

**IN THE INCOME TAX APPELLATE TRIBUNAL
“DB” BENCH, AGRA**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER &
SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER**

**ITA No. 116/Agr/2019
(Assessment Year 2015-16)**

Ravi Verma 1/125, Professors Colony, Delhi Gate Agra, Uttar Pradesh	Vs.	ACIT, Circle-2(1)(1) Aayakar Bhawan, Sanjay Palace Agra, Uttar Pradesh
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AATPV4916B		
Appellant	..	Respondent

Appellant by :	Sh. Pankaj Gargh, Adv.
Respondent by :	Sh. Shailender Shrivastava, Sr. DR

Date of Hearing	10.02.2025
Date of Pronouncement	10.02.2025

ORDER

PER SATBEER SINGH GODARA, JUDICIAL MEMBER:

This assessee's appeal for assessment year 2015-16 arises against Commissioner of Income Tax (Appeals)-2 [in short, the "CIT(A)"] Agra's in case No. 312/CIT(A)-2/Agra/ACIT-2(1)/Agra/2017-18 dated 15.02.2019, in proceedings under Section 143(3) of the Income Tax Act, 1961, [hereinafter referred to as 'the Act'].

2. Heard both the parties at length. Case file perused.

3. It emerges during the course of hearing that the sole substantive issue which has arisen between the parties in the assessee's instant appeal is that of taxability of the compensation amount in furtherance to his lands acquired u/s 3A of the National Highway Act 1956 dated 20.01.2010 followed by the deposit of the compensation in the relevant previous year on 08.01.2015. The assessee's case all along is that it is covered u/s 96 of The Right To Fair Compensation And Transparency In Land Acquisition, Rehabilitation and Resettlement Act, 2013 ("RFCTLARR Act") applicable w.e.f. 01.01.2015

4. The Revenue vehemently submits in light of the foregoing chronology of events is that once the assessee's lands had been acquired way back in the year 2010, his impugned compensation has rightly been held as not entitled for the exemption u/s 96 of the "RFCTLARR Act", 2013.

5. Learned counsel on the other hand has invited our attention to the relevant clarification issued by the Ministry of Road and Transport and Highway dated 28.12.2017 as follows:

"(iii) By now, it is also a settled proposition that the first, Second and Third Schedule of the RECTLARR Act, 2013 shall be applicable to the NH Act, 1956 with effect from 01.01.2015. As such, the followings is clarified.

(a) All cases of Land acquisition where the Awards had not been announced under Section 3G of the NH Act till 31.12.2014 or were such awards had been announced but compensation had not been paid in respect of majority of the land bidders under acquisition as on 31.12.2014, the compensation would be payable under acquisition with the first Schedule of the RECTLARR Act, 2013.

(b) In cases where the land acquisition process was initiated and award of compensation under Section 3G had also been announced before 01.01.2015. but the full award of Award had not been deposited by the acquiring agency with the CALA, the compensation amount would be liable to be determined in accordance with the First Schedule w.e.f. 01.01.2015;

(c) in cases, where the process of acquisition of land stood completed (i.e. Award under Section 3G announced by CALA, Amount deposited by the acquiring agency in the CALA, and compensation paid to the landowners in respect of major of the land under acquisition) as on or before 31.12.2014. The process would be deemed to have been completed and settled. Such cases would not be re-opened.”

6. There would be hardly any dispute between the parties that the assessee's case covered in para "b" wherein although his land acquisition was put to acquisition much earlier but the award amount has been deposited by the agency concerned on 08.01.2015 i.e. very well after the "appointed" date 01.01.2015 under the RFCTCARR law. We wish to make it further clear that once the assessee's case is covered under the new law, even the CBDT's landmark circular No. 36/2016 dated 25.10.2016 has granted exemptions to such a compensation u/s 96 thereof. We accordingly reverse both the learned lower authorities' action assessing the assessee's compensation in very terms. The assessee succeeds in his sole substantive ground in very terms.

7. This assessee's appeal is allowed.

Order pronounced in the open court on 10.02.2025

Sd/-
(Manoj Kumar Aggarwal)
ACCOUNTANT MEMBER

Sd/-
(Satbeer Singh Godara)
JUDICIAL MEMBER

Dated 10.02.2025

PS: Rohit/Subodh, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR