

Lease Rent Income received from Letting out modules of Software Technology Park to constitute Income from Business, eligible for Deduction

FACT OF THE CASE

- In the instant case the problem is whether the lease rent income from letting out modules of Software Technology park to be treated as business income and eligible for deduction or not.
- Mr.T.R.Senthil Kumar, Senior Standing Counsel appearing for the appellant/ Revenue submitted that the questions of law that arose for consideration in the above appeals were already decided against the Revenue and in favour of the assessee in the judgment dated 14.06.2021 made in T.C.A.No.16 of 2014
- Mr.Vikram Vijayaraghavan, learned counsel appearing for the respondent/assessee submitted that in view of the judgment of the Division Bench of this Court made in T.C.A.No.16 of 2014, the appeals may be dismissed.

DECISION OF THE CASE

- The division bench of Justice M.Duraiswamy and Justice R.Hemalatha dismissed the appeal of the revenue relied on the case of T.C.A.No.16 of 2014
- The division bench ruled that in the case of an undertaking which develops, develops and operates or maintains and operates an industrial park/SEZ notified in accordance with the scheme framed and notified by the Government, the income from letting out the premises / developed space along with other facilities in an industrial park/SEZ is to be charged to tax under the head 'Profits and Gains of Business.
- The Madras High Court ruled that the lease rent income received from letting out modules of Software Technology park to constitute income from the business, eligible for deduction