

Rana Pratap Singh and Others Vs Land Acquisition Officer and Others

Court: Andhra Pradesh High Court

Date of Decision: Aug. 18, 1998

Acts Referred: Income Tax Act, 1961 " Section 194, 194, 4
Land Acquisition Act, 1894 " Section 23

Citation: (1998) 5 ALD 299 : (1998) 5 ALT 197

Hon'ble Judges: Bilal Nazki, J

Bench: Single Bench

Advocate: Mr. C. Hanumantharao, for the Appellant; Government Pleader for Arbitration, for the Respondent

Judgement

@JUDGMENTTAG-ORDER

1. Heard the learned Counsel for the parties. A writ petition had been filed in this Court being W.P.No. 29923/97 which was disposed of by this

Court on 29th September, 1997 with the following order :

An award has been passed and a reference had been made to the Civil Court. The reference has been dismissed on 20-9-1995. It appears from

the record of the case, which had been called by this Court that the amount of compensation which had been awarded to the claimants had been

deposited before the Principal Subordinate Judge, R.R. District at Saroornagar. Since the reference before him had already been dismissed, the

amounts have remained undisbursed. In these circumstances, I allow the writ petition and direct the Principal Subordinate Judge, R.R. District at

Saroornagar to disburse the amounts to the claimants in accordance with the award with accrued interest. The petitioners may approach the

learned Principal Subordinate Judge with a copy of order of this Court who shall pass appropriate orders.

After the order was passed, it appears that the petitioner approached the concerned Court for receiving the amount of compensation. He passed

an order in O.P.No. 118/87 on 21st April, 1998. He passed the following order :

Issue notice to the Income Tax Department and call on 27-4-1998.

Against this order, present revision is filed. When this Court entertained the revision it also sought an explanation from the Judicial Officer as to

under what provision of law he had issued the notice to the Income Tax Department. The explanation has been received. In his explanation the

Judicial Officer has stated that he was of the view that provisions of Section 194A of the Income Tax Act are applicable to the cases of

compensation as well and he is bound to enforce the provisions of Section 271C of the Income Tax Act to make deduction at source therefore he

issued a notice to the Income Tax Department.

2. I have heard the learned Counsel for Income Tax Department as well. My attention has been drawn to a judgment of the Supreme Court in

Bikram Singh and Others Vs. Land Acquisition Collector and Others, , which shows that the controversy is no longer res-integra and the matter

has already been decided by the Apex Court. The Supreme Court was confronted directly with the question with which this Court at present is

confronted.

3. The Supreme Court was of the opinion that although the interest accumulated on the compensation is subject to Income Tax but it does not

empower the Officer concerned to make deductions at source. Going by the mandate of the judgment of the Supreme Court it becomes clear that

the compensation along with the interest is a revenue receipt exigible to income tax u/s 4 of the Income Tax Act, however Section 194 of the Act

has no application in the matter and there can be no deduction at source of the amounts in question.

4. With these observations this revision is allowed. The order passed by the learned Judicial Officer is set aside and he is directed to disburse the

amount without further delay. No costs.