

CHAPTER XX-C

PURCHASE BY CENTRAL GOVERNMENT OF IMMOVABLE PROPERTIES IN CERTAIN CASES OF TRANSFER

Commencement of Chapter.

269U. The provisions of this Chapter shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different areas.

Definitions.

269UA. In this Chapter, unless the context otherwise requires,—

- (a) "agreement for transfer" means an agreement, whether registered under the Registration Act, 1908 (16 of 1908) or not, for the transfer of any immovable property ;
- (b) "apparent consideration",—
 - (I) in relation to any immovable property in respect of which an agreement for transfer is made, being immovable property of the nature referred to in sub-clause (i) of clause (d), means,—
 - (i) if the immovable property is to be transferred by way of sale, the consideration for such transfer as specified in the agreement for transfer ;
 - (ii) if the immovable property is to be transferred by way of exchange,—
 - (A) in a case where the consideration for the transfer consists of a thing or things only, the price that such thing or things would ordinarily fetch on sale in the open market on the date on which the agreement for transfer is made ;
 - (B) in a case where the consideration for the transfer consists of a thing or things and a sum of money, the aggregate of the price that such thing or things would ordinarily fetch on sale in the open market on the date on which the agreement for transfer is made, and such sum ;
 - (iii) if the immovable property is to be transferred by way of lease,—
 - (A) in a case where the consideration for the transfer consists of premium only, the amount of premium as specified in the agreement for transfer ;
 - (B) in a case where the consideration for the transfer consists of rent only, the aggregate of the moneys (if any) payable by way of rent and the amounts for the service or things forming part of or constituting the rent, as specified in the agreement for transfer ;
 - (C) in a case where the consideration for the transfer consists of premium and rent, the aggregate of the amount of the premium, the moneys (if any) payable by way of rent and the amounts for the service or things

forming part of or constituting the rent, as specified in the agreement for transfer,

and where the whole or any part of the consideration for such transfer is payable on any date or dates falling after the date of such agreement for transfer, the value of the consideration payable after such date shall be deemed to be the discounted value²⁹ of such consideration, as on the date of such agreement for transfer, determined by adopting such rate of interest as may be prescribed in this behalf ;

- (2) in relation to any immovable property in respect of which an agreement for transfer is made, being immovable property of the nature referred to in sub-clause (ii) of clause (d), means,—
- (i) in a case where the consideration for the transfer consists of a sum of money only, such sum ;
 - (ii) in a case where the consideration for the transfer consists of a thing or things only, the price that such thing or things would ordinarily fetch on sale in the open market on the date on which the agreement for transfer is made ;
 - (iii) in a case where the consideration for the transfer consists of a thing or things and a sum of money, the aggregate of the price that such thing or things would ordinarily fetch on sale in the open market on the date on which the agreement for transfer is made, and such sum,

and where the whole or any part of the consideration for such transfer is payable on any date or dates falling after the date of such agreement for transfer, the value of the consideration payable after such date shall be deemed to be the discounted value³⁰ of such consideration, as on the date of such agreement for transfer, determined by adopting such rate of interest as may be prescribed in this behalf ;

³¹(c) "appropriate authority" means an authority constituted under [section 269UB](#) to perform the functions of an appropriate authority under this Chapter ;

(d) "immovable property" means—

- (i) any land or any building or part of a building, and includes, where any land or any building or part of a building is to be transferred together with any machinery, plant, furniture, fittings or other things, such machinery, plant, furniture, fittings or other things also.

Explanation.—For the purposes of this sub-clause, "land, building, part of a building, machinery, plant, furniture, fittings and other things" include any rights therein ;

- (ii) any rights in or with respect to any land or any building or a part of a building (whether or not including any machinery, plant, furniture, fittings or other things therein) which has been constructed or which is to be constructed, accruing or arising from any transaction (whether by way of becoming a member of, or acquiring shares in, a co-operative society, company or other association of persons or by way of any agreement or any arrangement of whatever nature), not being a transaction by way of sale, exchange or lease of such land, building or part of a building ;
- (e) "person interested", in relation to any immovable property, includes all persons claiming, or entitled to claim, an interest in the consideration payable on account of the vesting of that property in the Central Government under this Chapter ;

(f) "transfer",—

- (i) in relation to any immovable property referred to in sub-clause (i) of clause (d), means transfer of such property by way of sale or exchange or lease for a term of not less than twelve years, and includes allowing the possession of such property to be taken or retained in part performance of a contract of the nature referred to in section 53A of the Transfer of Property Act, 1882 (4 of 1882).

Explanation.—For the purposes of this sub-clause, a lease which provides for the extension of the term thereof by a further term or terms shall be deemed to be a lease for a term of not less than twelve years, if the aggregate of the term for which such lease is to be granted and the further term or terms for which it can be so extended is not less than twelve years ;

- (ii) in relation to any immovable property of the nature referred to in sub-clause (ii) of clause (d), means the doing of anything (whether by way of admitting as a member of or by way of transfer of shares in a co-operative society or company or other association of persons or by way of any agreement or arrangement or in any other manner whatsoever) which has the effect of transferring, or enabling the enjoyment of, such property.

Section - 269UB, Income-tax Act, 1961-2018

Appropriate authority.

269UB. (1) The Central Government may, by order, publish in the Official Gazette,—

- (a) constitute as many appropriate authorities, as it thinks fit, to perform the functions of an appropriate authority under this Chapter ; and
- (b) define the local limits within which the appropriate authorities shall perform their functions under this Chapter.

(2) An appropriate authority shall consist of three persons, two of whom shall be members of the Indian Income-tax Service, Group A, holding the post of Commissioner of Income-tax or any equivalent or higher post, and one shall be a member of the Central Engineering Service, Group A, holding the post of Chief Engineer or any equivalent or higher post.

(3) In respect of any function to be performed by an appropriate authority under any provision of this Chapter in relation to any immovable property referred to in [section 269UC](#), the appropriate authority referred to therein shall,—

- (a) in a case where such property is situate within the local limits of the jurisdiction of only one appropriate authority, be such appropriate authority ;
- (b) in a case where such property is situate within the local limits of the jurisdiction of two or more appropriate authorities, be the appropriate authority empowered to perform such functions in relation to such property in accordance with the rules³² made in this behalf by the Board under [section 295](#).

Explanation.—For the purposes of this sub-section, immovable property being rights of the nature referred to in sub-clause (ii) of clause (d) of [section 269UA](#) in, or with respect to, any land or any building or part of a building which has been constructed or which is to be constructed shall be deemed to be situate at the place where the land is situate or, as the case may be, where the building has been constructed or is to be constructed.

Restrictions on transfer of immovable property.

269UC. (1) Notwithstanding anything contained in the Transfer of Property Act, 1882 (4 of 1882), or in any other law for the time being in force, no transfer of any immovable property in such area and of such value exceeding five lakh rupees, as may be prescribed³³, shall be effected except after an agreement for transfer is entered into between the person who intends transferring the immovable property (hereinafter referred to as the transferor) and the person to whom it is proposed to be transferred (hereinafter referred to as the transferee) in accordance with the provisions of sub-section (2) at least four months before the intended date of transfer.

(2) The agreement referred to in sub-section (1) shall be reduced to writing in the form of a statement by each of the parties to such transfer or by any of the parties to such transfer acting on behalf of himself and on behalf of the other parties.

³⁴(3) Every statement referred to in sub-section (2) shall,—

- (i) be in the prescribed form ;
- (ii) set forth such particulars as may be prescribed ; and
- (iii) be verified in the prescribed manner,

and shall be furnished to the appropriate authority in such manner and within such time as may be prescribed, by each of the parties to such transaction or by any of the parties to such transaction acting on behalf of himself and on behalf of the other parties.

(4) Where it is found that the statement referred to in sub-section (2) is defective, the appropriate authority may intimate the defect to the parties concerned and give them an opportunity to rectify the defect within a period of fifteen days from the date of such intimation or within such further period which, on an application made in this behalf, the appropriate authority may, in its discretion, allow and if the defect is not rectified within the said period of fifteen days, or as the case may be, the further period so allowed, then, notwithstanding anything contained in any other provision of this Chapter, the statement shall be deemed never to have been furnished.

Order by appropriate authority for purchase by Central Government of immovable property.

269UD. (1) Subject to the provisions of sub-sections (1A) and (1B), the appropriate authority, after the receipt of the statement under sub-section (3) of [section 269UC](#) in respect of any immovable property, may, notwithstanding anything contained in any other law or any instrument or any agreement for the time being in force, make an order for the purchase by the Central Government of such immovable property at an amount equal to the amount of apparent consideration :

Provided that no such order shall be made in respect of any immovable property after the expiration of a period of two months from the end of the month in which the statement referred to in [section 269UC](#) in respect of such property is received by the appropriate authority :

Provided further that where the statement referred to in [section 269UC](#) in respect of any immovable property is received by the appropriate authority on or after the 1st day of June, 1993, the provisions of the first proviso shall have effect as if for the words "two months", the words "three months" had been substituted :

Provided also that the period of limitation referred to in the second proviso shall be reckoned, where any defect as referred to in sub-section (4) of [section 269UC](#) has been intimated, with reference to the date of receipt of the rectified statement by the appropriate authority :

Provided also that in a case where the statement referred to in [section 269UC](#) in respect of the immovable property concerned is given to an appropriate authority, other than the appropriate authority having jurisdiction in accordance with the provisions of [section 269UB](#) to make the order referred to in this sub-section in relation to the immovable property concerned, the period of limitation referred to in the first and second provisos shall be reckoned with reference to the date of receipt of the statement by the appropriate authority having jurisdiction to make the order under this sub-section :

Provided also that the period of limitation referred to in the second proviso shall be reckoned, where any stay has been granted by any court against the passing of an order for the purchase of the immovable property under this Chapter, with reference to the date of vacation of the said stay.

(1A) Before making an order under sub-section (1), the appropriate authority shall give a reasonable opportunity of being heard to the transferor, the person in occupation of the immovable property if the transferor is not in occupation of the property, the transferee and to every other person whom the appropriate authority knows to be interested in the property.

(1B) Every order made by the appropriate authority under sub-section (1) shall specify the grounds on which it is made.

(2) The appropriate authority shall cause a copy of its order under sub-section (1) in respect of any immovable property to be served on the transferor, the person in occupation of the immovable property if the transferor is not in occupation thereof, the transferee, and on every other person whom the appropriate authority knows to be interested in the property.

Section - 269UE, Income-tax Act, 1961-2018

Vesting of property in Central Government.

269UE. (1) Where an order under sub-section (1) of [section 269UD](#) is made by the appropriate authority in respect of an immovable property referred to in sub-clause (i) of clause (d) of [section 269UA](#), such property shall, on the date of such order, vest in the Central Government in terms of the agreement for transfer referred to in sub-section (1) of [section 269UC](#) :

Provided that where the appropriate authority, after giving an opportunity of being heard to the transferor, the transferee or other persons interested in the said property, under sub-section (1A) of [section 269UD](#), is of the opinion that any encumbrance on the property or leasehold interest specified in the aforesaid agreement for transfer is so specified with a view to defeat the provisions of this Chapter, it may, by order, declare such encumbrance or leasehold interest to be void and thereupon the aforesaid property shall vest in the Central Government free from such encumbrance or leasehold interest.

(2) The transferor or any other person who may be in possession of the immovable property in respect of which an order under sub-section (1) of [section 269UD](#) is made, shall surrender or deliver possession thereof to the appropriate authority or any other person duly authorised by the appropriate authority in this behalf within fifteen days of the service of such order on him :

Provided that the provisions of this sub-section and sub-sections (3) and (4) shall not apply where the person in possession of the immovable property, in respect of which an order under sub-section (1) of [section 269UD](#) is made, is a *bona fide* holder of any encumbrance on such property or a *bona fide* lessee of such property, if the said encumbrance or lease has not been declared void under the proviso to sub-section (1) and such person is eligible to continue in possession of such property even after the transfer in terms of the aforesaid agreement for transfer.

(3) If any person refuses or fails to comply with the provisions of sub-section (2), the appropriate authority or other person duly authorised by it under that sub-section may take possession of the immovable property and may, for that purpose, use such force as may be necessary.

(4) Notwithstanding anything contained in sub-section (2), the appropriate authority may, for the purpose of taking possession of any property referred to in sub-section (1), requisition the services of any police officer to assist him and it shall be the duty of such officer to comply with such requisition.

(5) For the removal of doubts, it is hereby declared that nothing in this section shall operate to discharge the transferor or any other person (not being the Central Government) from liability in respect of any encumbrances on the property and, notwithstanding anything contained in any other law for the time being in force, such liability may be enforced against the transferor or such other person.

(6) Where an order under sub-section (1) of [section 269UD](#) is made in respect of an immovable property, being rights of the nature referred to in sub-clause (ii) of clause (d) of [section 269UA](#), such order shall have the effect of—

- (a) vesting such right in the Central Government ; and
- (b) placing the Central Government in the same position in relation to such rights as the person in whom such a right would have continued to vest if such order had not been made.

(7) Where any rights in respect of any immovable property, being rights in, or with respect to, any land or any building or part of a building which has been constructed or which is to be constructed, have been vested in the Central Government under sub-section (6), the provisions of sub-sections (1), (2), (3) and (4) shall, so far as may be, have effect as if the references to immovable property therein were references to such land or building or part thereof, as the case may be.

Section - 269UF, Income-tax Act, 1961-2018

Consideration for purchase of immovable property by Central Government.

269UF. (1) Where an order for the purchase of any immovable property by the Central Government is made under sub-section (1) of [section 269UD](#), the Central Government shall pay, by way of consideration for such purchase, an amount equal to the amount of the apparent consideration.

(2) Notwithstanding anything contained in sub-section (1), where, after the agreement for the transfer of the immovable property referred to in that sub-section has been made but before the property vests in the Central Government under [section 269UE](#), the property has been damaged (otherwise than as a result of normal wear and tear), the amount of the consideration payable

under that sub-section shall be reduced by such sum as the appropriate authority, for reasons to be recorded in writing, may by order determine.

Section - 269UG, Income-tax Act, 1961-2018

THE TWELFTH SCHEDULE

[See [section 80HHC\(2\)\(b\)\(ii\)](#)]

PROCESSED MINERALS AND ORES

- (i) Pulverised or micronised—barytes, calcite, steatite, pyrophyllite, wollastonite, zircon, bentonite, red or yellow oxide, red or yellow ochre, talc, quartz, feldspar, silica powder, garnet, silliminite, fireclay, ballclay, manganese dioxide ore.
- (ii) Processed or activated—bentonite, diatomious earth, fullers earth.
- (iii) Processed—kaoline (china clay), whiting, calcium carbonate.
- (iv) Beneficated-chromite, flourspar, graphite, vermiculite, ilmenite, brown ilmenite (lencoxene) rutile, monazite and other mineral concentrates.
- (v) Mica blocks, mica splittings, mica condenser films, mica powder, micanite, silvered mica, punched mica, mica paper, mica tapes, mica flakes.
- (vi) Exfoliated-vermiculite, calcined kyanite, magnesite, calcined magnesite, calcined alumina.
- (vii) Sized iron ore processed by mechanical screening or crushing and screening through dry process or mechanical crushing, screening, washing and classification through wet process.
- (viii) Iron ore concentrates processed through crushing, grinding or magnetic separation.
- (ix) Agglomerated iron ore.
- (x) Cut and polished minerals and rocks including cut and polished granite.

Explanation.—For the purposes of this Schedule, "processed", in relation to any mineral or ore, means—

- (a) dressing through mechanical means to obtain concentrates after removal of gangue and unwanted deleterious substances or through other means without altering the minerological identity;
- (b) pulverisation, calcination or micronisation;
- (c) agglomeration from fines;
- (d) cutting and polishing;
- (e) washing and levigation;
- (f) benefication by mechanical crushing and screening through dry process;
- (g) sizing by crushing, screening, washing and classification through wet process;
- (h) other upgrading techniques such as removal of impurities through chemical treatment, refining by gravity separation, bleaching, floatation or filtration.

Re-vesting of property in the transferor on failure of payment or deposit of consideration.

269UH. (1) If the Central Government fails to tender under sub-section (1) of [section 269UG](#) or deposit under sub-section (2) or sub-section (3) of the said section, the whole or any part of the amount of consideration required to be tendered or deposited thereunder within the period specified therein in respect of any immovable property which has vested in the Central Government under sub-section (1) or, as the case may be, sub-section (6) of [section 269UE](#), the order to purchase the immovable property by the Central Government made under sub-section (1) of [section 269UD](#) shall stand abrogated and the immovable property shall stand re-vested in the transferor after the expiry of the aforesaid period :

Provided that where any dispute referred to in sub-section (2) or sub-section (3) of [section 269UG](#) is pending in any court for decision, the time taken by the court to pass a final order under the said sub-sections shall be excluded in computing the said period.

(2) Where an order made under sub-section (1) of [section 269UD](#) is abrogated and the immovable property re-vested in the transferor under sub-section (1), the appropriate authority shall make, as soon as may be, a declaration in writing to this effect and shall—

- (a) deliver a copy of the declaration to the persons mentioned in sub-section (2) of [section 269UD](#) ; and
- (b) deliver or cause to be delivered possession of the immovable property back to the transferor, or, as the case may be, to such other person as was in possession of the property at the time of its vesting in the Central Government under [section 269UE](#).

Powers of the appropriate authority.

269UI. The appropriate authority shall have, for the purposes of this Chapter, all the powers that a Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner of Income-tax has for the purposes of this Act under [section 131](#).

Rectification of mistakes.

269UJ. With a view to rectifying any mistake apparent from the record, the appropriate authority may amend any order made by it under this Chapter, either on its own motion or on the mistake being brought to its notice by any person affected by the order :

Provided that if any such amendment is likely to affect any person prejudicially, it shall not be made without giving to such person a reasonable opportunity of being heard :

Provided further that no amendment shall be made under this section after the expiry of six months from the end of the month in which the order sought to be amended was made.

Restrictions on revocation or alteration of certain agreements for the transfer of immovable property or on transfer of certain immovable property.

269UK. (1) Notwithstanding anything contained in any other law for the time being in force, no person shall revoke or alter an agreement for the transfer of an immovable property or transfer such property in respect of which a statement has been furnished under [section 269UC](#) unless,—

- (a) the appropriate authority has not made an order for the purchase of the immovable property by the Central Government under [section 269UD](#) and the period specified for the making of such order has expired ; or
- (b) in a case where an order for the purchase of the immovable property by the Central Government has been made under sub-section (1) of [section 269UD](#), the order stands abrogated under sub-section (1) of [section 269UH](#).

(2) Any transfer of any immovable property made in contravention of the provisions of sub-section (1) shall be void.

Restrictions on registration, etc., of documents in respect of transfer of immovable property.

269UL. (1) Notwithstanding anything contained in any other law for the time being in force, no registering officer appointed under the Registration Act, 1908 (16 of 1908), shall register any document which purports to transfer immovable property exceeding the value prescribed under [section 269UC](#) unless a certificate from the appropriate authority that it has no objection to the transfer of such property for an amount equal to the apparent consideration therefor as stated in the agreement for transfer of the immovable property in respect of which it has received a statement under sub-section (3) of [section 269UC](#), is furnished along with such document.

(2) Notwithstanding anything contained in any other law for the time being in force, no person shall do anything or omit to do anything which will have the effect of transfer of any immovable property unless the appropriate authority certifies that it has no objection to the transfer of such property for an amount equal to the apparent consideration therefor as stated in the agreement for transfer of the immovable property in respect of which it has received a statement under sub-section (3) of [section 269UC](#).

(3) In a case where the appropriate authority does not make an order under sub-section (1) of [section 269UD](#) for the purchase by the Central Government of an immovable property, or where the order made under sub-section (1) of [section 269UD](#) stands abrogated under sub-section (1) of [section 269UH](#), the appropriate authority shall issue a certificate of no objection referred to in sub-section (1) or, as the case may be, sub-section (2) and deliver copies thereof to the transferor and the transferee.

Section - 269UM, Income-tax Act, 1961-2018

Immunity to transferor against claims of transferee for transfer.

269UM. Notwithstanding anything contained in any other law or in any instrument or any agreement for the time being in force, when an order for the purchase of any immovable property by the Central Government is made under this Chapter, no claim by the transferee shall lie against the transferor by reason of such transfer being not in accordance with the agreement for the transfer of the immovable property entered into between the transferor and transferee :

Provided that nothing contained in this section shall apply if the order for the purchase of the immovable property by the Central Government is abrogated under sub-section (1) of [section 269UH](#).

Section - 269UN, Income-tax Act, 1961-2018

Order of appropriate authority to be final and conclusive.

269UN. Save as otherwise provided in this Chapter, any order made under sub-section (1) of [section 269UD](#) or any order made under sub-section (2) of [section 269UF](#) shall be final and conclusive and shall not be called in question in any proceeding under this Act or under any other law for the time being in force.

Section - 269UO, Income-tax Act, 1961-2018

Chapter not to apply to certain transfers.

269UO. The provisions of this Chapter shall not apply to or in relation to any immovable property where the agreement for transfer of such property is made by a person to his relative on account of natural love and affection, if a recital to that effect is made in the agreement for transfer.

Section - 269UP, Income-tax Act, 1961-2018

Chapter not to apply where transfer of immovable property effected after certain date.

269UP. The provisions of this Chapter shall not apply to, or in relation to, the transfer of any immovable property effected on or after the 1st day of July, 2002.