



ALL INDIA BHARAT SANCHAR NIGAM LIMITED RETIRED EXECUTIVES' ASSOCIATION

Central Headquarters

Registered under Societies Registration Act XXI of 1860 vide Govt. of NCT Delhi No. S/RS/SW/1161/2014

[Registered under Pensioners Portal vide DoP&PW letter No. 4(4)/2021-P&PW(H)7311 dated 04.01.2024]

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No. AIBSNLREA/CHQ/2025/49

Dated 21st July 2025

To

Shri Ravi Agrawal,
Chairman,
Central Board of Direct Taxes,
Ministry of Finance,
New Delhi.

Sub: Extending relief under Section 89 of Income Tax Act in addition to exemption under Section 10(10C) of the Act in respect of ex-gratia received by BSNL VRS 2019 retirees - request for issue of common instructions based on the Income Tax Appellate Tribunal Division Bench, 'SMC' Chandigarh order dated 30.05.2025

Sir,

We hereby draw your kind attention to the Income Tax Appellate Tribunal Division Bench, 'SMC' Chandigarh order dated 30.05.2025 in Harish Kumar, a BSNL VRS 2019 retiree vs The ITO, Ward 5(5), Chandigarh [copy enclosed], wherein it has been ruled that “When the claim of the Assessee relating to the first instalment has been accepted by the Ld. CIT(A), there was no question to reject the claim of the Assessee in relation to second instalment of compensation received by the Assessee”.

2. Earlier too, several IT tribunals/courts had held that an assessee retired under a VRS scheme is entitled to the exemption under Section 10(10C) of the Act and also rebate under Section 89 of the Act in respect of the amount received in excess of Rs. 5,00,000 on account of voluntary retirement. But BSNL authorities refused to allow the rebate under Section 89 of the IT Act and recovered TDS for the entire ex-gratia less the relief of Rs.5,00,000.

3. Now that a specific order in respect of a BSNL VRS 2019 retiree has been issued by the Income Tax Appellate Tribunal Division Bench, 'SMC' Chandigarh, all the similarly placed BSNL retirees who received the ex-gratia in two instalments in two different years will start

submitting requests, claiming the rebate under Section 89 of the Act, as per ITAT Chandigarh Bench order. In order that the AOs concerned do not reject such requests, it is requested that common instructions be issued to process such requests based on the order of ITAT Chandigarh Bench and to refund the excess TDS recovered from these retirees and paid by BSNL to the Income Tax department.

With kind regards,

Yours sincerely,

Handwritten signature in blue ink, appearing to read 'R.R. Balasubramanian', with the date '21/7/25' written below it.

(R.R. Balasubramanian)
General Secretary

Encl: As stated

Copy to: Shri V.Srinivas,
Secretary (P), DoP&PW