

**IN THE INCOME TAX APPELLATE TRIBUNAL
LUCKNOW BENCH 'SMC', LUCKNOW**

BEFORE SHRI ANADEE NATH MISSHRA, ACCOUNTANT MEMBER

I.T.A. No.911/LKW/2025
Assessment Year:2020-21

Bhagat Singh Rawat Sector-8, H. N. 321, Vikas Nagar, Lucknow, Lucknow- 226022. PAN:ACPPR2257R (Appellant)	Vs.	ADIT Centralised Processing Centre, Income Tax Department, Bengaluru- 560500. (Respondent)
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Appellant by	Shri Bhagat Singh Rawat, (Assessee)
Respondent by	Shri R. R. N. Shukla, Addl. CIT (D.R.)

ORDER

(A) This appeal vide I.T.A. No.911/LKW/2025 has been filed by the assessee for assessment year 2020-21 against impugned appellate order dated 06.12.2024 (DIN & Order No.ITBA/APL/S/250/2024-25/1070970884(1) of Addl/JCIT Commissioner of Income Tax (Appeals) ["CIT(A)" for short], the First Appellate Authority. The grounds of appeal are as under: -

"1. That the learned ADDL/JCIT (A)-2 Gurugram, erred in law and on facts in confirming the action of CPC in restricting exemption under section 10(10AA) to Rs.3,00,000/-.

2. That the learned ADDL/JCIT (A)-2 Gurugram failed to appreciate that the appellant is entitled to full exemption of leave encashment of Rs.9.45,792/- which is well within the revised limit of Rs.25,00,000/-.

3. That the learned ADDL/JCIT (A)-2 Gurugram erred in ignoring CBDT Notification No. 31/2023 dated 24.05.2023, which is beneficial and remedial in nature and has been judicially held to apply to A.Y. 2020-21.

4. That the learned ADDL/JCIT (A)-2 Gurugram failed to consider the Explanatory Memorandum which certifies that no person is adversely affected by giving retrospective effect to the notification.

5. That the learned ADDL/JCIT (A)-2 Gurugram erred in law in mechanically relying upon the obsolete notification dated 31.05.2002 without considering subsequent legislative intent and binding judicial precedents.

6. That the learned ADDL/JCIT (A)-2 Gurugram erred in upholding an adjustment made under section 143(1) on a debatable issue which is beyond the permissible scope of prima facie adjustments.

7. That the impugned order is bad in law, arbitrary, non-speaking and violative of principles of natural justice.

8. That the appellant craves leave to add, amend or withdraw any ground(s) of appeal at or before the time of hearing."

(B) This appeal has been filed by the assessee, beyond time limit prescribed u/s 253(3) of Income Tax Act, 1961 ("Act", for short). The assessee has submitted application, duly supported by affidavit, for condonation of delay in filing of the appeal pleading that the delay was unintentional and beyond the control of the assessee and has requested to admit the appeal for hearing. The learned Sr. Departmental Representative for Revenue did not express any objection to assessee's application for condonation of delay in filing of the appeal. In view of the foregoing, and in specific facts and circumstances of the present appeal before us, the delay in filing of this appeal is condoned; and the appeal is admitted for hearing.

(B.1) The facts of the case, in brief, are that the assessee is an individual and a retired employee of Punjab National Bank ("PNB", for short). The assessee filed his return of income on 29.12.2020 for the A.Y. 2020-21, declaring total income of Rs.9,94,130/- and claimed the whole amount i.e. Rs.9,45,792/- u/s 10(10AA) of the Act. While processing the return filed by the assessee, the Assessing Officer ("AO", for short) restricted the same to Rs.3,00,000/- and added to the total income of Rs.6,45,792/-. Being aggrieved, the assessee carried the matter in appeal before the learned CIT(A). Vide impugned appellate order dated 06.12.2024, the learned CIT(A) has dismissed the assessee's appeal. Now the assessee is in appeal before the Income Tax Appellate Tribunal.

(C) During the course of hearing before the Tribunal, the assessee was present in person. He submitted that CBDT has issued Notification No.31/2023/F/No.200/3/2023-ITA-I dated 24.05.2023 whereby the benefit in terms of section 10(10AA) of I.T. Act has been extended to non-government employees, by raising the limit to Rs.25 lakhs. He further submitted that the aforesaid notification was applicable with retrospective effect. He also submitted that the issue was covered in favour of the assessee by numerous orders of ITAT, including following:-

- (i) Mr. Goverdhan Deepchand Bhambhani vs The ITO in ITA. No.289/AHD/2025
- (ii) Mr U. D. Sharma vs ITO Ward-2(1)(1) in ITA. No.655/LKW/2025
- (iii) Mr Ram Charan Gupta vs ITO Ward-4(2) in ITA. No.408/JPR/2022
- (iv) Mr Devi Dutt Agrawal vs Assessment Unit, in ITA. No.1374/JPR/2024
- (v) Mr. Vijay Kumar Jain vs ITO Ward-2(3)(1) in ITA. No.175/AGR/2022
- (vi) Mr. Sunil Kumar Bhilare vs ITO Ward-3 in ITA. No.2014/PUN/2025

(C.1) Learned Departmental Representative agreed that the issue in dispute was covered in favour of the assessee by various orders of ITAT. Therefore, he left the matter to the discretion of the Bench.

(C.2) Both sides have been heard. Materials on record have been perused. It is not in dispute that the subject matter of this appeal is covered in assessee's favour by numerous orders of ITAT (i.e. Income Tax Appellate Tribunal) as contended by the assessee at the time of hearing. No precedent has been brought to knowledge of the Bench by Revenue side, contrary to the view taken in assessee's favour by aforesaid orders of ITAT.

(C.2.1) In view of the foregoing, the grounds raised by the assessee are allowed and the AO is directed to allow the claim of the assessee u/s 10(10AA) of the Act, in accordance with aforesaid notification dated 24.05.2023 of CBDT, which is applicable with retrospective effect, and is

extended to non-government employees, with enhanced limit of Rs.25 lakhs. All the grounds of appeal are treated as disposed of in accordance with the foresaid order.

(D) In the result, for statistical purposes, the appeal of the assessee is allowed.

(Order pronounced in the open court on 10/03/2026)

Sd/-
(ANADEE NATH MISSHRA)
Accountant Member

Dated: 10/03/2026
Vijay Pal Singh, (Sr. PS)

Copy of the order forwarded to :

1. The Appellant
2. The Respondent.
3. Concerned CIT
4. D.R., I.T.A.T.,
5. CIT(A)