

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCHES : SMC-I : NEW DELHI  
BEFORE SHRI R.S. SYAL, ACCOUNTANT MEMBER

ITA No.6257/Del/2016  
Assessment Year : 2010-11

Deepak Kumar Bhandari,  
H.No.52-N,  
Model Town,  
Hisar.  
PAN: AALPB5648L

Vs. ITO,  
Ward-1,  
Hisar.

(Appellant)

(Respondent)

Assessee By : Shri K. Sampath &  
Shri V. Rajakumar, Advocates  
Department By : Ms Bedobina Chaudhuri, Sr. DR

Date of Hearing : 27.02.2017  
Date of Pronouncement : 28.02.2017

ORDER

This appeal filed by the assessee is directed against the order passed by the CIT(A) on 23.12.2015 in relation to the assessment year 2010-11.

2. This appeal is time barred by 269 days. The assessee has filed a petition for condonation of delay giving the reasons, with which I am

satisfied. The delay is condoned and the appeal is admitted for disposal on merits.

3. The only issue pressed by the ld. AR in this appeal is against the denial of exemption in respect of the amount received by the assessee towards arrears of gratuity at Rs.6,50,000/-.

4. Briefly stated, the facts of the case are that the assessee was an employee of Chaudhary Charan Singh Haryana Agricultural University, Hisar (hereinafter called CCS HAU) and retired from service before 24.05.2010. Return for the previous year relevant to the assessment year under consideration declaring total income of Rs.5,13,050/- was filed, which was processed u/s 143(1) of the Act. The AO initiated re-assessment proceedings on the premise that the assessee had wrongly claimed exemption u/s 10(10) in respect of the arrears of gratuity. He observed that gratuity was exempt up to the limit of Rs.3,50,000/-, which limit stood exhausted in the earlier year at the time of its original receipt. He further noticed that exemption limit was enhanced to Rs.10 lac for the persons retiring from service on or after 24.5.2010. Since the

assessee retired before this cut-off date, the AO opined that the extended benefit of exemption was not available to the assessee. Since the assessee was an employee of CCS HAU, the AO held that such employees could not be termed as Government employees and, hence, the benefit u/s 10(10)(i) was not available to the assessee. Resultantly, he made addition towards the amount of arrears of gratuity received at Rs.3,50,000/-. The ld. CIT(A) echoed the view taken by the AO.

5. I have heard the rival submissions and perused the relevant material on record. It is observed that the Delhi tribunal in *Shri Ram Kanwar Rana vs. ITO, Ward-3, Hisar* in ITA No.1307/Del/2016 has allowed exemption, *inter alia*, in respect of the arrears of gratuity and dismissed the grounds about the initiation of re-assessment. Similar view has been taken in several decisions including *Raghubir Singh Panghal vs. ITO* in ITA No.1308/Del/2016. Following the same consistent view, I extend the benefit of exemption to the instant assessee also in respect of arrears of gratuity u/s 10(10)(i).

6. Other grounds including the initiation of reassessment proceedings were not pressed by the ld. AR. The same, therefore, stand dismissed as not pressed.

7. In the result, the appeal is partly allowed.

The order pronounced in the open court on 28.02.2017.

Sd/-

[R.S. SYAL]  
ACCOUNTANT MEMBER

Dated, 28<sup>th</sup> February, 2017.

dk

Copy forwarded to:

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

AR, ITAT, NEW DELHI.