

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

**BEFORE SHRI RAHUL CHAUDHARY, JUDICIALMEMBER
&SHRI GANGADHAR PANDA, ACCOUNTANT MEMBER**

I.T.A. No.2831/ Ahd/ 2026
(Assessment Year:2021-22)

Raysinh Atabhai Vala, 9, Sahjanand Bunglow, Nr. Khari Canal, Parshwanath Township, Saijpur, Ahmedabad-382346	Vs.	Income Tax Officer, Ward-7(2)(1), Ahmedabad
[PAN No.AAUPV5905H]		
(Appellant)	..	(Respondent)

I.T.A. Nos.2834&2835/ Ahd/ 2026
(Assessment Years: 2020-21 & 2021-22)

Hetal Chaitanya Jani (L/H. of Late Chaitanya VasudevJani), 31, Shiv Shakti Society, Nr. Ghodasar Police Chowki, Ghodasar, Ahmedabad-380050	Vs.	Income Tax Officer, Ward-7(2)(1), Ahmedabad
[PAN No.ABZPJ6846K]		
(Appellant)	..	(Respondent)

I.T.A. No.2836/ Ahd/ 2026
(Assessment Year: 2021-22)

Radheshyam Ramashankar Chaubey, 3, B Vasudevpark, Inside Surbhipark, Opp. Karnavati Park, Parshwanath Township, Ahmedabad-382346	Vs.	Income Tax Officer, Ward-7(2)(1), Ahmedabad
[PAN No.AEBPC5414M]		
(Appellant)	..	(Respondent)

Appellant by :	Ms. Kushboo Shah, AR
Respondent by:	Shri Yogesh Mishra, Sr. DR

Date of Hearing	14.10.2026
Date of Pronouncement	23.10.2026

ORDER

PER GANGADHAR PANDA - ACCOUNTANTMEMBER:

The captioned four appeals have been filed by three different assesseees against the separate orders of the Ld. Commissioner of Income Tax(Appeals), ADDL/JCIT(A)-1, Noida (hereinafter referred to as “Ld. CIT(A)”), dated 15.06.2026 and Ld. Commissioner of Income Tax(Appeals), ADDL/JCIT(A)-2, Gurugram (hereinafter referred to as “Ld. CIT(A)”), both dated 27.07.2026 and Ld. Commissioner of Income Tax(Appeals), ADDL/JCIT(A)-4, Hyderabad dated 14.07.2026 passed under Section 250 of the Income Tax Act, 1961 (hereinafter referred to as the “Act”) and relates to Assessment Year (A.Y.) 2020-21 in case of Hetal Chaitanya Jani (L/h. of Lt. Chaitanya VasudevJani) and A.Y. 2021-22 in case of Raysinh Atabhai Vala, Hetal Chaitanya Jani (L/h. of Lt. Chaitanya Vasudev Jani) and Radheshyam Ramashankar Chaubey. Since, the facts and issues involved in all three appeals are identical, hence, the captioned appeals were heard together and are being disposed of by this common order.

2. Assessee's appeal in ITA No. 2831/Ahd/2026 for AY 2021-22 in case of Raysinh Atabhai Vala is taken as a lead case for the purpose of narration of facts.

3. The assessee has raised the following grounds of appeal:

"1. The Ld. CIT(A) has failed to appreciate that the appellant received compensation under the duly approved "BSNL VRS-2019" scheme, which fully satisfied the conditions prescribed under Rule 2BA and is eligible for exemption u/s 10(10B). The CIT(A) ignored relevant judicial precedents, including the recent decision of the Hon'ble ITAT Chandigarh in Harish Kumar vs. ITO (ITA No. 42/CHD/2025, dated 30.05.2025), wherein identical BSNL VRS-2019 benefits were held eligible for exemption. The order is therefore contrary to law and merits reversal.

2. The Ld. CIT(A) has erred in dismissing the appeal at the threshold without appreciating that the Appellant's case is factually identical to Harish Kumar vs. ITO (ITA No. 42/CHD/2025), various Ahmedabad Bench orders 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), also relying upon recent High Court order from Telangana at Hyderabad Writ Petition no. 19498 of 2026 dated 15.07.2026 favouring the exemption."

4. We have heard both the sides and have perused the material available on record.

5. The Assessee in the present case is an individual. During the relevant previous year, the Assessee received compensation under Bharat Sanchar Nigam Limited Voluntary Retirement Scheme 2019 [for short '**BSNL VRS-2019**']. Under the mistaken belief that the compensation received under the BSNL VRS-2019 was taxable, at the time of filing the return of income the Assessee did not claim exemption under Section 10(10B) of the

Act, in respect of the compensation of Rs.3,16,797/- in the income tax return for the Assessment Year 2020-2021. The return was processed by CPC, Bengaluru, and later the impugned order of rectification under Section 154 of the Act was passed on 25.02.2026. Subsequently, based on the decision of the Chandigarh Bench of the Tribunal in the case of *Harish Kumar vs. ITO Ward 5(5), Chandigarh* (ITA No. 42/CHD/2025 dated 30/05/2025), wherein compensation under the BSNL VRS-2019 scheme was held to be exempt under Section 10(10B), the Assessee filed appeal before the Learned CIT(A) raising additional claim of exemption under Section 10(10B) of the Act in respect of the compensation received. It was contended by the Assessee that his claim is based on bona fide reasons and in absence of proper professional guidance, and stated that the compensation was not taxable under Section 10(10B) of the Income Tax Act and therefore, the Assessee was eligible for the benefits of tax exemption on such compensation. However, the Learned CIT(A) dismissed the appeal holding the view that the scheme of Voluntary Retirement is different from retrenchment, and the decisions of ITAT relied by the assessee are based on misinterpretation of the Statute in regard to claim of exemption u/s 10(10B) of the Act.

6. We find that identical issue had come up for consideration before the Tribunal in the case of **Jayeshkumar Tulsidas Sutaria Vs. The Income Tax Officer, Ward 7(2) (1),**

Ahmedabad: ITA Nos. 2387 & 2388/AHD/2025 (Assessment Years: 2020-21 & 2021-22) wherein in the case of identically placed employee of BSNL, the Co-Ordinate Bench of the Tribunal accepted contentions of the Assessee; considered the intimation issued under Section 143(1) of the Act; and directed the Assessing Officer to grant refund to the Assessee holding that the compensation received by the assessee under BSNL VRS -2019 was exempt under Section 10(10B) of the Act. The aforesaid decision of the Tribunal was followed, inter alia, in the case of **Kirtida Rajeshkumar Shah Vs. The Income Tax Officer, Ward 7(2)(1), Ahmedabad : ITA Nos.151/AHD/2026 (Assessment Years: 2020-21) and Chhaganlal Bhimabhai Vs. The Income Tax Officer, Ward 1(2), Bhavnagar: ITA Nos. 2547 & 2548/AHD/2025 (Assessment Years: 2020-21 & 2021-22).**

7. There is no change in the legal proposition and the factual matrix. Revenue has failed to distinguish the above decisions of the Tribunal either on facts or in law. Further, the view taken by the Tribunal finds support from the (a) judgment of the Hon'ble Supreme court in the case of Collector, Land Acquisition, Anantnag and Ors. vs. Katiji and Ors. (1987) 167 ITR 471 (SC) on the issue of natural justice and condonation of delay; and (b) Circular No. 14 of 1955 issued by the Central Board of Direct Taxes directing officers not to take advantage of ignorance of an assessee as to their rights and assist them in claiming and securing reliefs/refunds.

8. In view of the above, accepting the claim of the Assessee we hold that compensation of Rs. 3,16,797/- received by the Assessee during the relevant previous year under BSNL VRS 2019 is exempt under Section 10(10B) of the Act. The Assessing Officer is, therefore, directed to compute the taxable income of the Assessee accordingly and grant refund due, if any, as per law. The Assessee is directed to place before the Assessing Officer the details of compensation received under BSNL VRS 2019 and the computation of income claiming additional exemption for the same under Section 10(10B) of the Act. Thus, in terms of the aforesaid, Ground raised by the Assessee is allowed.

9. In result, in view of the above terms, the present appeal preferred by the Assessee is allowed.

ITA Nos. 2834&2835/Ahd/2026 in case of Hetal Chaitanya Jani (L/h. of Late Chaitanya Vasudev Jani) and ITA No. 2836/Ahd/2026 in case of Radheshyam Ramashankar Chaubey

10. In the case of Hetal Chaitanya Jani (L/h. of Late Chaitanya Vasudev Jani) in ITA No. 2834/Ahd/2026 for A.Y. 2020-21, the facts and issue involved in the appeal is identical, our finding given above will apply in the present appeal and the claim of the assessee for the compensation of Rs. 7,91,017/- is exempted under

section 10(10B) of the Act. However, since we already accept assessee's claim for exemption under Section 10(10B) of the Act for the compensation of Rs.7,91,017/-. The Assessing Officer is, therefore, directed to compute the taxable income of the Assessee accordingly and grant refund due, if any, as per law. The Assessee is directed to place before the Assessing Officer the details of compensation received under BSNL VRS 2019 and the computation of income claiming additional exemption for the same under Section 10(10B) of the Act. Thus, in terms of the aforesaid, Ground raised by the Assessee is allowed. Since the facts and issues involved in above captioned appeal is identical, hence, my finding given above will mutatis mutandis apply to these three appeals. Accordingly, all three appeals of the assessee are also allowed.

11. In the combined result, all four appeals of the assessee stand allowed.

This Order pronounced in Open Court on	23/10/2026
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Sd/-
(RAHUL CHAUDHARY)
JUDICIAL MEMBER
Ahmedabad; Dated 23/10/2026
Tanmay, Sr. PS

Sd/-
(GANGADHAR PANDA)
ACCOUNTANT MEMBER

TRUE COPY

आदेशकीप्रतिलिपिअग्रेषित/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,

उप/सहायकपंजीकार (Dy./ Asstt.Registrar)

आयकरअपीलीयअधिकरण, अहमदाबाद/ ITAT, Ahmedabad