



INCOME TAX DEPARTMENT

**OFFICE OF THE INCOME TAX OFFICER, WARD-II(1),
NEW C.G.O. COMPLEX, B-BLOCK, NH-IV, NIT, FARIDABAD-121001**

F. No. ITO/W-II(1)/FBD/2025-26/

Dated: 22.12.2025

Name & Address of the assessee	PREM NARAIN NIGAM
PAN	ACGPN5748L
Status	Individual
Assessment Year	2021-22
Date of order	22.12.2025

Order to give effect to order Ld. CIT(A), NFAC of ITBA/APL/S/250/2025-26/1082985705(1) dated 25.11.2025

The assessee, Sh. Prem Narain Nigam, is an individual and was formerly employed with Bharat Sanchar Nigam Limited (BSNL). He filed his return of income for Assessment Year 2021-22, declaring income under the heads "Salaries" and "Income from Other Sources," wherein the entire ex-gratia compensation received under the BSNL Voluntary Retirement Scheme-2019 was offered to tax, and no exemption in respect of the said ex-gratia amount was claimed. Consequently, the ITR was processed u/s 143(1) on 02.09.2022 and subsequently rectified u/s 154 on 31.03.2024, without allowing the benefit of exemption, as the same was not claimed by the assessee at the time of original filing or rectification.

2. The assessee thereafter filed an appeal bearing Appeal No. ADDL/JCIT(A)-9, Mumbai / 10018 / 2020-21 against the order passed u/s 154 by CPC on 31.01.2024. The Hon'ble Addl./JCIT(A)-9, Mumbai, vide order u/s 250 dated 25.11.2025 (DIN: ITBA/APL/S/250/2025-26/1082985705(1)), held that the ex-gratia compensation of Rs.42,73,727 received by the assessee during the relevant previous year constitutes retrenchment compensation, is covered under the second proviso to section 10(10B) of the Income-tax Act, 1961, and is a capital receipt not chargeable to tax. The Hon'ble CIT(A) further held that the exemption is allowable even though it was not claimed in the return of income for AY 2021-22. In compliance with these appellate directions, notice was issued to the assessee on 18.12.2025 requested therein to submit the necessary information/documents in support of the claim of exemption under the second proviso to section 10(10B) of the Income-tax Act, 1961. In response, the

assessee has submitted his reply on 18.12.2025 and 19.12.2025. On perusal of the information/documents furnished by the assessee, the claim of the assessee is verified and the ex-gratia compensation of Rs.42,73,727 is allowed as exempt income and excluded from taxable income. The total income of the assessee has been recomputed accordingly, as detailed below.

3. COMPUTATION OF TOTAL INCOME, TAX & INTEREST (After Giving Appeal Effect for AY 2021-22)

Particulars	Amount (Rs.)
Income from Salary	
Gross salary including BSNL VRS ex-gratia	55,15,441
Less: Ex-gratia compensation exempt u/s 10(10B)	(42,73,727)
Less: leave encashment arrear exempt u/s 10 (10AA)	(87,739)
Balance Salary	11,53,975
Less: Standard deduction u/s 16(ia)	(50,000)
Income from Salary	11,03,975
Income from Other Sources	
Interest on Fixed Deposits	1,25,462
Interest on Savings Account	1,853
Gross Interest Income	1,27,315
Less: Deduction u/s 80TTA	(1,853)
Income from Other Sources	1,25,462
Gross Total Income	12,29,437
Less: Deduction u/s 80C (PPF)	(1,50,000)
Total Income	10,79,437
Rounded off u/s 288A	10,79,440
Tax on Total Income	1,36,332
Add: Health & Education Cess @ 4%	5,453
Tax Liability	1,41,785
Fee u/s 234F	5,000/-
Total Tax Liability	1,46,785
Taxes Paid	
TDS	12,63,091

Particulars	Amount (Rs.)
Self-Assessment Tax (paid on 31.03.2022)	37,110
Total Taxes Paid	13,00,201
Amount Refundable to Assessee	Rs.11,53,416

Dal Chand
22/12/2025

(Dal Chand)
Income Tax Officer,
Ward-2(1), Faridabad