

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“B” BENCH, CHANDIGARH**

**PHYSICAL HEARING**

**BEFORE HON’BLE SHRI RAJPAL YADAV, VICE PRESIDENT  
AND  
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकरअपीलसं./ ITA No.222/CHANDI/2025  
(निर्धारणवर्ष / Assessment Year: 2017-18)**

Shri Bijender Singh Dhankhar 2078, Green Valley Ghatiwala Pinjore-134102	<b>बनाम/ Vs.</b>	ITO Ward No-1 Panchkula.134109
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. <b>AARPD-8813-H</b>		
(अपीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थीकीओरसे/ <b>Appellant by</b>	:	Smt. Neelam Dhiman (CA) – Ld. AR
प्रत्यर्थीकीओरसे/ <b>Respondent by</b>	:	Dr Ranjit Kaur (Addl. CIT) – Ld. Sr. DR

सुनवाईकीतारीख/ <b>Date of Hearing</b>	:	08-07-2025
घोषणाकीतारीख / <b>Date of Pronouncement</b>	:	10-07-2025

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of an order of learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 31-03-2022 in the matter of an intimation issued by CPC u/s 143(1) of the Act on 20-11-2017. Having heard rival submissions and upon perusal of case records, the appeal is disposed-off as under. The

sole issue that fall for our consideration is assessee's claim of deduction u/s 10(10B).

2. From case records, it emerges that the assessee received VRS amount from HMT Ltd. The receipt was claimed to be compensation on termination of employment since it was stated to be received on closure of Tractor division of HMT Ltd. The assessee had initially offered the compensation to tax and claimed relief u/s 89(1) but during first appeal, the full amount was claimed to be exempt u/s 10(10B). However, Ld. CIT(A) did not agree with assessee's claim for want of sufficient explanations / submissions from the assessee. Aggrieved, the assessee is in further appeal before us.

3. It emerges that the assessee received compensation of Rs.27,67,681/- out of which amount of Rs.5 Lacs was claimed exempt and remaining amount of Rs.22,67,681/- was offered to tax. The assessee claimed relief u/s 89(1) for Rs.2,67,501/-. The claim of the assessee is that remaining amount of Rs.22,67,681/- is also exempt from tax since it is nothing but compensation received on closure of undertaking though the compensation was styled as VRS. We find that this issue is covered in assessee's favor by the decision of this Tribunal in bunch of appeals titled as **Shri Suresh Pal Chauhan vs. ITO (ITA Nos.83/Chd/2023 & ors. dated 20-09-2023)** wherein the bench considering the decision of Hon'ble High Court of Madras in the case of **Hindustan Photo Film Workers (WP No.18566 of 2015 dated 17-03-2017)** as well as various other decisions, held that whole amount received form HMT Ltd. would be exempt u/s 10(10B). Facts being

*pari-materia* the same, we would hold that the remaining compensation of Rs.22,67,681/- would also be exempt u/s 10(10B). The relief u/s 89(1) as claimed by the assessee would stand revised accordingly. The Ld. AO is directed to re-compute the income of the assessee and revise the demand in terms of our order.

4. The appeal stand allowed.

Order pronounced on 10-07-2025.

Sd/-  
**(RAJPAL YADAV)**  
VICE PRESIDENT

Sd/-  
**(MANOJ KUMAR AGGARWAL)**  
ACCOUNTANT MEMBER

Dated: 10-07-2025.

**आदेश की प्रतिलिपि अग्रेषित /Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT CHANDIGARH