



सत्यमेव जयते

भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय, भारत सरकार)

National Highways Authority of India

(Ministry of Road Transport and Highways, Government of India)

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दूरभाष/Phone : 91-11-25074100 / 25074200



भाराराप्रा/ नीति दिशानिर्देश / भूमि अधिग्रहण/ 2026
नीति परिपत्र सं. 7.1.89 / 2026 दिनांक 09th अप्रैल, 2026
{(ई-ऑफिस फाइल सं. NHAI/LA/2023 (कम्प्युटर सं. 203738 पर लिया गया निर्णय)}

NHAI/ Policy Guidelines/ Land Acquisition /2026
Policy Circular No. 7.1.89/ 2026 dated 09th April, 2026
{(Decision taken on E-Office File No. NHAI/LA/2023(Comp No. 203738)}

विषय: राष्ट्रीय राजमार्ग अधिनियम, 1956 के तहत भूमि अधिग्रहण के लिए भुगतान किए गए मुआवजे पर आरएफसीटीएलएआरआर अधिनियम, 2013 की धारा 96 के तहत आयकर, स्टाम्प शुल्क आदि से छूट की अनुप्रयोज्यता के संबंध में।

Sub.: Applicability of exemption from Income Tax, Stamp Duties etc. under Section 96 of RFCTLARR Act, 2013 to Compensation paid for Land Acquisition under the National Highways Act, 1956-reg

संदर्भ: सड़क परिवहन एवं राजमार्ग मंत्रालय परिपत्र संख्या 01/2026 दिनांक 30.03.2026

Refer: MoRT&H Circular No. 01/2026 dated 30.03.2026

राष्ट्रीय राजमार्ग अधिनियम, 1956 के तहत अधिग्रहीत भूमि के मुआवजे पर टीडीएस की अनुप्रयोज्यता का मुद्दा कुछ समय से विचाराधीन था। अब सड़क परिवहन एवं राजमार्ग मंत्रालय ने आवश्यक अनुपालन सुनिश्चित करने हेतु राष्ट्रीय राजमार्ग अधिनियम, 1956 के तहत भूमि अधिग्रहण के लिए भुगतान किए गए मुआवजे पर आरएफसीटीएलएआरआर अधिनियम, 2013 की धारा 96 के तहत आयकर, स्टाम्प शुल्क आदि से छूट के संबंध में स्पष्टीकरण जारी किया है।

The issue of applicability of TDS on compensation paid for Land acquired under NH Act 1956 was under consideration for some time. Now Ministry of Road Transport and Highways (MoRT&H) has issued a clarification about the exemption from Income Tax, Stamp Duties etc. as applicability under section 96 of RFCTLARR Act, 2013 to compensation paid for land acquisition under the National Highways Act, 1956 for necessary compliance.

- उपर्युक्त परिपत्र की एक प्रति सूचना और आवश्यक अनुपालन हेतु (संलग्न-I) है।
A copy of above mentioned circular is enclosed as (Annexure-I) for information and necessary compliance.

Contd.....2/-

3. यह सक्षम प्राधिकारी के अनुमोदन से जारी किया जाता है।
This issues with the approval of Competent Authority.

संलग्नक: यथोपरी।

Encl.: As stated above.



09/04/26

(सीएस. संजय कुमार पटेल/ CS. Sanjay Kumar Patel)
प्रभारी मुख्य महाप्रबंधक(समन्वय) (i/c) Chief General Manager (Coord.)

प्रति/ To:

भाराराप्रा मुख्यालय/आरओ/पीआईयू/सीएमयू/साइट कार्यालयों के सभी अधिकारी।
All Officers of NHAI HQ/ ROs/ PIUs/ CMUs/ Site Offices.

प्रतिलिपि/ Copy to:

1. पुस्तकालय की साइट पर प्रकाशन के लिए पुस्तकालय को।
Library for hosting the Circular on Library site.
2. परिचालन के लिए वेब एडमिन को।
Web Admin for Circulation.
3. सचिव, सड़क परिवहन और राजमार्ग मंत्रालय के प्रधान निजी सचिव को सूचनार्थ।
PPS to Secretary, MoRT&H for Kind Information.

No. NH-11011/3/2020-LA
Government of India
Ministry of Road Transport & Highways
(Land Acquisition Section)
Transport Bhawan, 1, Parliament Street, New Delhi- 110001

Date: 30th March, 2026

Circular No. 01/ 2026

Subject: Applicability of exemption from Income Tax, stamp duties, etc. under Section 96 of RFCTLARR Act, 2013 to compensation paid for land acquisition under the National Highways Act, 1956 - reg.

The undersigned is directed to state that the issue regarding levy of Income Tax/ deduction of Tax Deducted at Source (TDS) on compensation paid for land acquisition under the National Highways Act, 1956 has been under examination in light of various representations and judicial pronouncements.

2. For National Highways, land is acquired under National Highways Act 1956 however the compensation is determined in accordance with the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCTLARR). Section 96 of the RFCTLARR Act, 2013, provides that no income tax or stamp duty shall be levied on any award or agreement made under the said Act. Further, vide Section 105(3) read with the Removal of Difficulties Order dated 28.08.2015, the provisions relating to determination of compensation under the First, Second and Third Schedules of the RFCTLARR Act have been made applicable to acquisitions under enactments specified in the Fourth Schedule, which includes the National Highways Act, 1956.

3. The Central Board of Direct Taxes (CBDT) has also, vide Circular No. 36/2016 dated 25.10.2016 placed on their website, and section 402 of the Income Tax Act, 2025 clarify that compensation received under awards exempted under Section 96 of the RFCTLARR Act shall not be taxable under the Income Tax Act, 1961, even in the absence of a specific provision therein.

4. Further, the matter has been examined in detail in light of recent judicial pronouncements, including the decision of the Hon'ble High Court of Karnataka in *Smt. C.M. Uma vs. Chief Commissioner of Income Tax & Ors.*, wherein it has been, inter alia, held that:

(a) Section 96 of the RFCTLARR Act, 2013 applies to the compensation awarded for the land acquired under the National Highways Act, 1956 and such compensation is exempt from payment of Income Tax/TDS under the Income Tax Act, 1961 ; and

(b) Consequently, the exemption provided under Section 96 of the RFCTLARR Act extends to compensation paid for land acquisition under the National Highways Act, 1956, and such compensation is not liable to Income Tax or deduction of TDS.

(c) The Hon'ble Court has further emphasized that denying such exemption to landowners whose lands are acquired under different statutes, while granting

the same to others under the RFCTLARR Act, would result in discrimination and violate the principle of equality enshrined under Article 14.

5. In view of the above legal position and to ensure uniformity in implementation, it is hereby clarified that:

(a) Compensation disbursed on acquisition of land under the National Highways Act, 1956, where such compensation is determined in accordance with the provisions of the RFCTLARR Act, 2013, shall be treated as exempt from levy of Income Tax under Section 96 of the RFCTLARR Act;

(b) No deduction of Tax at Source (TDS) shall be made on such compensation payments.

6. All implementing agencies under this Ministry, including the National Highways Authority of India (NHAI), National Highways and Infrastructure Development Corporation Limited (NHIDCL) and Roads Wing, along with the Competent Authorities for Land Acquisition (CALAs) appointed under 3(a), are directed to ensure compliance with the above clarification.

7. This issues with the approval of the competent authority.

Digitally signed by

MAHESH CHANDRA

Date: 30-03-2026

10:39:36

Mahesh Chandra

Under Secretary to the Government of India

011-23310092

To,

1. The DG (RD) &SS, MoRTH
2. The Chairman, NHAI
3. The Managing Director, NHIDCL

Copy for information to:-

1. The Secretary, Department of Land Resources, Ministry of Rural Development
2. The Secretary, Department of Revenue, Ministry of Finance
3. Chairman, CBDT