BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 27.06.**2025**

CORAM:

THE HON'BLE MR JUSTICE S.SOUNTHAR

W.P(MD)No.16464 of 2025

1.Alagarsamy

2.S.Sumathi

3.Surramal

4.Perumal

5.Jeyaprakash

6.Ramaraj

7.Gopalasamy

8.Mariammal

9.Devaraj

10.Saravana Kumar

11.Raj
12.Rukmani

13.Manoharan ... Petitioners

.Vs.

The Revenue Divisional Officer,
Revenue Divisional Office,
Sattur,
Virudhunagar District. ... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus directing the respondent to refund the TDS amount deducted by the respondent to each of the Petitioners herein based on the Petitioners' representation, dated 30.09.2024 sent to the respondent , within the time stipulated by this Court.

For Petitioners : Mr.P.Saravanan

For Respondent :Mrs.K.Malathi,
Addl.Govt. Pleader

ORDER

The Writ Petition is filed seeking a direction to the respondent to refund the TDS amount deducted from the land acquisition compensation payable to the petitioners by considering the Petitioners representation, dated 30.09.2024.

2.Heard the learned counsel appearing on either side and perused the materials placed before this Court.

3.It is the case of the Petitioners that the agricultural lands belonged to the Petitioners was acquired by the respondents and compensation amount payable to the Petitioners have been determined by the competent authority. Not satisfied with the quantum of compensation, the Petitioners sought for enhancement of compensation. Therefore, the matter has been referred to the Civil Court in L.A.O.P.No.1 to 5 of 2012, 8 and 9 of 2012 and 1 of 2017, on the file of Sub-Court, Virudhunagar. The Civil Court ordered enhancement of compensation and at the time of depositing the enhanced compensation, the respondents erroneously deducted Tax at Source without noticing Section 194-LA of the Income Tax Act. Aggrieved by the same, the Petitioners have come before this Court with the present Writ Petition for the relief stated supra.

4.The learned counsel for the Petitioners by drawing the attention of this Court to Section 194-LA of the Income Tax Act submits that TDS is applicable only for the non-agricultural property and in the case on hand, acquired lands are agricultural lands. Therefore the respondents ought not to have deducted TDS.

5.The respondents filed a counter affidavit, wherein, it is stated that TDS has been wrongly given in respect of the agricultural lands without noticing Section 194-LA of the Income

Tax Act. Therefore the amount deducted towards TDS will be refunded to the Petitioner.

6.The relevant portion of the averment reads as follows:

''6.A bare perusal of Section 194-IA of Income Tax Act states that TDS must be deducted for all transactions involving the sale of immovable property, which includes land or buildings, except agricultural land. However, there are specific situations where property purchase TDS is not required:

a)When the immovable property being transferred is rural agricultural land.

b) when the property is being compulsorily acquired by the Government under any law.

c)When the total consideration for the property purchase TDS is less than Rs.50 lakhs.

7.From the aforesaid provision, it is very clear that the TDS is not applicable for the agricultural lands located in rural areas and also for the acquisition made by the Government. However, at the time of acquisition, the then authorities had deducted the TDS and put it in the respondent's TAN account. Since the grievance raised by th Petitioners are reasonable, the respondent department has already commenced the process of remitting the TDS amounts back to the Petitioner's account and the work would be done within three months time as expeditiously *as possible.''*

7.The learned counsel for the Petitioners submit that after deducting tax at source, the respondents deposited the balance enhanced award amount before the Reference Court namely, Sub-Court, Virudhunagar and therefore, the amount to be refunded should also be deposited before the concerned Court.

8.In view of the averment made by the respondents in the counter affidavit, this Court directs the respondent to deposit the amount deducted by him as TDS into the respective LAOP Accounts of the Petitioners before Sub-Court, Virudhunagar within a period of three months from today. On such deposit being made, the Petitioners are at liberty to withdraw the said amount by making proper application.

9.With the above directions, the Writ Petition stands disposed of. No costs.

27.06.2025

NCS : Yes/No
Index : Yes / No
Internet : Yes / No

vsn

To

The Revenue Divisional Officer,
Revenue Divisional Office,
Sattur,
Virudhunagar District.

S.SOUNTHAR.,J.

vsn

ORDER MADE IN

W.P(MD)No.16464 of 2025

27.06.2025