



ALL INDIA BSNL PENSIONERS' WELFARE ASSOCIATION

CHQ [Regd. No. T 1833/09]

Member,SCOVA Identified & Registered under 'Pensioners Portal'

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To

The Chairman,
Central Board of Direct Taxes (CBDT)
Department of Revenue, Ministry of Finance
North Block , New Delhi – 110001

Respected Sir,

Sub: Consistency in Judicial Decisions is very important – Observation of Hon'ble ITAT, Pune in BSNL VRS-2019 cases – Request for issue of suitable instructions under Section 119 of the Income-tax Act regarding exemption under Section 10(10B) – Reg.

I would like to bring the following facts for your kind consideration regarding the exemption under Section 10(10B) of the Income-tax Act in respect of compensation received by BSNL employees under the Government-approved BSNL Voluntary Retirement Scheme, 2019 (BSNL VRS-2019).

The issue has now been examined by various Benches of the Hon'ble Income Tax Appellate Tribunal across the country. The Chandigarh Bench of the Hon'ble ITAT in *Harish Kumar Vs. ITO* held that the compensation received by BSNL employees under BSNL VRS-2019 is eligible for exemption under Section 10(10B) of the Income-tax Act. The Ahmedabad Bench of the Hon'ble ITAT subsequently followed the said decision in *Jayeshkumar Tulsidas Sutaria Vs. ITO* and granted identical relief.

Thereafter, the Hon'ble ITAT, Pune, in its consolidated order dated 29.04.2026 in ITA Nos.1117/PUN/2026 to 1449/PUN/2026 and connected matters, disposed of 102 appeals pertaining to Assessment Years 2020-21 and 2021-22. The Hon'ble Tribunal held that compensation received by BSNL employees under BSNL VRS-2019 is in the nature of retrenchment compensation and falls under Section 10(10B) of the Income-tax Act and not under Section 10(10C). The Tribunal directed the assesseees to submit revised computations before the jurisdictional Assessing Officers and directed grant of consequential refunds after verification.

While deciding the above batch of appeals, the Revenue specifically contended that BSNL VRS-2019 was only a voluntary retirement scheme and that exemption should be restricted to Section 10(10C). The Revenue also relied upon the definition of retrenchment under the Industrial Disputes Act. After considering these contentions and various judicial precedents, the Hon'ble Tribunal rejected the objections raised by the Revenue and followed the decisions already rendered by the Chandigarh and Ahmedabad Benches.

The Hon'ble ITAT, Pune again considered the same issue in another consolidated order dated 20.05.2026 covering 56 appeals of BSNL retirees. The Revenue reiterated substantially the same arguments. However, the Hon'ble Tribunal observed that the issue had already been comprehensively considered in the earlier orders and no contrary High Court judgment had been brought on record. Following the earlier decisions, all the 56 appeals were allowed and exemption under Section 10(10B) was granted.

Subsequently, the Hon'ble ITAT, Bangalore, by its order dated 29.05.2026, allowed another batch of BSNL VRS appeals and granted exemption under Section 10(10B). The Bangalore Bench also granted relief relating to leave encashment under Section 10(10AA) in the cases before it by following the applicable judicial precedents.

Thus, favourable decisions have now been rendered by the Hon'ble ITAT Chandigarh, Ahmedabad, Pune, Bangalore, Mumbai, Indore and Chennai Benches in more than 263 cases involving BSNL VRS-2019 compensation. In all these cases, the facts are identical, the scheme involved is identical, the legal issue involved is identical and the conclusions reached by the Hon'ble Tribunals are also identical.

However, despite the above consistent judicial view, similarly placed BSNL retirees are being treated differently by various appellate authorities. There are numerous cases where delays ranging from approximately 1400 to 1900 days have been condoned and relief granted. There are also cases where appeals have been disposed of within a few days and favourable orders issued. At the same time, other retirees are being denied relief or compelled to pursue prolonged litigation on the very same issue.

In this connection, the observation made by the Hon'ble ITAT, Pune in its order dated 29.04.2026 assumes great significance. After noting that several appellate authorities had condoned delays and allowed identical claims and that the Department had not challenged those favourable orders, the Hon'ble Tribunal observed as follows:

“Thus, it is observed that CIT(A)'s have been taking different stand on identical issues. Consistency in judicial decisions is very important.”

The above observation of the Hon'ble ITAT clearly shows that identical issues are being dealt with differently by various appellate authorities and that such inconsistency is causing avoidable hardship to retired BSNL employees.

When more than 263 cases involving identical facts have already been decided in favour of BSNL retirees by various Benches of the Hon'ble ITAT and no contrary High Court judgment was brought on record before those Benches, compelling each retiree to pursue separate appellate proceedings serves neither the interests of justice nor efficient tax administration.

Hence, it is respectfully submitted that the fact that “identical issues are being dealt with differently by various appellate authorities” will not yield natural justice. A suitable circular or instruction issued by the CBDT under Section 119 of the Income-tax Act would remove the inconsistency, ensure uniform implementation of the law and avoid further unnecessary litigation.

It is therefore requested that the CBDT may kindly issue suitable instructions recognizing the consistent judicial view that compensation received under BSNL VRS-2019 is eligible for exemption under Section 10(10B), permit processing of consequential refund claims of similarly placed retirees and ensure uniform treatment throughout the country.

We hope your goodself will consider the matter favourably and take appropriate action at the earliest.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'V. Vara Prasad', with a horizontal line underneath it.

**(V. Vara Prasad)
General Secretary**

Enclosures : Copies of ITAT orders and others.