is not allowable, in view of the fact that the sale proceeds received in lieu of the transfer of the land are the cost of construction of those flats received, and computed LTCG accordingly in accordance with the jurisdictional High Court's orders of T. K. Dayal and Ved Prakash Rakhra. Further the claim made u/s 54 against the Long Term capital gains is found to be again the cost of flats, which cannot be allowed. As a result of which the LTCG computation would be reworked. Since, the LTCG are to be reworked and denying the claim of Section 54 resulted into disallowance of the same though not enhancement you are requested to show cause as to why the LTCG should not be reworked and denied the claim of deduction u/s 54 and with a

view to give an opportunity of being heard as per the principles of natural justice, your explanation should reach to this office on or before 22/03/2019.”

20. In our opinion, in this case the deduction was claimed by assessee u/s. 54 of the Act and there was no prohibition in this assessment year with regard to owning more than one residential house so as to deny exemption u/s. 54. We reproduce the provisions of section 54 of the Act as it stood in the relevant assessment year as follows:-

“54. (1) Subject to the provisions of sub-section (2), where, in the case of an assessee being an individual or a Hindu undivided family, the capital gain arises from the transfer of a long-term capital asset, being buildings or lands appurtenant thereto, and being a residential house, the income of which is chargeable under the head "Income from house property" (hereafter in this section referred to as the original asset), and the assessee has within a period of one year before or two years after the date on which the transfer took place purchased, or has within a period of three years after that date [*constructed, one residential house in India*], then, instead of the capital gain being charged to income-tax as income of the previous year in which the transfer took place, it shall be dealt with in accordance with the following provisions of this section, that is to say,—

(i) if the amount of the capital gain is greater than the cost of the residential house so purchased or constructed (hereafter in this section referred to as the new asset), the difference between the amount of the capital gain and the cost of the new asset shall be charged under section 45 as the income of the previous year; and for the purpose of computing in respect of the new asset any capital gain arising from its transfer within a period of three years of its purchase or construction, as the case may be, the cost shall be *nil*; or

(ii) if the amount of the capital gain is equal to or less than the cost of the new asset, the capital gain shall not be charged under section 45; and for the purpose of computing in respect of the new asset any capital gain arising from its transfer within a period of three years of its purchase or construction, as the case may be, the cost shall be reduced by the amount of the capital gain.

(2) The amount of the capital gain which is not appropriated by the assessee towards the purchase of the new asset made within one year before the date

on which the transfer of the original asset took place, or which is not utilised by him for the purchase or construction of the new asset before the date of furnishing the return of income under section 139, shall be deposited by him before furnishing such return [such deposit being made in any case not later than the due date applicable in the case of the assessee for furnishing the return of income under sub-section (1) of section 139] in an account in any such bank or institution as may be specified in, and utilised in accordance with, any scheme which the Central Government may, by notification in the Official Gazette, frame in this behalf and such return shall be accompanied by proof of such deposit; and, for the purposes of sub-section (1), the amount, if any, already utilised by the assessee for the purchase or construction of the new asset together with the amount so deposited shall be deemed to be the cost of the new asset :

**Provided** that if the amount deposited under this sub-section is not utilised wholly or partly for the purchase or construction of the new asset within the period specified in sub-section (1), then,—

- (i) the amount not so utilised shall be charged under section 45 as the income of the previous year in which the period of three years from the date of the transfer of the original asset expires; and
- (ii) the assessee shall be entitled to withdraw such amount in accordance with the scheme aforesaid.”

21. Thus, the condition for granting deduction u/s. 54 is as follows:-

1	Nature	Transfer of residential house
2	Available to	Individual , HUF
3	Period held before transfer	More than 36 Month (Thus only Long Term Assets)
4	Amount exemption of	If capital Gain < amount invested = full amount If capital Gain > amount invested = Difference is taxable
5	Conditions	Any residential house property is transferred Reinvestment in one residential house property in India either. <ul style="list-style-type: none"> <li>• Purchase one year before transfer or</li> <li>• Purchase two year after transfer or</li> <li>• Constructed three year after transfer</li> <li>• House property cannot be transferred for three years after acquisition or construction</li> </ul>
6	If amount not	Deposit in nationalized bank under the Capital Gain

	utilised till filling of return U/S 139(1)	Deposit A/c Scheme
7	If Deposit not utilised	Unutilized amount taxable as LTCG in the PY in which three years the date of transfer of original asset expires.
8	Consequences of transfer before three years	The cost of the new assets shall be reduced by the amount of capital gains exempted earlier. Therefore amount of Capital gain on sale of new property and (Capital gains exempted earlier) chargeable to tax in the year of sale of house property.

22. Being so, the assessee in this case purchased new residential house situated at No.228 (originally part of No.285 and sub-numbered as 285/1, renumbered as 66 and later as No.228) 4<sup>th</sup> Main Road, Malleshwaram, Bangalore – 560 055, PID No.7-3-66 for a consideration of Rs.7.5 crores along with stamp duty totalling to Rs.7,99,50,636. The assessee's share in the value of property is Rs.3,99,75,318 on which the assessee is entitled to deduction u/s. 54. The same is directed to be granted.

23. In the result, the revenue's appeal is dismissed and the assessee's appeal is allowed.

Pronounced in the open court on this 29<sup>th</sup> day of July, 2021.

Sd/-

( N V VASUDEVAN )  
VICE PRESIDENT

Sd/-

( CHANDRA POOJARI )  
ACCOUNTANT MEMBER

Bangalore,  
Dated, the 29<sup>th</sup> July, 2021.

*/Desai S Murthy/*

Copy to:

1. Assessee
2. Revenue
3. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar  
ITAT, Bangalore.