

**IN THE INCOME TAX APPELLATE TRIBUNAL  
'A' BENCH : BANGALORE**

**BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER  
AND  
SMT. BEENA PILLAI, JUDICIAL MEMBER**

<b>ITA Nos. 373 &amp; 374/Bang/2023</b>
<b>Assessment Years : 2013-14 &amp; 2014-15</b>

M/s. KSRTC Passengers Accident Relief Fund Trust, KSRTC Central Office, Transport House, K H Road, Shanthinagar, Bangalore – 560 027. <b>PAN: AAATK6472A</b>	<b>Vs.</b>	The Income Tax Officer (Exemptions), Ward – 1, Bangalore.
<b>APPELLANT</b>		<b>RESPONDENT</b>

Assessee by	:	Shri Joseph Varghese, Advocate
Revenue by	:	Shri Nischal .B, Addl. CIT (DR)

Date of Hearing	:	20-07-2023
Date of Pronouncement	:	28-08-2023

**ORDER**

**PER BEENA PILLAI, JUDICIAL MEMBER**

Present appeals are filed by assessee against order dated 15.03.2023 and 16.03.2023 for A.Ys. 2013-14 and 2014-15 respectively by National Faceless Appeal Centre.

2. At the outset, the Ld.AR submitted that issues raised by assessee in both the appeals arises out of identical facts and the

grounds are common. For the sake of convenience, the issues are considered by way of common order for both the years under consideration as under.

We also consider the facts for A.Y. 2013-14 and the decision delivered on common issue shall apply *mutatis mutandis* for identical grounds raised in A.Y. 2014-15.

**3. Brief facts for A.Y. 2013-14 are as under:**

3.1 Assessee is a trust and had filed its return of income for A.Y. 2013-14 on 05.07.2013 declaring Nil income after claiming exemption u/s. 11. The case was selected for scrutiny and statutory notices were issued to the assessee to furnish various details. The assessee furnished all the necessary details as called for. The Ld.AO during the assessment proceedings observed that assessee was granted 12A registration vide order dated 03.07.2003. It was also noted by the Ld.AO that the objects of the trust are as under:

*“a) The object of the Trust shall be to create a corpus fund for collecting certain specified amount from certain passengers travelling In buses of Karnataka State Road Transport Corporation, in short, hereinafter referred to as the Corporation. The amount so collected shall be disbursed by way of compensation. The amount so collected shall be disbursed by way of compensation for the KSRTC passengers becoming victims of a road accident while travelling as passengers In the buses of the Corporation.*

*b) Other Incidental purposes like providing medical assistance to victims In the accident while travelling in the buses of the Corporation to prevent fatalities and any other incidental purpose of ensuring Safety and Welfare of the passengers of buses of the Corporation, may also be subsequently Included depending upon the accumulated surplus funds of the trust:*

*c) The Trust has been created for the purpose of Safety and Welfare of the passengers travelling In the buses of the Corporation and for char/table purpose within the meaning of the Income Tax Act,1961 and the objects of the Trust are to afford Relief and render voluntary service to the Victims of accidents while travelling in the buses of the Corporation. The objects of t he Trust shall not Include any activity for profit within the meaning of the Income Tax Act,1961:”*

3.2 The Ld.AO on verification of Income & Expenditure account noted that assessee had claimed depreciation of Rs.15,87,832/- on assets as well as capital expenditure on additions to capital asset. The Ld.AO in view of the decision of *Hon’ble Supreme Court* in case of *Escorts Ltd. & Anr. Vs. UOI & Ors.* reported in *199 ITR 43* did not allow the depreciation so claimed as it amounted to double deduction. He thus disallowed the depreciation claimed by the assessee.

3.3 The Ld.AO further noted that the assessee had made provision for audit fee of Rs.50,562/- which was shown as liability in the balance sheet and was also claimed as expenditure in the I&E account statement. The assessee had claimed it as application of funds for which assessee was asked to submit proof in support. The assessee submitted that, the claim shown on provisional basis without incurring the expenditure is a general practice as the claim is received by assessee after the year end. The Ld.AO was of the view that as the amount was not actually spent or applied towards audit fees, the same cannot be treated as application of funds towards activities of the trust and thus disallowed the claim.

3.4 The Ld.AO noted that assessee sold capital asset for Rs.21,95,401/- and the same was not included in the receipt side of the I&E account. The Ld.AO opined that as the entire amount

of acquisition was exempted in the year of acquisition of capital asset, at the time of sale, it becomes income in the hands of the assessee. The Ld.AO thus added the receipts in the hands of the assessee.

3.5 The Ld.AO also noted that the assessee had debited sum of Rs.9,39,490/- as loss on sale of capital asset which was claimed as expenditure during the year which was also not accepted by the Ld.AO. The Ld.AO thus made the following additions for A.Y. 2013-14 while passing the assessment order:-

- a) Depreciation disallowed – Rs.15,87,832/-
- b) Provision for audit fee disallowed – Rs.50,562/-
- c) Sale proceeds received on sale of asset – added- Rs.21,95,401/-
- d) Claim of loss on sale of asset disallowed – Rs.9,39,490/-

3.6 For A.Y. 2014-15 on similar facts, the assessing officer disallowed following in the assessment order.

Depreciation disallowed – Rs.12,67,005/-

Provision for claims disallowed – Rs.72,50,000/-

Loss on sale of vehicles disallowed – Rs.1,21,981/-

Deferred revenue expenditure disallowed – Rs.87,000/-

4. Aggrieved by the order of the Ld.AO, assessee preferred appeal before the Ld.CIT(A).

5. In respect of the depreciation disallowed by the Ld.AO, the Ld.CIT(A) was of the view that the depreciation needs to be allowed even if the capital expenditure has been claimed by the assessee as application in the earlier year. The Ld.CIT(A) relied on the decision of *Hon'ble Supreme Court* in case of *CIT vs.*

*Rajasthan and Gujarati Charitable Foundation Poona* reported in 402 ITR 441.

6. The Ld.CIT(A) further noted on this issue that the depreciation is available to be claimed by assessee only till 31<sup>st</sup> of March, 2015, as a consequent to the introduction of sub clause (6) to section 11 that came into effect from 01.04.2015. In respect of the other issues, being disallowance of provision of audit fee, addition in respect of the sale proceeds of the capital asset and disallowance in respect of the loss of sale of capital asset was confirmed for both the years under consideration.

7. Aggrieved by the order of the Ld.CIT(A), assessee is in appeal before this *Tribunal*.

8. Before this *Tribunal*, the Ld.AR submitted that **Ground no. 1** is general in nature in both the appeals and therefore do not require adjudication.

9. **Ground nos. 2-5** is in respect of the disallowance of provision towards audit fee for A.Y. 2013-14 and disallowance of provision for claims payable by the assessee for A.Y. 2014-15.

9.1 For Assessment Year 2013-14, it is submitted that the generally the assessee as per the accounting principle created provision for the expenses relating to the particular financial year in respect of the payment made towards audit fees for that year under consideration. It is submitted that the said amount was paid upon receipt of the audit report and after deduction of TDS. Assessee has also filed the details of the payment that was made on 18.10.2014 in the subsequent financial year in the paper book at page 11.

9.2 For A.Y. 2014-15, the Ld.AR submitted that assessee was formed for the sole purpose of granting relief to passengers suffering from accidents during their travel with KSRTC. It is submitted that the relief is granted based on the nature of the injury or in case of the death of the passenger, the assessee pays relief to the injured passenger and to the family of the deceased passenger as decided by the trust.

9.3 It is submitted that the provisions made in the books are ascertained liability and are not an adhoc provisions. It is the submission of the assessee that, the provisions are made in respect of the accidents occurring involving vehicles of KSRTC and the passengers who were affected in such accidents. It is the submission of the assessee that these provisions are not computed on any guess works but are computed based on the exact numbers of the accidents/death that had taken place vis-à-vis the particular vehicle under KSRTC. It is submitted by the Ld.AR that the provision are created in respect of accidents occurring or death having taken place of passengers as the case may be and an entry is made creating a liability when information about such event is received and subsequently the amount is disbursed on receipt of the claim form along with the necessary documents.

9.4 The Ld.AR submitted that there is a delay between the liability being credited and the amount having actual disbursement to the claimants and reflecting the same in the balance sheet by the year end. It is also submitted by the Ld.AR that, there is no such instances where the compensation is not paid as, the provision is made upon ascertainment of the

passenger having met with accident or being deceased in an accident wherein a vehicle owned by KSRTC is involved.

On the contrary, the Ld.DR relied on the orders passed by authorities below.

We have perused the submissions advanced by both sides in the light of records placed before us.

9.5 The Ld.AR had relied on the decision of *Hon'ble Karnataka High Court* in case of *CIT(E) vs. Ohio University Christ College* reported in 408 ITR 352 wherein *Hon'ble Court* considered the question as to whether, for the purposes of allowing exemption u/s. 11(1)(a) of the act, the income has to be “applied” or “spent”. The *Hon'ble Court* took the view that the word, “applied” as a wider connotation. In that case, the *Hon'ble High Court* held that provision for expenditure made in a particular year and spent in subsequent period has to be treated as amount applied for charitable purposes in that relevant Assessment Year. The *Hon'ble High Court*, after analyzing various decisions, ultimately concluded as follows:

*“15. Thus, we are of the opinion that in view of the findings of fact recorded by the learned Tribunal that a provision was made to the Ohio University for charitable activity by way of education being imparted in India and the fact of the actual payment made to the Ohio University in the very next year and that too offered for taxation in India being undisputed, no such substantial question of law arises for our further consideration.”*

9.6 Similar view has been taken by *Hon'ble Supreme Court* in case of *CIT vs. Trustee of H.E.H. The Nizam's Supplemental Religious Endowment Trust* reported in (1966) 59 ITR 582 wherein *Hon'ble Supreme Court* observed that, it was not correct to equate the words, “applied” for the words “spent”. *Hon'ble Supreme*

*Court* observed that if the legislature intended that the amounts are actually to be spent, in that year, nothing prevented them from using the word “spent” in section 11 itself.

9.7 Based on the above, we are of the opinion that the money that was sanctioned to be disbursed to the claimants due to accidents or death case, was applied for specific purpose and as there was nothing less to be done except actual payment. Respectfully following the ratio laid down by *Hon’ble Courts*, we hold that the actual payment is irrelevant for the purpose of finding out whether there has been an application of fund for the specific purpose or not.

9.8 Depending upon the normal accounting practice adopted by the assessee, if a provision for an expenditure is made in a particular year and the amount in question is spent in the subsequent period, it cannot be said that the amount is not applied for the specific purpose in the relevant assessment year. We therefore direct the Ld.AO to delete the disallowance of the provision made by the assessee towards the claims payable amounting to Rs.72,50,000/- and the provision made towards audit fees amounting to Rs.50,562/- with necessary verification.

However, necessary verification is to be made to ascertain if the same expenditure is not overlapping in the application of funds in the subsequent years.

**Accordingly, ground nos. 2-5 raised by assessee for both the years under consideration stands allowed.**

**10. Ground nos. 6-8** for A.Y. 2013-14 is in respect of the addition made by the Ld.AO in respect of sale profits of capital

asset that was not included as receipt in Income and Expenditure account.

10.1 The Ld.AR submitted that the sale of fixed assets amounted to Rs.21,95,401/- is reflected in the statement of fixed assets and was not reflected in the I&E account. It is submitted that the fixed assets sold form part of block of assets and consequently no addition was warranted to the receipts of the assessee in respect of sale of such fixed assets. In support of this argument, the Ld.AR relied on the decision of *Hon'ble Kolkata Tribunal* in case of *DCIT(E) vs. Maa Saraswati Gyan Mandir Education Society* in ITA No. 2002/Kol/2017 by order dated 10.01.2020.

10.2 On the contrary, the Ld.DR submitted that the entire amount of acquisition was exempted in the year of acquisition of capital asset and therefore at the time of the sale of the same, it must be treated as income in the hands of the assessee. He thus supported the orders passed by the authorities below.

We have perused the submissions advanced by both sides in the light of records placed before us.

10.3 We note that it is an admitted fact that the consideration received was deducted from the block of assets. On perusal of the income and expenditure account placed at page 10 of paper book filed for A.Y. 2013-14, we note that annexure – 4 to the balance sheet reveals the details of fixed assets which is at page 13, we note that, the assessee had sold ambulance (11 nos.), that was acquired by it on 01.04.2012. These had WDV of Rs.36,33,336/- as on 31.03.2013 that was sold for Rs.21,95,401/-. The assessee had incurred a loss of Rs.7,37,339/- in respect of the same. The excess has been

offered as income towards profit on sale of asset amounting to Rs.2,02,151/- which is reflected at page 10 of the paper book.

10.4 Under such circumstances, the addition made by the Ld.AO deserves to be deleted as this accounting method adopted by the assessee has not been considered though the claim was made before the Ld.CIT(A). We note that the Ld.CIT(A) has brushed aside the submissions of the assessee by holding that the concept of block of assets and accounting standards as mentioned by assessee apply only to business entities and that assessee either can make use of sections 28 to 24 or sections 11 to 13 of the act. The Ld.CIT(A) also observed that the assessee cannot oscillate between the two sets of provisions that suits him.

10.5 We do not agree with such observations by the Ld.CIT(A) for the simple reason that the provisions of section 11 and 12 shall apply to the income of any trust or institution where the total income of such trust or institution are computed as per the provisions of the act before giving effect to the benefit available to such institution or trust u/s. 11 and 12. The moment a trust or an institution as contemplated u/s. 11 and 12 of the act are to maintain books of accounts, necessary accounting standards are to be followed before determining the exempt income in the hands of such trust or institution. We therefore direct the Ld.AO to delete the addition made in the hands of assessee.

**Accordingly, ground nos. 6-8 raised by assessee for A.Y. 2013-14 stands allowed.**

**11.** Similar is the issue raised by assessee in **Ground no. 5 for A.Y. 2014-15** wherein claim of loss on sale of vehicle amounting to Rs.1,21,981/- was disallowed by the Ld.AO.

11.1 The Ld.AR submitted that the loss on sale of vehicles was treated as application of income and it is also not disputed that the sale of vehicles were treated of fixed assets of the assessee and has been debited to the Income and Expenditure account. It was submitted by the Ld.AR that the vehicles sold were obsolete and were capital asset in the hands of assessee.

11.2 The Ld.AR relied on decision of *Hon'ble Delhi Tribunal* in case of *Rajiv Gandhi Charitable Trust vs. JCIT (Exemption)* in ITA No. 5196/Del/2018 by order dated 31.05.2022 wherein the *Tribunal* observed as under:

*"9. We have considered the rival submissions and perused the material available on record. The issue in the present ground is with respect of claim of loss as application of income. It is an undisputed fact that the loss that assessee had incurred on sale of fixed assets and the same has been debited to the income and expenditure account of the assessee. We find that the CBDT in Circular No. 5-P(LXX-6) dated 19th June, 1968 has taken a view that the income of the trust should be computed on the basis of commercial principles and should be understood in its commercial sense. The relevant extract of the Circular reads as under:*

*"2. Section 11(1) provides that subject to the provisions of sections 60 to 63, "the following income shall not be included in the total income of the previous year. . . " The reference in clause (a) is invariably to "Income" and not to "total income". The expression "total income has been specifically defined in section 2(45) as "the total amount of income computed in the manner laid down in this Act". It would, accordingly, be incorrect to assign to the word "income", used in section 11(1)(a), the same meaning as has been specifically assigned to the expression "total income" vide section 2(45).*

*3. In the case of a business undertaking, held under trust, its "income" will be the income as shown in the*

*accounts of the undertaking. Under section 11(4), any income of the business undertaking determined by the ITO, in accordance with the provisions of the Act, which is in excess of the income as shown in its accounts, is to be deemed to have been applied to purposes other than charitable or religious, and hence it will be charged to tax under sub-section (3). As only the income disclosed in the account will be eligible for exemption under section 11(1), the permitted accumulation of 25 per cent will also be calculated with reference to this income.*

*4. Where the trust derives income from house property interest on securities, capital gains, or other sources, the word "income" should be understood in its commercial sense, i.e., book income, after adding back any appropriations or applications thereof towards the purposes of the trust or otherwise, and also after adding back any debits made for capital expenditure incurred for the purposes of the trust or otherwise. It should be noted, in this connection, that the amounts so added back will become chargeable to tax under section 11(3) to the extent that they represent outgoings for purposes other than those of the trust. The amounts spent or applied for the purposes of the trust from out of the income, computed in the aforesaid manner, should be not less than 75 per cent of the latter, if the trust is to get the full benefit of the exemption under section 11(1)."*

*10. We further find that in the following decisions, it has been held that the income of the charitable assessee needs to be computed on the basis of commercial principles:*

- CIT vs. Programme for Community Organisation (1997) 228 ITR 620 (Ker.) since approved by the apex court (reported at (2001) 248 ITR 1 (SC))*
- CIT v. Rao Bahadur Calavala Cunnan Chetty Charities (135 ITR 485)(Mad);*
- CIT v. Sheth Manilal Ranchhoddas Vishram Bhavan Trust (70 taxman 228) (Guj)*
- CIT v. Institute of Banking Personnel Selection (131 taxman 386)(Bom).*

*11. We further find that Clause (6) has been inserted in Section 11 of the Act w.e.f 01.04.2015 which inter alia mandated that income which is required to be applied or accumulated or set apart for application shall be determined without any deduction or allowance by way of depreciation or otherwise in respect of any asset the*

*acquisition of which has been claimed as an application of income in any previous year. The aforesaid clause has been inserted w.e.f 01.04.2015 and therefore in our view it would not be applicable to the year under consideration.*

*12. Considering the totality of the aforesaid facts and relying on the case laws cited hereinabove, the CBDT Circular, we are of the view that the AO was not justified in denying the loss as application of income. We accordingly set aside the order of AO which has been upheld by CIT(A). Thus the ground of assessee is allowed.”*

11.3 He also relied on the arguments advanced in respect of ground nos. 6-7 for A.Y. 2013-14.

11.4 The Ld.DR on the contrary relied on the following observations of the Ld.CIT(A) for A.Y. 2014-15.

*“9.3.1 Assessee claims that the ambulances are part of block of assets and accounting standards have been followed while returning a loss on sale of vehicles.*

*9.3.2 The provisions of Sections 11 to 13 of the Income tax Act come into effect once an institution claims deduction under these sections. The concept of block of assets and accounting standards mentioned by the assessee apply only to Business entities. The assessee either can make use of Sec 28 to 44 or sections 11 to 13 of the Act. It cannot oscillate between the two provisions that suits him.*

*9.3.3 Section 11 to 13 allows the assessee to claim the entire capital expenditure as deduction during the year of acquisition. The cost of the asset, after this deduction becomes NIL at the year end. Therefore, when the asset is sold, even as scrap, any amount that is received will only be a profit. No way, loss from the sale of capital asset can be claimed.*

*9.3.4 Moreover, the assessee, has, in addition to claiming the entire capital expenditure as application, claimed depreciation as well. This itself is double deduction, but is protected by the Apex court decision for the year under consideration. However, this claim of depreciation and entire capital expenditure, now the assessee is trying to claim triple benefit by showing loss from the sale of capital asset. This cannot be allowed.*

*9.3.5 The reliance of the Appellant on the cited Delhi ITAT judgment and also the Board Circular is misplaced as they do not deal with this issue specifically.”*

We have perused the submissions advanced by both sides in the light of records placed before us.

11.5 It is an admitted position that the assets forming part of block of assets are utilised for charitable objects of the trust and therefore such fixed asset was liable to be treated in the normal commercial principles although the trust may not be carrying on any business activity and that such asset may not be treated as business asset. Further even if it is the case that in the year of acquisition, the expenditure has been allowed it cannot be treated as an expenditure as it was as application of income of the trust in that year and the money was spent for acquiring those vehicles in those years. This does not mean that computing income or loss from such assets in any subsequent year necessary deductions should be denied. Such view has been affirmed by *Hon'ble Bombay High Court* in case of *CIT vs. Institute of Banking Personnel Selection* reported in (2003) 131 *Taxman* 386 which has been relied by *Hon'ble Delhi Tribunal* in case of *Rajiv Gandhi Charitable Trust vs. JCIT (Exemption) (supra)*. Accordingly, based on the above discussions, we are of the view that Ld.AO was not justified in denying the loss on sale of vehicles as application of income. We direct the Ld.AO to allow the claim of assessee.

**Accordingly, ground no. 5 raised by assessee for A.Y. 2014-15 stands allowed.**

12. **Ground nos. 9-10** for A.Y. 2013-14 raised by assessee is on the disallowance of loss on sale of capital asset. Both sides

reiterated identical arguments as raised for ground no. 5 in A.Y. 2014-15 hereinabove. As we have considered the arguments in detail hereinabove, the view taken by us therein is *mutatis mutandis* for ground nos. 9-10 for A.Y. 2013-14.

**Accordingly, we allow the grounds 9-10 raised by assessee for A.Y. 2013-14.**

13. **Ground no. 6** raised by assessee for A.Y. 2014-15 is in respect of deferred revenue expenditure disallowed by the Ld.AO.

13.1 The Ld.AR submitted that the assessee had incurred an expenditure of Rs.17,40,000/- which was capitalised and amortised over a period of 20 years. It is submitted that assessee has been claiming expenditure on proportionate basis which was in accordance with the settled principles of accounting over the lifespan of the asset. The Ld.AR referred to page 31 of the paper book wherein the principle amount that was invested in IFCI bonds were Rs. 10,00,000/- in 450 bonds at an interest of 9.70 per annum that was credited on 04.05.2010 with HDFC bank. It is submitted that subsequently every year on 4<sup>th</sup> May, the interest was credited at the rate of 9.70% per annum to the demat account of assessee held with the HDFC bank. It is submitted that the said bond will mature only on 04.05.2030. The Ld.AR thus submitted that assessee had spread over the principle amount over a period of 20 years as application of income and thus claimed it as deduction, and that it cannot be denied in the hands of assessee. He placed reliance on the decision of *Hon'ble Andhra Pradesh High Court* in case of *CIT vs. Trustee of HEH Nizams Endowment (supra)* in support of the

contention that it was not correct to equate the word “applied” as used in section 11 that the word “spent”.

On the contrary, the Ld.DR relied on the orders passed by authorities below.

We have perused the submissions advanced by both sides in the light of records placed before us.

13.2 It is a settled principle that income of the trust must be computed using commercial principles and therefore considering the interest earned from the IFCI bonds and proportionately considering the principle for the year as application of income cannot be said to be not in accordance with the accounting standards. The Ld.AR relied on the decision of *Hon’ble Supreme Court* in case of *Madras Industrial Investment Corporation Ltd. vs. CIT* reported in (1997) 225 ITR 802 wherein *Hon’ble Court* observed and held as under:

*“The Tribunal, however, held that since the entire liability to pay the discount had been incurred in the accounting year in question, the assessee was entitled to deduct the entire amount of Rs. 3 lakhs in that accounting year. This conclusion does not appear to be justified looking to the nature of the liability. It is true that the liability has been incurred in the accounting year. But the liability is a continuing liability which stretches over a period of 12 years. It is, therefore, a liability spread over a period of 12 years. Ordinarily, revenue expenditure which is incurred wholly and exclusively for the purpose of business must be allowed in its entirety in the year in which it is incurred. It cannot be spread over a number of years even if the assessee had written it off in his books over a period of years. However, the facts may justify an assessee who has incurred expenditure in a particular year to spread and claim it over a period of ensuing years. In fact, allowing the entire expenditure in one year might give a very distorted picture of the profits of a particular year. Thus, in the case of *Hindustan Aluminium Corpn. Ltd. v. CIT* [1983] 144 ITR 474, the Calcutta High Court upheld the claim of the assessee to spread out a lump sum*

*payment to secure technical assistance and training over a number of years and allowed a proportionate deduction in the accounting year in question.*

*15. Issuing debentures at a discount is another such instance where, although the assessee has incurred the liability to pay the discount in the year of issue of debentures, the payment is to secure a benefit over a number of years. There is a continuing benefit to the business of the company over the entire period. The liability should, therefore, be spread over the period of the debentures.”*

13.3 The above decision was rendered in the case of a company however the principle shall also apply to a trust as the interest earned from the bonds are being applied by the assessee for the purposes of application of income u/s. 11 for the year under consideration against which a proportionate expenditure has to be considered. There is no denial by the authorities that assessee had not invested in the said bonds in the year 2010 and that assessee has been claiming the deferred expenditure every year since then. The revenue has disputed the amount only for the years under consideration. *Hon'ble Allahabad High Court* in case of *CIT vs. Radhaswami Satsang Sabha* reported in (1954) 25 ITR 472 has also observed that even if an amount is earmarked or allocated for the purposes of the institution, it should be deemed to have been applied for its purpose. In the present facts of the case, the amount has already been applied in the year 2010 and the principle amount has been apportioned based on the interest that is deposited every year in a proportionate basis. We therefore do not find any reason to deny the claim of assessee for the year under consideration. Based on the above discussions, we direct the Ld.AO to allow the claim of assessee.

**Accordingly, ground no. 6 raised for A.Y. 2014-15 stands allowed.**

**14. Ground nos. 11 and 12 for A.Y. 2013-14 and Ground nos. 7-10 for A.Y. 2014-15** are general in nature and therefore do not require adjudication.

**In the result, appeals filed by the assessee for both the years under consideration stands allowed.**

Order pronounced in the open court on 28<sup>th</sup> August, 2023.

Sd/-  
(CHANDRA POOJARI)  
Accountant Member

Sd/-  
(BEENA PILLAI)  
Judicial Member

Bangalore,  
Dated, the 28<sup>th</sup> August, 2023.  
/MS /

Copy to:

- |               |                        |
|---------------|------------------------|
| 1. Appellant  | 2. Respondent          |
| 3. CIT        | 4. DR, ITAT, Bangalore |
| 5. Guard file |                        |

By order

Assistant Registrar,  
ITAT, Bangalore