

**IN THE INCOME TAX APPELLATE TRIBUNAL
“A” BENCH: BANGALORE**

**BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER
AND
MS. MADHUMITA ROY, JUDICIAL MEMBER**

ITA No.393/Bang/2023
Assessment Year: 2020-21

Ravindra R.V. No.204, Vars Casarosa 1 st Main, PAI Layout Bengaluru 560 016 PAN NO : AAMPV1553B	Vs.	DCIT Circle-5(3)(2) Bangalore
APPELLANT		RESPONDENT

Appellant by	:	Shri Sheeresh Kumar Hegde, A.R.
Respondent by	:	Dr. Nischal, D.R.

Date of Hearing	:	07.09.2023
Date of Pronouncement	:	07.09.2023

O R D E R

PER CHANDRA POOJARI, ACCOUNTANT MEMBER:

This appeal by assessee is directed against order of CIT(A)/NFAC dated 27.2.2023 for the assessment year.

2. There was a delay of 19 days in filing the appeal before this Tribunal. The assessee has filed an affidavit explaining the delay that due to his personal difficulties, he took time to contact the Chartered Accountant to file appeal before this Tribunal.

2.1 In our opinion, there is a bonafide reason for filing the appeal belatedly by 19 days before this Tribunal. Considering the reason explained by the assessee, we condone the delay and admit the appeal for adjudication.

3. The only grievance in this appeal is with regard to non-granting of exemption of House Rent Allowance (HRA) received by the assessee.

3.1 The assessee has claimed exemption u/s 10(13A) of the Income-tax Act,1961 [the Act' for short] towards the house rent allowance which is part of his salary component amounting to Rs.1,02,564/-. While processing the return of income, the exemption claimed has been denied on the basis that amount claimed to have been the least of an amount equal to 50% of the Basic + DA or excess rent paid either 10% of salary or actual HRA received. However, the ld. AO denied the benefit u/s 10(13A) of the Act on the reason that the return of income did not have specific details of breakup of Basic salary, DA, HRA, etc. and also return of income did not have specific window or caption, which could capture the data of HRA exemption. In the absence of suitable details while processing return u/s 143(1)(a) of the Act, the benefit of HRA not given. On appeal, ld. CIT(A) confirmed the same. Against this assessee is in appeal before us.

4. We have heard the rival submissions and perused the materials available on record. Before us, ld. A.R. submitted the assessee's salary details for the assessment year under consideration, which is as follows:

Basic	1794360	
HRA	179440	
NPS Contribution	89718	
Fuel and Maintenance	38134	
Organisation Allowance	310668	
Management Allowance	1642570	
Lunch Subsidy	2000	
Interim Allowance	3718	
Interest subsidy	8820	
TVP	1890085	
Privilege Leave Encashment	351951	
EX Gratia	88737	
Total		6400201
Add : Perquisites		
Car Perk	21600	
Nischint Perk	7115	28715
Total		6428916
Less : Standard Deduction	50000	
Professional Tax	2400	52400
Balance Chargeable to Tax under the Head Salaries		6273952

4.1 According to him, the assessee is entitled for HRA exemption to the tune of Rs.1,02,564/- out of HRA received to the tune of Rs.1,79,440/- and computed the deduction u/s 10(13A) of the Act read with Rule 2A of the Income Tax Rules, 1962 as follows:

a	HRA Received		179440
b	Excess of Rent paid over 10% of Salary		
	Rent Paid	282000	
	Salary Received	1794360	
	10% of Salary Rs.179436	179436	
	Excess of Rent paid over 10% of Salary		102564
c	Amount equal to 50% of Salary		897180

4.2 In our opinion, these details are not available in the return of income filed by the assessee along with Form No.16. As such, Id. NFAC/CIT(A) adopted the entire salary instead of considering the Basic & DA while computing the benefit u/s 10(13A) of the Act read with Rule 2A of the I.T. Rules. In our opinion, it is appropriate to remit this issue to the file of Id. AO to re-examine the issue for the purpose of quantification of HRA on the basis of Form No.16 filed by the assessee before lower authorities. Accordingly, the issue in dispute is remitted to the file of Id. AO for reconsideration so as to grant deduction towards HRA.

5. In the result, appeal of the assessee is partly allowed for statistical purposes.

Order pronounced in the open court on 7th Sept, 2023

Sd/-
(Madhumita Roy)
Judicial Member

Sd/-
(Chandra Poojari)
Accountant Member

Bangalore,
Dated 7th Sept, 2023.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(Judicial)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

**Asst. Registrar,
ITAT, Bangalore.**