IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH : C : NEW DELHI
(Through Virtual Hearing)

BEFORE SHRI R.K. PANDA, ACCOUNTANT MEMBER
AND
MS SUCHITRA KAMBLE, JUDICIAL MEMBER

ITA Nos.5822 & 5824/Del/2018
Assessment Years: 2013-14 & 2015-16

Heidelberg Cement India Ltd., 9th Floor, Tower-C, Infinity Towers, DLF Cybercity, Gurgaon.	Vs.	DCIT, Circle-2, Gurgaon.

PAN: AABCM2359J

(Appellant)		(Respondent)
Assessee by	:	Shri Harpreet Singh Ajmani, Adv.& Shri Nitin Narang, CA
Revenue by	:	Shri Kumar Padmapani Bora, Sr.DR
Date of Hearing	:	17.11.2021
Date of Pronouncement	:	29.11.2021

ORDER

PER R.K. PANDA, AM:

The above two appeals filed by the assessee are directed against the common order dated 27th June, 2018 of the CIT(A)-1, Gurgaon, relating to Assessment Years 2013-14 & 2015-16.

ITA No.5822/Del/2018 (AY: 2013-14)

2. Facts of the case, in brief, are that the assessee is a company engaged in the business of manufacturing clinker and cement for sale to customers in India. It

filed its return of income on 30.11.2013 declaring the loss of Rs.1,50,16,26,924/-. It has paid tax to the tune of Rs.9,82,35,949/- under MAT provisions. The AO completed the assessment determining the total income at Rs.1,48,23,17,760/- wherein he made certain additions. In appeal, the CIT(A) gave part relief to the assessee.

3. Aggrieved with such order of the CIT(A), the assessee is in appeal before the Tribunal by raising the following grounds:-

> ñ1. That the Ld. CIT(A) has erred in facts and in law, in confirming the disallowance made by the Ld. AO amounting to INR 6,89,621/- on account of reclassification of certain assets as óBuilding other than Residentialô eligible for depreciation at 10%, which were originally classified by the Appellant as óPlant and Machineryô, eligible for depreciation at 15%.
>
> 2. That the Ld. CIT(A)/ Ld. AO has erred in facts and in law by not considering the detailed nature and use of the assets, while holding this disallowance.
>
> 3. That the Ld. CIT(A) has erred in facts and in law, in confirming disallowance made by the Ld. AO amounting to INR 19,421,395/- (net of depreciation) on account of capitalization of 25% of Technical Know-how Fee incurred by the Appellant in the subject year, on the ground that such expenses have resulted in benefits of enduring nature to the Appellant and thereby constitutes a capital asset.
>
> 4. That the Ld. CIT(A)/Ld.AO have erred in facts and in law in not appreciating that the Technical Know-how has been utilized for smooth running of the business of the Appellant and has not lead to acquisition of any new capital asset.
>
> The above grounds are without prejudice to each other.
>
> That the Appellant reserves its right to add, alter, amend, substitute or withdraw any of the aforesaid grounds of appeal either before or at the time of hearing of the appeal.ò

4. So far as grounds of appeal Nos.1 and 2 are concerned, the ld. Counsel for the assessee submitted that the issue stands decided against the assessee by the

decision of the Tribunal in assesseeôs own case. In view of the above statement of the ld. Counsel and in absence of any objection from the side of the ld. DR, the grounds of appeal No.1 and 2 by the assessee are dismissed.

5. So far as grounds No.3 and 4 are concerned, the facts of the case, in brief, are that during the course of assessment proceedings, the AO noted that the appellant was paying technical know-how fee to its associated enterprises M/s Heidelberg Cement Asia Pvt. Ltd. During the year under consideration the appellant had claimed total expenditure of Rs. 17 cr. as technical know-how fee and this amount was claimed as revenue expenditure. The AO asked the appellant to explain and justify the claim of these expenses as being revenue expenditure. After considering the assesseeôs submissions, the AO held that 25% of these expenditure was required to be capitalized as the benefit arising out of these payments were of enduring nature. The AO accordingly capitalized 25% of this fee and allowed depreciation on this amount so capitalized.

6. In appeal, the ld.CIT(A), following the order of his predecessor, confirmed the addition made by the AO.

7. The ld. Counsel for the assessee, referring to the decision of the Tribunal in assesseeôs own case, vide ITA No.2054/Del/2016, for AY 2011-12, submitted that the issue stands decided in favour of the assessee. He submitted that the Tribunal, following the above order, has again decided the issue in favour of the assessee in AY 2012-13 vide ITA No.939/Del/2017, order dated 07.07.2021. He

accordingly submitted that the issue stands decided in favour of the assessee by the consistent decisions of the Tribunal in assesseeôs own case for the preceding year.

8. The ld. DR fairly conceded that the issue stands decided in favour of the assessee by the decision of the Tribunal.

9. After hearing both the sides, we find, the ld. CIT(A), following the decision of his predecessor for AY 2011-12, confirmed the action of the AO in capitalizing 25% of fee for technical knowhow and allowed depreciation on the same. We find, against the order of the CIT(A), the assessee filed an appeal before the Tribunal and the Tribunal, vide ITA No.2054/Del/2016, order dated 31.10.2019, for AY 2011-12 decided the issue in favour of the assessee by holding that the CIT(A) was not justified in upholding the action of the AO in treating 25% of the technical know-how fee as capital in nature. Accordingly, the Tribunal directed the AO to treat the entire amount as revenue in nature. The relevant observation of the Tribunal from para 22 onwards of the order read as under:-

> ñ22. We have heard the arguments made by both the sides, perused the orders of the Assessing Officer and CIT(A) and the paper book filed on behalf of the assessee. We have also considered the various decisions cited before us. We find the Assessing Officer, in the instant case, disallowed 25% of the total technical know-how expenses of Rs.14,09,84,000/- which comes to Rs.3,52,46,000/- treating the same as capital expenditure being spent towards acquisition of capital asset as it gives rise to enduring benefit which can be enjoyed by the assessee over a number of years. He accordingly allowed depreciation on this @ 25% amounting to

Rs.88,11,500/- and made an addition of Rs.2,64,34,500/- to the total income of the assessee. While doing so, the Assessing Officer held that the scope read with the provisions of technical know-how clearly indicate that the acquisition of technical know-how seeks to improve each and every aspect of the entire business. The agreement between the assessee and the HCA shows that the acquisition of technical know-how has brought in a complete and comprehensive overhauling of the entire business of the assessee. Therefore, the agreement clearly indicates that the technical knowledge the assessee obtained from this agreement with HCA secured to the assessee an enduring advantage and though benefit which was available to the assessee for its manufacturing and industrial process even after the termination of agreement ceases, but, when the agreement never terminates on account of revision/automatic renewal the benefit goes on and on. Further, continuous use of improved practices over several years leads to creation of institutional memory of advanced procedures and techniques. The Assessing Officer further noted that due to latent learning of systematic procedures and techniques through periodic training of personnel in the form of workshops and on the job trainings continues to reap benefits to the assessee way beyond periods confined with the agreement. According to him, the trained manpower continues to perform at higher levels of efficiency with better techniques even if the technical know-how agreement was to terminate. We find the ld.CIT(A) while upholding the action of the Assessing Officer noted that the payment made by the assessee has bestowed benefits of enduring nature which would not get terminated with the expiry of the agreement. According to him, when the assessee company is into manufacturing of cement and all the technologies given to it for manufacturing of cement would get merged into its business process. The business line of the assessee is of a particular nature which would require updating everyday like software industry or manufacturing of highly sophisticated instruments. The argument of the assessee that it would return all the designs according to him appears worth paper argument only because in a cement manufacturing plant, if the designs have been used for making the business process the changes are irreversible. It is the submission of the ld. counsel that the assessee has to continuously upgrade plant efficiency by employing modern and latest techniques to reduce costs and improve its productivity and quality. The expenditure on technical know-how was incurred by the assessee for technical information and assistance provided by HCA for the various services that were to be rendered by HCA to the assessee. It is also his submission that the benefit of the technical know-how does vest once and for all thereby resulting in an enduring benefit or for the purposes of bringing into existence any asset or advantage of an enduring nature, rather, the object of the technical assistance was for running the business effectively and profitably. Further, it is also his submission that the payment comprising 2% of sales as fee for technical know-how is recurrent depending on sales and pertains only to the period of agreement. We find some force in the above argument of the ld.

counsel for the assessee. We find, clause 2.2 of the agreement reads as under:-

"2.2 All the Technical Information supplied by HCA (whether in writing or orally or in any other manner) mention in para 2.1 above for use by MCL and all copies of the Technical Information (or any of it) made by the MCL shall be and remain the property of HCA and MCL acknowledges the copyright in the Technical Information shall belong to an remain vested with HCA. HCA hereby grants to MCL licence to make such number of copies of the Technical Information (or any part thereof) as the MCL may reasonably require for the purposes of Agreement."

22.1 We find clause 5 of the agreement reads as under:-

ñTechnical know-how fee in respect of each quarter of a year equal to 2% on the basis of the net ex-factory price of the produce exclusive of excise duties minus the cost of standard bought-out components and landed cost of imported components, irrespective of the source of procurement, including ocean freight, insurance, custom duties and net of distribution costs (fright and forwarding) etc. and as shown in the unaudited/audited financial accounts of MCI.ò

22.2 Similarly, clause 13 of the agreement reads as under:-

"13.1 Upon the expiration of the term or earlier termination of this Agreement, MCL shall:

13.1.1 at its own cost promptly return to HCA, or otherwise dispose of as HCA may instruct, all Technical Documentation and all other documentation and papers supplied by MCL by HCA and all copies thereof and notes and extracts taken there from by MCL, and

13.1.2 destroy all catalogues, advertising and promotional material, stationery and materials of any sort relating to the productsé ."

23. We find somewhat similar issue had come up before the Hon'ble Delhi High Court in the case of CIT vs. Hero Honda Motors Ltd. (supra). In that case: the assessee was a joint venture between the Hero Group and Honda, Japan, for manufacture and sale of motorcycle using technology licenced by Honda; the assessee and Honda thereupon entered into an agreement called 'licence and technical assistance agreement' in terms which assessee paid royalty to the Honda; the assessee claimed deduction of said payment under section 37(1). The Assessing Officer rejected assessee's claim holding that it was in the nature of capital expenditure; and the Tribunal, however, allowed assessee's claim on revenue's appeal.

24. On appeal filed by the Revenue, the Hon'ble High Court held as under:-

ñ14. What is placed before us is the "licence and technical assistance agreement" dated 2nd June, 1995 for the territory of India. The term 'intellectual property right' stood defined to mean those patents, utility models, design patents and other intellectual property rights relating directly to the products or the licensed parts thereof or to manufacturing of the products and their licensed parts, but excluded trademarks, patents, utility models, design patents and intellectual property rights relating to the manufacturing facilities and the manufacture thereof. The term 'know-how' was defined as any or all secret, technical information except for intellectual property rights, whether in writing or not, including but not limited to drawings, standards, specifications, material list, process manuals and direction maps etc. directly related to products or licensed parts thereof, or necessary for manufacture of the same. The term 'technical information' was to mean 'know-how' and any technical information not included in 'know-how' which related to the product or licensed part or was necessary for manufacture of product or licensed parts which the Honda owned at the time of execution of the agreement or would own from time to time during the subsistence of the agreement. The term 'products' meant two-wheelers or three-wheelers as expressly specified under clauses (a) and (b), identified by licensor's development codes, viz. 198s, KCCA, etc. which had already been developed and was under manufacture under the earlier agreement. Under clause (c), it would include additional models or types of two/three wheelers pursuant to 'model change' as specified in the model agreement. The term 'new models' was to mean new models developed by Honda at the request of the respondent assessee with new development code and subject to new model agreement. Similarly, the term 'model change' was defined as conduct through which a new model with new development code was made by a change in any part or entirety of the product, including but not limited to appearance, structure, characteristics or specifications and in each case was subject to a new model agreement. The agreement specifically recorded that the respondent assessee was already engaged in the business of manufacturing, assembling, selling and otherwise dealing with two/three wheelers and their parts as a joint venture. It referred to the earlier collaboration agreement dated 24th January, 1984 and the subsequent amendment thereto which conferred and had granted to the respondent assessee a right and licence to manufacture, assemble, sell, distribute, repair and service two/three wheelers.

15. The other terms of the agreement were:

(1) Rights and licenses granted by the licensor to the respondent assessee were exclusive, indivisible and non-transferrable, without the right

to grant sub-licenses to manufacture, assemble, sell and distribute the product or parts thereof. The rights and duties under the agreement were not assignable or delegatable, directly or indirectly.

(2) The aforesaid license was for the term of the agreement, i.e. 10 years from the effective date of 21st June, 1994.

(3) The Agreement could be terminated by 60 days' notice to the defaulting party, if it failed to cure the same within the notice period. The agreement could also be terminated forthwith by a party, if the other party had transferred whole or an important part of business; went into liquidation, bankruptcy or insolvency; merged with, or was directly or indirectly transferred to third party; or on significant change in shareholding ownership.

(4) Upon expiration of the term of the agreement, i.e. after 10 years, or termination due to default of performance of obligations, the respondent assessee could continue to manufacture, assemble, sell or deliver services but subject to due performance of their obligations, including payment of royalty.

(5) In the event of pre-mature termination, i.e. within 10 years, except due to default of performance of obligations, the respondent assessee was to promptly discontinue manufacturing activities, sale and other dispositions of the products and the parts, as well as the use of intellectual property right and technical information.

(6) Further in the event of expiration or termination, the respondent was to promptly return all documents and tangible properties in connection with the agreement including copies and translations and all information received under the secret and confidentiality clauses.

(7) Honda had right to access the respondent's factories and other facilities for inspections to check and confirm whether conditions/obligations imposed were being complied with.

(8) Knowhow, technical information and other non-public technical or business information was to remain solely and exclusively the property of Honda and was to be held in trust and in confidence for Honda by the respondent assessee. This information was not to be divulged, communicated or made known to third persons in any manner whatsoever, except as expressly provided. Respondent was to take all necessary precautions to keep the said information secret and confidential and restrict its use strictly as per the first as well as the present agreement. The respondent assessee was to establish and maintain internal regulations and procedures for protection of secrecy. The information could be disclosed to employees, Directors or approved sub-contractors when it was reasonably necessary for the purpose of manufacture, assembly, repair and servicing,

subject to obtaining a 'written promise' from the approved sub-contractors to treat all information as secret and confidential.

(9) The aforesaid rights and obligations were to persist even on expiration or termination of the agreement.

(10) The respondent assessee was not to use or cause or permit use by any third party, intellectual property right or technical information provided under the agreement.

(11) The respondent assessee was not to claim any title or property right whatsoever during the existence of the agreement. Upon termination as a result of default of the respondent assessee, no such right, title, property or interest whatsoever could be claimed.

(12) There were stipulations in case respondent assessee became aware or had knowledge of any infringement or illegal use of intellectual property right of Honda in India by a third party.

(13) The respondent was to submit monthly written report in the designated form to Honda regarding manufacture, sale and inventory and/or sale of parts or products. Honda was entitled to have access to books of accounts, financial statements and records, to the extent they relate to transactions as contemplated under the agreement.

(14) The respondent could not, without Honda's prior written consent, directly or indirectly or through its subsidiary, affiliate, distributor or agent or any other party, carry on or participate in the business of manufacturing, assembling, distributing or otherwise dealing in two/three wheelers of other parties.

(15) On the question of consideration payable, Article 25 of the Agreement provided for fees under two heads namely, (1) Model Fee; and, (2) Running Royalty.

a. 'Model fee' was payable on model change under the new model agreement. It was non-refundable and non-creditable against other payments. The agreement in addition stipulated the amount of model fee payable in respect of the product, "C-100" of US$ 10,00,000/- was payable in three equal instalments; i.e., (i) within first 60 days of the agreement being taken on record by the Government authorities in India; (ii) within 60 days of Honda delivering to the respondent the technical information necessary for manufacture and assembly; and, (iii) within 60 days after the parties confirmed in writing that the manufacture of the model had commenced on commercial basis, or 4 years after the agreement, whichever was earlier.

b. Royalty was running and periodical payment as specified in Exhibit 1 or the amounts calculated by multiplying the rate specified in Exhibit 1 with reference to the ex-factory/ex-warehouse sales price.

16. Reading the aforesaid terms and conditions and applying the tests expounded, it has to be held that the payments in question were for right to use or rather for access to technical knowhow and information. The ownership and the intellectual property rights in the knowhow or technical information were never transferred or became an asset of the respondent assessee. The ownership rights were ardently and vigorously protected by Honda. The proprietorship in the intellectual property was not conveyed to the respondent assessee but only a limited and restricted right to use on strict and stringent terms were granted. The ownership in the intangible continued to remain the exclusive and sole property of Honda. The information, etc. were made available to the respondent assessee for day to day running and operation, i.e. to carry on business. In fact, the business was not exactly new. Manufacture and sales had already commenced under the agreement dated 24th January, 1984. After expiry of the first agreement, the second agreement dated 2nd June, 1995, ensured continuity in manufacture, development, production and sale. The period of agreement, 10 years in the present case, would be inconsequential for the agreement merely permitted and allowed use of technology subject to payment of royalty and compliances and the proprietorship and ownership right was never granted or transferred. The factum that after 10 years and after returning the tangible properties, the respondent assessee could still have continued to use technical knowhow and information would be a trivial and inconsequential factum as in the automobile industry, technology upgradation is constant and rapid. Gone are the days when one or two manufacturers enjoyed monopoly rights and there was a long and indeterminate wait and queue for purchase of out-of-date models. Technical upgradation and state-of-the-art know-how is injected every year in the automobile industry. Failure to keep up and upgrade would result in product rejection and fall in sales. Persistent upgradation and cutting edge technology is mandate and business requirement in the competitive market of two/three wheelers.ò

25. We find the Hon'ble Delhi High Curt in the case of CIT vs. G4S Securities System (India) P. Ltd. (supra), has observed as under:-

ñ9. From the terms of the agreement it is noticed that this arrangement was for a period of 5 years, which may be extended by another period of 5 years unless either party gives 6 months notice to the other party prior to the end of such 5 years period. The payment of commission @ 1% was based on the net sales and not lumpsum. On the termination of expiration of the sub license agreement, the assessee was to return all G4F knowhow obtained pursuant to the said agreement. Not only that, the assessee was not even entitled to make use of the trade mark name or G4F knowhow and was

forthwith to change its' corporate and/or trade names. All rights and knowhow, therefore, continued to vest in G4F and it was only the right to use the knowhow that was made available to the assessee and that too based on its net sales. That means all the royalty paid in the shape of 1 % of net sales for the use of trade mark and right to use knowhow could not be considered to be of enduring nature and thus capital expenditure. The expenditure was to be of revenue nature. In the case of Jonas Wood Head and Sons Vs. CIT, 117 ITR 55, it was held that the question regarding capital or revenue expenditure depends on the terms of agreement in each case. In the case of CIT Vs. Gujarat Carbon Ltd., 254 ITR 294, it was held that the payment of revenue under the agreement was directly relatable to services which were in the revenue field and were allowable as revenue expenditure. In the case of Goodyear (I) Ltd. Vs. ITO 73 ITD 189(Delhi), the assessee had not acquired ownership right of technical knowhow but transfer of use of licenses. There was no advantage of enduring nature and hence it was held to be a case of revenue expenditure. In the case of Travancore Sugar and Chemicals Ltd. 62 ITR 566 (SC) it was held that whenever a payment is based on a percentage of turnover or profits, it necessarily has no relation to the capital value of the asset, because it cannot be known at the time of the agreement what the turnover or profits will be over a period of years. In another case reported as DCIT Vs. Swaraj Engines Ltd. (2002) 124 Taxman 188, the Tribunal held, revenue payment is allowable as revenue expenditure, since it is related to sales and that it is paid for better conduct, efficiency and improvement of the existing business or product manufactured by the assessee. In the case of CIT Vs. Lumax Industries Ltd. (2008) 173 Taxman 290 (Delhi), this Court has also held that the payment of license fee on year to year basis for acquisition of technical knowledge would not amount to capital expenditure, but the revenue expenditure.

10. From the ratio of the above said cases, we are of the considered view that under the terms of the agreement as noted above, the ownership rights of the trade mark and knowhow throughout vested with G4F and on the expiration or termination of the agreement the assessee was to return all G4F knowhow obtained by it under the agreement. The payment of royalty was also to be on year to year basis on the net sales of the assessee and at no point of time the assessee was entitled to become the exclusive owner of the technical knowhow and the trade mark. Hence, the expenditure incurred by the assessee as royalty is revenue expenditure and is therefore, relatable under Section 37(1) of the Act. We thus, answer the question in favour of the Assessee and against the Revenue and consequently dismiss all the three appeals.ò

26. We find the Hon'ble Allahabad High Court in the case of CIT vs. UPCOM Cables Ltd. (supra) has observed as under:-

ñ35. The question as to whether a particular payment made towards technical know-how fee or royalty to a Foreign Company in lieu of an Agreement will be a "capital expenditure" or "revenue expenditure" would depend upon facts of individual case, and, in particular, various terms of Agreement involved therein.

36. In the present case, a concurrent finding has been recorded by CIT(A) and Tribunal both that on termination of Agreement, which was for a period of five years, Assessee would return all relevant material relating to know-how acquired through Agreement. This is one of the relevant consideration observed in Alembic Chemical works Ltd. (supra) to hold that in such a case, payment towards 'Royalty' would be 'Revenue expenditureô and not 'Capital'. The agreement also shows that it was not an exclusive right available to the Assessee, inasmuch in para 13 of Annexure, of foreign collaboration, approval accorded by Government of India provides that in case item of manufacture is one which is patented in India, payment of 'Royalty'/lump sum made by Indian Company to Foreign collaborator, during period of agreement shall constitute full compensation for use of patent right till expiry of life of patent and Indian Company shall be free to manufacture that item even after expiry of the collaboration agreement without making any additional payments. Assessee claimed that royalty payment is part of percentage of selling price of product and not for acquiring technical know-how of manufactured licensed product having enduring benefit. These facts available on record have not been disputed and we have not been shown any authority so as to justify to take a different view than what has been taken by Tribunal.

37. In view thereof, we answer both the aforesaid questions against Revenue and in favour of Assessee and confirm the view taken by Tribunal on all these aspects.ò

27. Respectfully following the decisions cited, supra, we hold that the ld.CIT(A) is not justified in upholding the action of the Assessing Officer in treating 25% of the technical know-how fees as capital in nature. We, therefore, set aside the order of the CIT(A) on this issue and direct the Assessing Officer to treat the entire amount as revenue in nature. The grounds raised by the assessee on this issue are accordingly allowed.ò

10. We find, following the above decision, the Tribunal again in ITA No.939/Del/2017, order dated 07.07.2021 for AY 2012-13 has allowed the claim of the assessee. Therefore, following the consistent decisions of the Tribunal in assesseeôs own case for the immediately preceding two assessment years, we set

aside the order of the CIT(A) and direct the AO to allow the entire amount of technical know-how fee as revenue in nature. The grounds of appeal raised by the assessee are accordingly allowed.

ITA No.5824/Del/2018 (AY: 2015-16)

11. Grounds of appeal raised by the assessee for AY 2015-16 which are identical to the grounds of appeal for AY 2013-14, read as under:-

> ñ1. That the Ld. CIT(A) has erred in facts and in law, in confirming the disallowance made by the Ld. AO amounting to INR 2,36,195/- on account of reclassification of certain assets as ôBuilding other than Residentialô eligible for depreciation at 10%, which were originally classified by the Appellant as ôPlant and Machineryô, eligible for depreciation at 15%.
>
> 2. That the Ld. CIT(A)/ Ld. AO has erred in facts and in law by not considering the detailed nature and use of the assets, while holding this disallowance.
>
> 3. That the Ld. CIT(A) has erred in facts and in law, in confirming disallowance made by the Ld. AO amounting to INR 1,03,45,094/- (net of depreciation) on account of capitalization of 25% of Technical Know-how Fee incurred by the Appellant in the subject year, on the ground that such expenses have resulted in benefits of enduring nature to the Appellant and thereby constitutes a capital asset.
>
> 4. That the Ld. CIT(A)/Ld.AO have erred in facts and in law in not appreciating that the Technical Know-how has been utilized for smooth running of the business of the Appellant and has not lead to acquisition of any new capital asset.
>
> The above grounds are without prejudice to each other.
>
> That the Appellant reserves its right to add, alter, amend, substitute or withdraw any of the aforesaid grounds of appeal either before or at the time of hearing of the appeal.ò

12. Following our decision in ITA No.5822/Del/2018 as above, the grounds of appeal No.1 and 2 raised by the assessee are dismissed as the issue stands decided against the assessee by the decision of the Tribunal in assesseeôs own case.

13. So far as grounds of appeal No.3 and 4 are concerned, the same have been allowed by us vide ITA No.5822/Del/2018 for AY 2013-14, as above. Following similar reasonings, we allow ground Nos.3 and 4 for the instant assessment year also.

14. In the result, both the appeals filed by the assessee are partly allowed.

Pronounced in the open court on 29.11.2021.

Sd/-	Sd/-
(SUCHITRA KAMBLE) JUDICIAL MEMBER	(R.K. PANDA) ACCOUNTANT MEMBER

Dated: 29th November, 2021.

dk

Copy forwarded to :

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi