

**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES "B": HYDERABAD
(THROUGH VIRTUAL CONFERENCE)**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
and
LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

ITA No. 1325/H/2017 Assessment Year: 2009-10		
Special Deputy Collector (Land Acquisition), Hyderabad. PAN - APTPK 1361E (Appellant)	Vs.	Income-tax Officer, Ward - 14(2), Hyderabad. (Respondent)
Assessee by:		Shri Mohd. Afzal
Revenue by:		Shri Rohit Mujumdar
Date of hearing:		17/03/2021
Date of pronouncement:		07/04/2021

ORDER

PER L.P. SAHU, A.M.:

This appeal filed by the assessee is directed against CIT(A) - 8, Hyderabad's order dated 17/04/2017 involving proceedings u/s 201(1A) of the Income Tax Act, 1961 ; in short "the Act".

2. Brief facts of the case are that as per the order passed u/s 201(1A) of the Act, the assessee deductor is a Government Department and has acquired land for

international airport in Shamshabad, Hyderabad against which has paid land acquisition compensation. From the information filed subsequent to the inspection, the AO noticed that the assessee deductor had paid land acquisition compensation and deducted TDS u/s 194LA of the Act, but remitted belatedly to the Government account. He further observed that the assessee deductor had made payments on account of advertisement to M/s Catalysis deducted TDS u/s 194C and remitted into Government Account. He, therefore, calculated interest payable u/s 201(1A) Rs. 4,76,851/-.

3. When, the assessee preferred an appeal against the order of AO, the CIT(A) confirmed the order of AO passed u/s 201(1A) of the Act.

4. Before us, the ld. AR of the assessee submitted that the then land acquisition officer by mistake had deducted tax at source against the payments made to the parties but remitted the same to the credit of the Central Govt. after the stipulated time. He submitted that the then Land Acquisition officer ought not to have deducted the income tax in respect of payments made towards the agricultural land as they do not come under the purview of IT as per section 194LA of the IT Act. He contended that the learned ITO did not consider the submission of the assessee and

proceeded with imposing of interest u/s 201(1A) of the Act, which is not proper as per law.

5. The Id. DR, on the other hand relied on the orders of revenue authorities.

6. We have considered the rival submissions and perused the material on record as well as gone through the orders of revenue authorities. As submitted by the Id. AR of the assessee, the land acquired are agricultural lands in nature, therefore, the provisions of section 194LA are not attracted to the payments made to the land owners. We, therefore, remit the matter back to the file of AO with a direction to decide the issue in accordance with law after providing reasonable opportunity of hearing to the assessee in the matter. The grounds raised by the assessee are treated as allowed for statistical purposes.

7. In the result, appeal of the assessee is allowed for statistical purposes in above terms.

Pronounced in the open court on 7th April, 2021.

**Sd/-
(S. S. GODARA)
JUDICIAL MEMBER**

**Sd/-
(L.P. SAHU)
ACCOUNTANT MEMBER**

Hyderabad, Dated: 7th April, 2021.

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copy to :

<i>1</i>	<i>Special Deputy Officer (Land Acquisition) , C/o Mohd. Afzal, Advocate, 11-5-465, Sherson's Residency, Flat No. 402, Criminal Court Road, Red Hills, Hyderabad – 500 004.</i>
<i>2</i>	<i>ITO, Ward – 14(2) (TDS), IT Towers, Hyderabad.</i>
<i>3</i>	<i>CIT(A) – 8, Hyderabad</i>
<i>4</i>	<i>CIT(TDS), Hyderabad.</i>
<i>5</i>	<i>ITAT, DR, Hyderabad</i>
<i>6</i>	<i>Guard File.</i>