



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/2026/27

Dated: 30th April 2026

To

Shri Narendra Modi,
Hon'ble Prime Minister of India,
South Block,
New Delhi

Subject: Urgent request for intervention to ensure uniform tax treatment for BSNL VRS-2019 retirees — need for immediate clarificatory instructions by CBDT

Hon'ble Sir,

We most respectfully seek your urgent intervention in a matter that has caused widespread hardship, unequal treatment, and administrative inconsistency for thousands of BSNL VRS-2019 retirees across the country.

2. For the past several months, we have been submitting representations to the Chairman, CBDT (our letters dated 21 July 2025, 10 November 2025, and 12 January 2026 attached as **Annexure-A**) requesting issuance of a common, uniform instruction regarding the income-tax exemption applicable to the ex-gratia paid under the BSNL VRS-2019 scheme.

3. Despite repeated submissions, CBDT has not issued any clarification, resulting in a situation where identically placed pensioners are being treated differently by different Income Tax authorities, leading to confusion, injustice, and avoidable litigation.

4. The Income Tax Appellate Tribunal, Chandigarh Bench, in its order dated 30.05.2025 (ITA No. 42/CHD/2025), held that: *"When the claim of the Assessee relating to the first instalment has been accepted by the CIT(A), there was no question to reject the claim of the Assessee in relation to the second instalment of compensation received."* The Tribunal further held that there was no option to the assessee than to accept the VRS scheme which, in fact, was retrenchment scheme in the garb of the VRS scheme. The amount received by the Assessee was, in fact, was compensation on account of retrenchment. This order has attained finality, as no appeal has been filed by the Department.

5. Following the ITAT Chandigarh ruling, the BSNL VRS retirees across the country started submitting requests to the concerned Income Tax authorities in their respective areas, seeking full exemption for the ex-gratia received by them. Strangely, different authorities took different decisions, with a number of authorities allowing full exemption and consequent refund of already recovered from the pensioner concerned and paid TDS and an almost equal number of authorities rejecting the request each citing a different reason/interpretation of the provisions of Section 10 (10B), viz. ITAT Chandigarh order is not binding on them, the issue has not attained finality, full exemption is not applicable as BSNL is not closed, etc. The lists of requests allowed as well as rejected are enclosed.[Annexure – B]

6. As a result, identical BSNL VRS Retirees are being treated unequally. This inconsistent approach has created chaos and uncertainty, avoidable litigation, erosion of trust in tax administration and violation of the principle of equal treatment under law. Retirees who served the Government and then BSNL for decades now find themselves running from office to office, while others in identical circumstances have already received refunds.

7. Despite multiple representations, CBDT has not issued a clarification or a circular or even internal instruction. This silence has allowed contradictory interpretations to flourish, causing widespread distress among elderly pensioners. Only a clear, uniform, nationwide instruction from CBDT can end the present inconsistency, prevent further harassment of senior citizens, ensure uniform application of the ITAT Chandigarh ruling, uphold fairness and administrative justice and avoid thousands of unnecessary appeals and condonation petitions. This is not a request for any new benefit. It is only a request for uniform implementation of existing judicial orders.

8. We therefore earnestly request you to kindly direct the Chairman, CBDT to immediately issue a clarificatory order stating that:

1. Ex-gratia paid under BSNL VRS-2019 qualifies for exemption under Section 10(10B), in line with ITAT Chandigarh and subsequent CsIT(A) orders.
2. All Assessing Officers shall uniformly apply this position to all BSNL VRS retirees across India.
3. Condonation applications under Section 119(2)(b) shall be allowed in such cases, as the refund amount is clearly determinable and below the monetary limits prescribed by CBDT.
4. No retiree should be compelled to undergo prolonged litigation for a settled matter.

With respectful regards,

Yours sincerely,



(R.R. Balasubramanian)
General Secretary

Encl: As stated

Copy to: 1. Smt. Nirmala Sitharaman,
Hon'ble Minister of Finance, GoI
2. Shri Ravi Agrawal,
Chairman, CBDT