



भारत सरकार/ GOVERNMENT OF INDIA  
वित्त मंत्रालय/ MINISTRY OF FINANCE  
आयकर विभाग/ INCOME TAX DEPARTMENT  
OFFICE OF THE INCOME TAX OFFICER  
NON CORP WARD 2(5) ,KOCHI/

सेवा में/ To, PURUSHOTHAMAN GIRIJAN 20/527 A SWATHI ,GANDHI LANE, NAMBIAPURAM ROAD PALLURUTHY KOCHI 682006 ,Kerala India	
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पैन/ PAN: ADNPG7973Q	दिनांक/ Dated: 10/10/2025	द.प.सं. एवं पत्र संख्या/DIN & Letter No: ITBA/ADM/S/26/2025-26/1081630533(1)
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महोदय/ महोदया/ मेसर्स,  
Sir/ Madam/ M/s,

विषय: पावती संख्या **22867941** के संदर्भ में शिकायत आवेदन के लिए समाधान  
**Subject:** Resolution for Grievance Application Ref. Acknowledgement No. **22867941**

In reference to your grievance application Ref-Acknowledgement No- 22867941 dated 13-SEP-25 , for the query raised by you through- Efiling

प्रस्तुत की गयी शिकायत/ Grievance Raised: I am writing to formally lodge a grievance in reference to the rectification order under Section 154 of the Income Tax Act, 1961 for Assessment Year 2021-22, wherein a demand of ₹23240 has been raised against my PAN ADNPG7973Q. I believe this demand has been erroneously calculated due to incorrect assessment of my leave encashment income.

While the rectification process was initiated to correct a mistake, it has, in fact, resulted in error by not considering exemptions applicable to my income as a BSNL employee. The status of BSNL, a Central Public Sector Enterprise fully owned by Government of India , is declared as equivalent to that of government departments, for taxation purposes.

#### Relevant facts

• BSNL qualifies as a "government entity" for tax purposes, as it was established under the Telecom Regulatory Authority of India (TRAI) Act, 1997, and its employees are governed by the Central Government Rules.

#### 1. BSNL's Status:

BSNL (Bharat Sanchar Nigam Limited) is a Central Public Sector Enterprise (CPSE) established under the Telecom Regulatory Authority of India (TRAI) Act, 1997. It qualifies as a statutory corporation under Section 10(10A), making its pensioners eligible for the exemption.

BSNL's status as a government entity was not considered by your office while reprocessing my disagreement to the tax demand issued under section 143 (1). I earnestly request your good office to consider the following points and resolve my grievance

1) I was a BSNL (Bharat Sanchar Nigam Limited) employee, retired from service on 31.05.2020. I

Note: If digitally signed, the date of digital signature may be taken as date of document.  
,CENTRAL REVENUE BUILDING, I S PRESS ROAD, KOCHI, Kerala, 682018  
Email: KOCHI.ITO.NC2.5@INCOMETAX.GOV.IN,

entered into service on 16.09.1980 in the Indian Posts and Telegraphs Department, which was later bifurcated into Department of Posts (DoP) and Department of Telecom (DoT). DoT was further bifurcated to establish Bharat Sanchar Nigam Limited (BSNL) on 01.10.2000, as a Government of India fully owned Statutory Central Public Sector Enterprise .

2) I recently received information through an RTI application (copy attached) that clarifies the tax treatment of leave encashment paid to a BSNL employee upon his retirement from service. According to the RTI reply from BSNL, its employees are currently entitled to a tax exemption limit of ₹25,00,000 for leave encashment during their service period with BSNL. This is in accordance with CBDT income tax circular issued by Ministry of finance, and the provisions of Section 10(10AA)(ii) of the Income Tax Act, 1961 which governs the taxability of leave encashment received by government employees at the time of retirement.

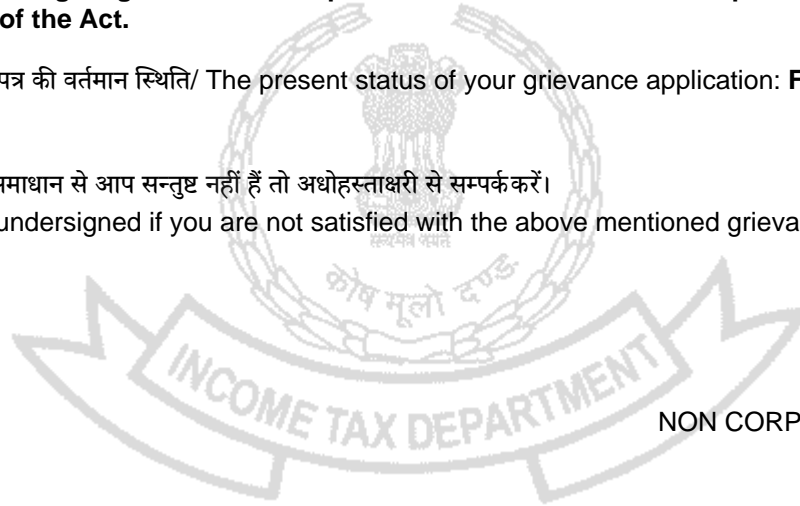
3) The RTI reply provided by CPIO,O/o PGMAT, BSNL, Ernakulam clearly states the methodology of calculation of taxable income. Vide SI no.1(a), the leave encashment amount received upon retirement of a BSNL employee during his DoT(Department of Telecom) service period is totally exempt from income tax. So, as per the clarification received from the RTI reply, under SI no.2(a), it is obvious that,

आपके शिकायत आवेदन के लिए समाधान/ The resolution for your grievance application: **Rectification order passed on 09/10/2025 giving credit to exemption on leave encashment as per the provisions of section 10(10AA) of the Act.**

आपके शिकायत आवेदन पत्र की वर्तमान स्थिति/ The present status of your grievance application: **FULLY RESOLVED**

कृपया उपर्युक्त उल्लेखित समाधान से आप सन्तुष्ट नहीं हैं तो अधोहस्ताक्षरी से सम्पर्क करें।

Please contact the undersigned if you are not satisfied with the above mentioned grievance resolution.



BINDU CHACKO  
NON CORP WARD 2(5) ,KOCHI/

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