



# ALL INDIA BHARAT SANCHAR NIGAM LIMITED RETIRED EXECUTIVES' ASSOCIATION

Central Headquarters

111, New Ashiana Apartments, Plot-10, Sector-6, Dwarka  
New Delhi-110 075

E-mail : gensecaibsnlrea@yahoo.com

President : V. Chinnappaiah

Ph.: 044-22603300

(M) : 09444003300

General Secretary : S. Basu

Ph.: 011-25073969

(M) 09868092995

Financial Secretary : Hari Ram

Ph.: 011-25075541

(M) 09868538189

No. AIBSNLREA/CHQ/2020/22

Dated: 19.02.2020

To

Shri P K Purwar,  
Chairman & Managing Director,  
Bharat Sanchar Nigam Limited,  
New Delhi 110001.

**Sub: BSNL Order on taxation on amounts received/receivable on or after 01.04.2009 by the VRS optees – Request for immediate review of the Order.**

**Ref: BSNL No. 1001-09/2019-20/Taxation/BSNL VRS 2019/3723 dated 11.02.2020.**

Sir,

We would like to draw your kind attention to Para (iii) of the above referred Order issued by Taxation Section of BSNL Corporate Office, wherein it has been stated that "The VRS optee(s) can claim either exemption u/s 10(10C) or relief u/s 89, but not on both, on such amounts received or receivable on or after 01.04.2009".

2. But the above stated instruction/clarification issued by BSNL Corporate Office contradicts the Orders passed by different Courts on the same issue. Madras High Court in the case between Commissioner of Income Tax Vs G V Vengupal, judgment of which was delivered on 06.12.2004 regarding availability of benefits both u/s 10(10C) and u/s 89(1) to the VRS retirees, had ruled that "There is no prohibition to the twin benefits in respect of the amount received under the Voluntary Retirement Scheme". Similarly, in the case between State Bank of India Vs Central Board of Direct Taxes, Kerala High Court in its judgment delivered on 08.12.2005 had clearly ruled that relief under Section 89 (1) is available over and above the exemption under Section 10 (10C).

3. In view of the Orders passed in the above two judgments involving even CBDT, there is every reason to say that the clarification/instruction issued by BSNL Corporate Office on the same issue is contrary to the Rules/Laws on the subject. In view of the above, for the sake of justice and avoiding unnecessary hardships to the VRS retirees, it is requested that BSNL Corporate Office review its above referred Office Order dated 11.02.2020, if need be, in consultation with Central Board of Direct Taxes. BSNL needs to issue a clarification to allow tax exemption both u/s 10(10 C) and relief u/s 89 (1) to the concerned VRS-retirees.

With kind regards,

Yours sincerely,

(S Basu)

General Secretary

Copy to:

Shri Suresh Kumar Gupta,  
Director (Finance), BSNL Board.