IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CWP-31212-2018

Date of Decision: 21.1.2019

Piyush Singh Ahluwalia @ Piyush and others

...Petitioners

Versus

State Bank of India and another

...Respondents

CORAM:- HON'BLE MR. JUSTICE AJAY KUMAR MITTAL.
HON'BLE MRS. JUSTICE MANJARI NEHRU KAUL.

PRESENT: Mr. Dinesh Nagar, Advocate for the petitioner.

<u>AJAY KUMAR MITTAL</u>, J.

1. In this writ petition filed under Articles 226/227 of the Constitution of India, the petitioner has prayed for issuance of a writ of mandamus directing the respondents to release the amount deducted as tax from fixed deposits.

2. A few facts necessary for adjudication of the instant petition as narrated therein may be noticed. The petitioners are sons and daughter of late Shri Harjit Singh who lost his life in an road side accident on 4.1.2003. He left behind his widowed wife and the petitioners who were aged about 4, 6 and 7 years, respectively at that time. The mother of the petitioners filed a petition under Section 166 of the Motor Vehicles Act, 1988 before the Motor Accident Claims Tribunal, Chandigarh (in short “the Tribunal”) for

the grant of compensation for herself and the petitioners. The Tribunal vide order dated 16.7.2005 (Annexure P-1) awarded compensation to the claimants therein including the petitioners. Since, the petitioners were minors, the compensation amount of the petitioners was ordered to be deposited in the bank through FDRs in individual accounts till they attained majority. After attaining majority, the petitioners sought release of their amount kept deposited in FDRs. Respondent No.1 released the compensation amount to the petitioners after deducting tax at source from their FDRs as is clear from the account statements (Annexures P-2 to P-4, respectively). Hence, the present writ petition.

3. Learned counsel for the petitioners submitted that the petitioners were entitled to refund of the deduction of tax at source along with interest in respect of the amount received by them on account of compensation awarded by the Tribunal.

4. After hearing the learned counsel for the petitioners, we do not find any merit in the writ petition. The petitioners had received the amount of compensation and interest thereon from the Tribunal on account of death of their father Late Shri Harjit Singh. Learned counsel could not dispute that on the element of interest income, income tax was payable by the petitioners as it was taxable income from other sources.

5. Learned counsel for the petitioners was unable to substantiate with reference to any document on record that the tax was being deducted from the amount of compensation and not interest income as claimed by the petitioners. Moreover, it shall be open for the petitioners to claim refund of the amount of tax deducted in case their taxable income is less by filing the income tax returns in accordance with law.

6. In view of the above, we do not find any merit in the writ petition and the same is hereby dismissed.

(AJAY KUMAR MITTAL)
JUDGE

January 21, 2019 **(MANJARI NEHRU KAUL)**
gbs **JUDGE**

Whether Speaking/Reasoned Yes/No

Whether Reportable Yes/No