**THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN**
**AND**
**THE HON'BLE SRI JUSTICE M.SATYANARAYANA MURTHY**

**ITTA.No.150 of 2016**

**JUDGMENT:** (Per the Hon'ble Sri Justice Ramesh Ranganathan)

This appeal, under Section 260-A of the Income Tax Act, 1961 (for short "the Act"), is preferred by the Revenue against the order passed by the Income Tax Appellate Tribunal, Hyderabad in ITA.No.78/Hyd/2015 dated 04.09.2015.

In the order under appeal the Tribunal, following its earlier order in relation to the very same assessee for the assessment year 2006-07, held that Section 194LA of the Act is applicable only to cases of compulsory acquisition; and, as there was no compulsory acquisition under Section 146 of the GHMC Act, 1955 and the acquisition was by mutual consent, the provisions of Section 194LA of the Act was not attracted.

A Division Bench of this Court, by its order in ITTA.No.665 of 2014 dated 26.11.2014, held that the word "compensation" used in compulsory acquisition is wider, and takes care of not only the market value but also other payments, namely solatium, interest and other aspects; the compensation payable under Section 146 of the GHMC Act is for voluntary transfer of property by agreement; compulsory acquisition is an involuntary transfer; and no TDS need be deducted under Section 194LA of the Act.

The GHMC Act provides for acquisition of immovable property both by mutual agreement, and by compulsory acquisition where property cannot be acquired by agreement. While acquisition by agreement is provided for under Section 146, compulsory acquisition is provided for under Section 147 of the GHMC Act. As has been rightly held by the Tribunal, Section 194LA of the Act is inapplicable to acquisition by mutual agreement under Section 146 of the GHMC Act as it applies only to compulsory acquisition. No substantial question of law arises for consideration in this appeal necessitating interference under Section 260-A of the Act.

The appeal fails and is, accordingly, dismissed. Miscellaneous petitions pending, if any, shall also stand dismissed. There shall be no order as to costs.

**(RAMESH RANGANATHAN, J)**

**(M.SATYANARAYANA MURTHY, J)**

14th July 2016
JSU

**THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN**
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**<u>Date: 14.07.2016</u>**

<u>JSU</u>