IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH, AHMEDABAD

BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT
SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER

ITA Nos.1212-1213/AHD/2026
(Assessment Years: 2020-21 & 2021-22)

Mahendrakumar Narottamdas Patel, 23, Jaykrushna Society, Patan Road, Near Unjha (N.G), Unjha Patan-384265 Gujarat **[PAN : ACEPP1290 P]**	Vs.	The Income Tax Officer, Ward-1, Patan.

ITA No.1214-1215/AHD/2026
(Assessment Years: 2020-21 & 2021-22)

Harish jayantilal Shukla, 45, Anushtan Bunglow, Science City Road, Sola, Ahmedabad-380060. Gujarat [PAN : ACDPS9673 A]	Vs.	The Income Tax Officer, Ward-7(2)(1), Ahmedabad.

ITA Nos.1217-1218/AHD/2026
(Assessment Years: 2020-21 & 2021-22)

Bharat Kumar Kantilal Shah, C 202, Ozone Aangan, Nava Vadaj S.O, Opp. Ramapir Tekra BRT Stop, Nav Vadaj, Ahmedabad-380013. Gujarat [PAN : AIJPS6178 C]	Vs.	The Income Tax Officer, Ward-7(2)(1), Ahmedabad.

ITA Nos.1221-1222/AHD/2026
(Assessment Years: 2020-21 & 2021-22)

Babubhai Prajapati, A-25, Manidhar City, Aerodram Road, Mehsana, Mehsana-384002. Gujarat [PAN : AMYPP3383 R]	Vs.	The Income Tax Officer, Ward-1, Mehsana.

ITA No.1224/AHD/2026
(Assessment Year: 2020-21)

Hiral Darshan Shah, E/4, Maruti Nandan Villa, Nr. Sarkar Tubevel, Bopal, Ahmedabad-380051. Gujarat [PAN : AFXPS4541 N]	Vs.	The Income Tax Officer, Ward-1, Nadiad.

AND

ITA No.1226/AHD/2026
(Assessment Year: 2021-22)

Rambachan Shriramu Moriya, C/O. BSNL Office, Nr. Highway Road, Unjha, Unjha-384170. Gujarat [PAN : ALRPM5734 F]	Vs.	The Income Tax Officer, Ward-1, Patan.

Appellant represented by :	Ms Khushboo Shah, AR
Respondent represented by:	Shri Veerabadram Vislavath, Sr.DR

Date of Hearing	29.06.2026
Date of Pronouncement	17.07.2026

O R D E R

PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-

The captioned ten appeals have been filed by the respective assessees against the separate orders passed by the Learned Addl./Jt. Commissioner of Income Tax (Appeals) dated 13.02.2026, 30.03.2026, 31.03.2026, 11.02.2026, 03.03.2026 & 27.02.2026 for the **Assessment Years 2020-21 and 2021-22**. Since the issues involved in these appeals are common and arise out of identical facts, they were heard together and are being disposed of by this common order for the sake of convenience and brevity. For the purpose of adjudication, the facts and grounds of appeal in **ITA No. 1212/Ahd/2026 for Assessment Year 2020-21** are taken as the lead case. The decision rendered therein shall apply **mutatis mutandis** to the remaining appeals.

ITA No.1212/Ahd/2026 for Assessment Year 2020-21

2. The Assessee has taken the following ground of appeal:-

> *1. The Ld. CIT(A) has erred in law and on facts in refusing to condone the delay in filing the appeal without appreciating that the delay occurred solely due to the Appellants bonafide ignorance regarding the availability of exemption under Section 10(108) and lack of legal knowledge. These circumstances constitute a reasonable cause within the meaning of Section 249(3) of the Income-tax Act. 1961. The Ld. CIT(A) failed to apply the settled legal principles laid down by the Hon'ble Supreme Court in Lrd. Collector, Land Acquisition vs. Katiji. wherein it has been held that substantial justice must prevail over technicalities and that the length of delay is immaterial when the explanation is bona fide.*
>
> *2. The Ld. CIT(A) has erred in dismissing the appeal at the threshold without appreciating that the Appellants case is factually identical to Harish Kumar vs. ITO (ITA No. 42/CHD/2025), where compensation received under the same BSNL VRS-2019 was held fully exempt under Section 10(10B). The Ld. CIT(A) failed to adjudicate the merits despite the existence of a legitimate, legally sustainable, and directly applicable claim under Section 10(10B).*

3. The brief facts of the case are that the assessee was an employee of Bharat Sanchar Nigam Limited (BSNL), a Government of India enterprise. During the relevant previous year, BSNL introduced the Voluntary Retirement Scheme, 2019 (VRS-2019) vide notification dated 04.11.2019, which was duly approved and implemented by the employer. The assessee opted for the said scheme and received ex-gratia compensation in accordance with its terms and conditions. It is the case of the assessee that, prior to opting for the scheme, he had not received regular salary for several months, which caused financial hardship and uncertainty. In view of the prevailing circumstances, the assessee accepted the VRS and received the compensation under the scheme. However, due to lack of awareness regarding the exemption available under section 10(10B) of the Income-tax Act, 1961, the assessee inadvertently offered the ex-gratia compensation to tax while filing the return of income. The employer had also deducted tax at source on the said amount. Consequently, the assessee did not claim the exemption under section 10(10B) either in the original return or by filing a revised return of income for the relevant assessment year.

4. Aggrieved assessee filed an appeal before the Ld.CIT(A), who dismissed the appeal on the ground that the assessee had failed to demonstrate sufficient cause for the delay in filing the appeal.

5. The Ld. Counsel for the assessee submitted that the assessee became aware of the correct legal position only after the decision of the Hon'ble ITAT, Chandigarh Bench, in the case of **Harish Kumar vs. ITO, Ward-5(5), Chandigarh** in **ITA No. 42/CHD/2025** dated **30.05.2025**, wherein it was held that the compensation received under **BSNL VRS-**

2019 is eligible for exemption under **section 10(10B)** of the Income-tax Act, 1961, subject to fulfilment of the conditions prescribed under **Rule 2BA** of the Income-tax Rules, 1962. It was submitted that, due to lack of awareness of the said legal position at the time of filing the return of income, the assessee could not claim the exemption. The Ld. Counsel further submitted that the issue is squarely covered in favour of the assessee by the decisions of the Co-ordinate Bench of the Tribunal, Ahmedabad, in the following cases:

1. Jayeshkumar Tulsidas Sutaria vs. ITO, ITA Nos. 2387 & 2388/Ahd/2025, order dated 17.02.2026;
2. Suman Nandlal Raval vs. ITO, ITA Nos. 2389 & 2390/Ahd/2025, order dated 18.02.2026; and
3. Jayendra Bipinchandra Patel vs. ITO, ITA Nos. 189 & 190/Ahd/2026, order dated 27.03.2026.

6. We have heard the rival submissions and perused the material available on record. Considering the facts and circumstances of the case, we are satisfied that the assessee was prevented by sufficient cause from filing the appeal within the prescribed period. Accordingly, the delay in filing the appeal is condoned, and the appeal is admitted for adjudication on merits.

7. At the outset, both the parties fairly submitted that the issue raised by the assessee in the present appeals stands covered by the order of the Tribunal in the case of **Suman Nandlal Raval Vs. ITO in ITA Nos.2389 & 2390/Ahd/2025 dated 18.02.2026 for A.Ys 2020-21 & 2021-22.** For the sake of ready reference, the operative portion of said order is reproduced as under:

> *"...6. The Ld. Counsel for the assessee submitted that due to lack of awareness of the legal provisions at the time of filing the return of*

income, the assessee inadvertently offered the compensation received under BSNL VRS-2019 to tax. Subsequently, based on the decision of the Hon'ble ITAT Chandigarh Bench in **Harish Kumar vs. ITO Ward 5(5), Chandigarh (ITA No. 42/CHD/2025 dated 30.05.2025)***, wherein compensation under the same BSNL VRS-2019 scheme was held to be exempt under section 10(10B), the assessee now seeks exemption of such compensation. We find that the assessee filed the claim before the Ld. CIT(A) and since the income of the assessee is not taxable, the assessee is eligible for the refund of the TDS.*

7. In the result, both the appeals of the assessee are allowed. …"

8. In the absence of any change in the factual matrix and legal position brought to our notice, respectfully following the decision of the Co-ordinate Bench, the appeal of the assessee in **ITA No. 1212/Ahd/2026** is allowed.

9. In the result, the appeal filed by the assessee is allowed.

10. Now coming to ITA No. 1213/Ahd/2026 (Mahendrakumar Narottamdas Patel), ITA Nos. 1214 & 1215/Ahd/2026 (Harish Jayantilal Shukla), ITA Nos. 1217 & 1218/Ahd/2026 (Bharat Kumar Kantilal Shah), ITA Nos. 1221 & 1222/Ahd/2026 (Babubhai Prajapati), ITA No. 1224/Ahd/2026 (Hiral Darshan Shah) and ITA No. 1226/Ahd/2026 (Rambachan Shriramu Moriya) for AYs 2020-21 & 2021-22, we find that the facts and issues involved in these appeals are identical to those involved in **ITA No. 1212/Ahd/2026.** Therefore, findings and decision rendered in ITA No. 1212/Ahd/2026 shall apply mutatis mutandis to the aforesaid appeals also. Accordingly, all the

above appeals filed by the respective assessees are allowed on the same terms.

11. In the combined results, all the appeal filed by the assessee's are allowed.

The order pronounced in the open Court on 17.07.2026.

Sd/-	**Sd/-**
(RAHUL CHAUDHARY)	**(DR. B.R.R. KUMAR)**
JUDICIAL MEMBER	**VICE-PRESIDENT**

(True Copy)

Ahmedabad; Dated 17.07.2026

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

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent.
3. संबंधितआयकरआयुक्त/ Concerned CIT
4. आयकरआयुक्त (अपील) /The CIT(A)-
5. विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण, अहमदाबाद/ DR, ITAT, Ahmedabad
6. गार्डफाईल /Guard file.

आदेशानुसार/ BY ORDER,

सहायकपंजीकार (Dy./Asstt. Registrar)
आयकरअपीलीयअधिकरण, अहमदाबाद / ITAT, Ahmedabad