

**IN THE INCOME TAX APPELLATE TRIBUNAL, 'E' BENCH
MUMBAI**

**BEFORE: SHRI AMIT SHUKLA, JUDICIAL MEMBER
&
SHRI GIRISH AGRAWAL, ACCOUNTANT MEMBER**

**ITA No.2460/Mum/2025
(Assessment Year :2018-19)**

Technova Imaging Sys (P) Ltd. Employees Group Gratuity Cumla Scheme TIS(P) Ltd. Laxmi Mills Estate Off Dr. E Moses Road Mahalaxmi, Mumbai- 400 011	Vs.	Income Tax Officer, Ward-22(3)(6) Piramal Chamber Lalbaug, Parel Mumbai - 400 012
PAN/GIR No.AAATT4478K		
(Appellant)	..	(Respondent)

Assessee by	Shri Pankaj Toprani, Adv. (Virtually appeared)
Revenue by	Shri Hemanshu Joshi, SR DR
Date of Hearing	12/06/2025
Date of Pronouncement	26/06/2025

आदेश / O R D E R

PER AMIT SHUKLA (J.M):

The aforesaid appeal has been filed by the assessee against order dated 17/02/2025 passed by Addl./JCIT(A)-2, Guwahati in relation to the adjustment made u/s.143(1) for the A.Y.2018-19.

2. In various grounds of appeal the assessee has challenged denying of exemption amount of Rs. 1,72,74,520/- u/s.10(25)(iv) under misconception that the approval of the gratuity fund is not of representative assessee but erstwhile name of the company.

3. The brief facts are that assessee M/s. TechNova Imaging Systems (P) Ltd. Employees Group Gratuity Cum Life Assurance Scheme is a Gratuity Fund set up by TechNova Imaging Systems (P) Ltd. (the Employer) for its employees under an irrecoverable trust for providing gratuity to its employees vide Deed of Trust dated 1st October, 1988. It was granted approval by the Id. CIT(A)-Mumbai vide letter dated 17/04/1995 and the approval was given w.e.f. 01/04/1998. The employer has insured its gratuity liability with LIC of India and also with Birla Sunlife Insurance, accordingly, the entire income of the assessee was exempt u/s. 10(25)(iv) of the Act as per the approved gratuity fund. For the relevant A.Y.2018-19 assessee has e-filed its return of income declaring 'nil' income after claiming the exemption u/s.10(25) (iv) on its entire income of Rs.1,72,74,521/-, however, the CPC denied the exemption and assessed the total income of the assessee of Rs.1,72,74,520/- and has raised demand of Rs.74,97,039/-.

4. The Id. First Appellate Authority had rejected assessee's claim after holding as under:-

"5.7. On perusal of details, it is noticed that the appellant has submitted one approval of gratuity fund dtd, 23-4-1990. It is also noticed therein that the said certificate is issued in the name of "Technova Plate Making Systems Ltd. Employees Group Gratuity

Techno Imaging Sys (P) Ltd Employees Group Gratuity Cumla Scheme

Scheme," but the instant appeal has been filed by the appeal viz. TECHNOVA IMAGING SYS (P) LTD EMPLOEES GROUP GRATUTY CUM L.A. SCHEME" i.e there is difference in the name of the appellant who has filed appeal and the person whose certificate dated 23.04.1990 has been furnished. The aforesaid fact is evident the screenshot of the said certificate dated 23.04.1990 is reproduced hereunder.

AAATT4478K- TECHNOVA IMAGING SYS (P) LTD EMPLOEES GROUP GRATUTY CUMLA SCHEME
A.Y. 2018-19
ITBA/APLS/250/2024-25/107335890(11)

30-4-90
11.45 P

BC.No.Tech-II/256/205/89-90

Office of the
Commissioner of Income-tax,
Bombay City-V, Aoyekar Bh
M.K. Road, Bombay 400 020.
Dated 23rd April, 1990.

The Trustees,
Technova Plate Making Systems Ltd.
Employees Group Gratuity Scheme,
Laxmi Mills Estate,
Off. Dr. E. Moses Road,
Mahalaxmi,
Bombay 400 011.

Sirs,

Sub: Approval to Gratuity Fund -
.....

Please refer to your letter dated 13-10-1988 regarding the above.

2. On scrutiny of the trust deed and rules of the scheme, following further requirements are found to be necessary:

- i) Clause 10(a)(i) of the trust deed should be deleted as the employer has no discretion to discontinue making contribution to the trustees once the fund is created under an irrevocable trust.
- ii) Investment of the fund's money should be made according to Rule 101 read with rule 67(2) of I.T. Rules. Specific mention therefore has to be made to that effect in the last part of Clause of the trust deed.
- iii) Amended provision of Section 3 of the I.T. Act are applicable from 1-4-1989 according to which previous year for the purposes of this Act means the financial year immediately preceding the Assessment Year. Clause 13(b) of the trust deed therefore should be amended. So the Annual Renewal Date should be amended accordingly. Define the Annual Renewal Date accordingly.

3. The above mentioned requirements should be executed on the appropriate stamp fee paper and a certified true copy of the same be sent to this office for further action.

Yours faithfully,

M.E. Naik
(MISS M.E. NAIK)
Asstt. Commissioner of Income-tax
(H.Qrs.), Technical-II, Bombay
for Commissioner of Income-tax,
Bombay City-V, Bombay.



5. Thus, he held that assessee failed to substantiate the gratuity fund duly approved by the appropriate authority and accordingly, he has confirmed the payment alongwith interest levied by the CPC.

6. After hearing both the parties and on perusal of the facts and material on record, it is seen that there was a change in the company's name from Techno Imaging Sys (P) Ltd. to Technova Imaging Systems for which copy of fresh certificate of incorporating was issued by the Registrar of Companies, Maharashtra dated 14/09/1993. Later on assessee vide letter dated 18/08/1994 issued by the CIT office to the assessee calling for further information for approval of gratuity scheme. Assessee had submitted the letter in a changed name of the company. Accordingly, order dated 17/04/1995 was passed by ld. CIT to assessee approving the gratuity scheme under part C of the Fourth Schedule of the Income Tax Ac, 1961. The perusal of the order dated 17/04/1995 clearly shows that approval is made in the name of Techno Imaging Systems Pvt. Ltd. Employees Group Gratuity Cumla Scheme and what the First Appellate Authority is referring is some communication dated 23/04/1990 addressed to the trustees, Technova Plate Making Systems Ltd Employees Group Gratuity Scheme. Nowhere the First Appellate Authority has even referred to the approval order dated 17/04/1995. Thus, the assessee has been accorded approval by the appropriate authority which is in the name of the present assessee i.e. **Technova Imaging Sys (P) Ltd. Employees**

Group Gratuity Cumla Scheme, then there is no reason for denying any exemption u/s.10(25)(iv). Accordingly, we direct the ld. AO to allow exemption of entire income of Rs.1,72,74,521/- u/s.10(25)(iv), accordingly, appeal of the assessee is allowed.

7. In the result, appeal of the assessee is allowed.

Order pronounced on 26th June, 2025.

Sd/-
(GIRISH AGRAWAL)
ACCOUNTANT MEMBER
Mumbai; Dated 26/06/2025
KARUNA, *sr.ps*

Sd/-
(AMIT SHUKLA)
JUDICIAL MEMBER

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Mumbai
5. Guard file.

//True Copy//

BY ORDER,

(Asstt. Registrar)
ITAT, Mumbai