
Income From House Property v. Business Income



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INTRODUCTION

The concept of Chargeability of Income Tax has been dealt under Section 4 of the Income Tax Act, 1961. According to the provisions, the amount earned as income is subjected to tax on the basis of its classification under the five heads of income i.e. "(i) salaries (ii) income from house property (iii) profits and gains of business or profession (iv) capital gains and (v) income from other sources".

Section 22 of the Act provides for treatment of Income from House Property and Section 28 of the Act provides for the computation of income under the head Profits and Gains of Business or Profession. The underlining issue arises in circumstances where the income has to be distinguished i.e. whether it is to be treated under which head as the method of creating a charge is significantly different under both the heads and there exists a continuous dispute between the assessee and tax department in order to treat the income in such a manner which is beneficial to them respectively.

This paper seeks to analyse Section 22 and 28 of the Act and the treatment of income that falls under these heads of Income. The paper further tries to analyse the treatment of income arising from letting out of property and determine the factors essential for characterizing the nature of the income. For doing so, the researcher would essentially deal with the various judicial pronouncements of the Indian courts wherein they have thrown light upon the treatment of the rental income as per the provisions of the Income Tax Act 1961.

CHAPTER 1 – HEADS OF INCOME

Section 22, Income Tax Act 1961: Income from House Property

Section 22 of the Income Tax Act 1961 is the charging section for the "Annual value of a property owned by the assessee". The head of Income from House Property (hereinafter referred as IFHP) includes house property consisting of "buildings, lands appurtenant thereto".¹ In case, if an income is derived by an individual from any vacant plot of land, it would not be charged under this head, rather it would be charged under either Section 28 of the Act i.e. Business Income² or Section 56 of the Act i.e. Income from other sources³. Further no tax can be imposed under this head if the property is occupied by the owner for business, profession or vocational purposes, the profits of which are assessable to tax. The tax under this head is levied on the owner, either legal or beneficial and not on the occupant of the premise. The charge created under this head is on the annual value of the concerned house property that is the "deemed income" and not the property itself⁴. Prior, the charge was created on the annual value as defined under Section 23 and not on the basis of the actual income from the property⁵. Now, a legislative shift is witnessed wherein it has shifted from tax on deemed income and closer to tax on actual income.

Hence the conditions necessary for creating a charge under Section 22 of the Income Tax Act, 1961 are as follows:

- ◆ The house property must include any building or land appurtenant thereto.
- ◆ The owner of the house property must be the assessee.
- ◆ The property must not be engaged for the purpose of any business or profession carried on by the owner, the profits of such engagement are chargeable to tax.⁶

Section 28, Income Tax Act 1961 – Profits and Gains of Business or Profession

Section 28 of the Act states the tax treatment for any Profits and Gains of Business or Profession (hereinafter referred as PGBP) carried on by the assessee.⁷ According to Section 2(36) of the Act, profession includes vocation⁸. In order to create a charge under this section, the "business, profession or vocation" must be carried out for a particular time period during the accounting year and not necessarily for the entire year. The section is applicable only on those business the profits of which are subject to assessment under the act, irrespective of the fact that whether any amount of taxable profit has been earned or not by the business.⁹ In *Universal Radiators v. CIT*¹⁰, it was held by the court that in order to create a charge under this section, the income must have been accrued out of the business carried on by the assessee. "An income directly or ancillary to the business may be an income from business, but any income to an assessee carrying on business does not become an income from business unless the necessary relationship between the two is established".

CHAPTER 2 - INCOME FROM HOUSE PROPERTY VERSUS BUSINESS INCOME

Tax Treatment under Heads of Income

An income earned by an individual is required to be taxed under any of the five heads of income as per Section 14 of the Income Tax Act 1961.¹¹ In case there is overlapping of sections while creating a charge over the taxable income, it is a settled position that income which is subjected to charge under one head cannot be charged under another head in lieu of, or in addition to, being charged under the concerned head.¹²

For many years, there has been a dispute regarding the tax treatment of income earned through renting of house property held as stock-in-trade in the business of the assessee. The courts have given contrary judgements on this issue as on one hand it was considered that there is, "no difference as to whether the property constitutes stock-in-trade of a business¹³ or that it is the business of assessee to let out house properties or rooms" and on the other hand it was considered that there exists a difference in both the properties. Therefore, there arises a question that whether the rental income generated from house property be charged as Income from House Property or as Business Income.

It has been held by the Court that the five heads of income are mutually exclusive and none of the heads of income can be considered as "general or specific" for the purpose of tax treatment. Rental income earned by the assessee can be covered either under IFHP or PGBP i.e. if covered under IFHP it means that the income is earned by owner by not engaging the property in any business transaction. Such income shall be subjected to a "standard deduction of 30% of the income in addition to a deduction on interest paid on borrowed capital for the purposes of acquisition, construction, repair, reconstruction". On the other hand, if the income is covered under PGBP, then the assessee can claim a tax exemption on actual expenses. The assessee has the "exemption to deduct the expenses incurred to maintain the property, claim depreciation and not pay notional rent when the property is not let out".¹⁴

In such scenario, the assessee by the way of tax planning, may include the income earned by letting out as business income under PGBP head. This will lead to loss of revenue for the government. Hence the income tax department and court scrutinizes each case carefully before creating a charge over the income.

Further there is a grey area in the Income Tax Act as it does not provide a certain provision for the treatment of rental income.

According to Section 22 of the Act, Income from House Property includes in its definition, "property consisting of any buildings or lands appurtenant thereto, of which the assessee is the owner". A plain reading of the

definition creates confusion with regard to the nature of the property, which must be included in order to place the rental income under the head of IFHP. Since there are no limits or restrictions on deductions under the PGBP head of income, the taxpayers are attracted to treat rental income from immovable property under PGBP head.

Under Section 50 of the Act, if a capital asset forming a part of the assets for business purpose is sold by the assessee, and on which depreciation is allowed as per the provisions of the Income Tax Act, then in such cases the income earned from sale/transfer of such capital asset is treated as "Short Term".¹⁵ Further, under Section 54, the capital gain earned on sale/transfer of long term capital asset and the criteria of depreciable assets held for a time period of 24-36 months is provided under the said section. Hence, capital gain received by an assessee on the transfer of a depreciable asset is eligible for the benefit under the relevant section.¹⁶

Contrary to this, it has been contended by the tax authorities that the rental income must be charged under IFHP. Further if there is any loss from house property, then the assessee can adjust and carry forward the same under the provisions of the Act. Under Section 70, Intra-head adjustment can be made if there is any loss by setting it off from the income of other house-property.¹⁷ Further under Section 71, an inter-head adjustment can be made by setting off the unadjusted loss against income under any other head of income. The set off can be up to Rs. 2,00,000 only by the assessee.¹⁸ Lastly, under Section 71B, any loss incurred by the assessee can be carried forward for a time period of 8 years for set off against IFHP.

Lastly, the recent judicial trend and directions issued by Central Board of Direct Taxes clearly highlights that the authorities have settled this position that property ownership and leasing can be done as a part of a business operation apart from being a mere owner. The CBDT issued a guideline stating the, "the income from letting out of premises or developed space along with other facilities in an industrial park or SEZ is to be charged to tax under the head PGBP and has guided the department in not filing any appeals on this issue and to withdraw or not press upon appeals already filed".¹⁹

CHAPTER 3 - JUDICIAL TREND

Judicial Pronouncement Regarding Treatment of Income

In *East India Housing and Land Development Trust Ltd. v. CIT*²⁰, a company was formed with the purpose to develop immovable properties and construct markets and stalls. The company purchased a land in Calcutta and developed stalls for market purposes. The assessee argued that the income earned from letting out the shops should be considered as a Business Income as the object of the company was to commercialize the space. However, the department contended that the income must be charged under IFHP. It was held by the court that, if a company derives income from shops and stalls it shall fall under the scope of IFHP. The mere fact that a company was formed with the purpose of developing and setting up stalls shall not change the nature and character of the income received. It was opined by the court that, "a company which has been incorporated with the object of promoting and developing markets was assessable under Section 22 and not subjected to Section 28 with regard to the rental income of market shops and stalls owned by it".

In case of *Sultan Brothers (P.) Ltd. v. CIT*²¹, the assessee had let out the fully furnished and equipped property for a tenure of six years for running a hotel and other ancillary services. The agreement for let out included a rent to be paid for the building and a hire for the furniture and fixtures. The intention behind the lease was to run the property as a hotel but the place was not utilised for the said purpose rather the owner let out the fully furnished property for 6 years. The owner received a two-fold monthly rent i.e. both for the property and the furniture and fixtures.

The court opined that there a very minor difference exists between "exploiting a property as commercial asset as against exploitation of the same by the owner". Hence in each case, the issue to be dealt with is regarding the use of the property i.e. whether it was engaged by the assessee for business purpose of letting out or was exploited for his own personal purposes. Further it can be deduced that, the court must base its decision on the circumstances and nature of the transaction conducted by the assessee and from the businessman's point of

view for a better understanding of the nature of the transaction. The court must understand the nature of transaction i.e. whether the property is let out by the assessee as a part of business activity or to commercially exploit the property or to use the property for his personal purposes.

In the case of **CIT v. National Storage (P.) Ltd.**²², the assessee company was engaged in business of film distributors. The Cinematograph Rules 1948 required the distributors to store films in godowns which were to be constructed in accordance with the specifications mentioned in the rules. The company in accordance with the rules purchased the lands and provided the safe storage of films by constructing building with required safety and vaults for storage. The assessee company charged certain rental charges in order to provide the vault services.

It was opined by the court that, if the income is arising not merely from letting out of the property or from letting out for incidental services, rather the subject hired is a "complex" and the income derived is not so much because of the letting out of property but due to the services involved. Thereby the character of the operations so involved is of business or trading purposes and therefore the income earned by such operations shall be deemed to be business income.

In **Manohar Singh v. CIT**²³, the assessee purchased a land and constructed a house consisting of 13 rooms and 1 floor. The floor was reserved for his personal residence and the rooms were let out as single apartments. The rooms and the floor had different plans and designs with separate bathrooms and were fully furnished. A common dining area was also there where the assessee provided meals to the tenants if required. The rooms could be occupied for a single day or for a long period according to the requirement of the tenant. The assessee charged a rent for the occupancy.

The question before the court was whether the income earned by the assessee is rental or business income. Following the National Storage Case, it was held that if there is mere letting out of property or the letting out is for certain incidental purpose then it shall be considered as Income from House Property and if the letting out is of complex nature then it shall be deemed as Business Income. It was held by the Tribunal that there are certain elements of risks or profit making associated with business activities. In the present matter, the tribunal did not find any element of risk involved with the business entity in case of mere letting out of property.

It was held by the court, "In the present case, the income arises under the head of profits and gains of business. It is not the case where the assessee is merely earning a rental from property. He is doing something more. That is, he is carrying on the business of a paying guest establishment and the building in which this business is carried on is an integral part of the assessee business venture."

Later in the case of **Karnani Properties Ltd. v. CIT**²⁴, the court dealt with the concept of Composite Rent. The company had some mansion at Park Street in Calcutta. Mansion was to be given out for rental activities together with certain other range of facilities such as Residential Flats with dozens of shops, and they were let out with monthly rents in addition to this it included supplying electricity, water and other services to tenants by establishing a power plant to supply such electricity. It was contended by the assessee that the income should be treated as a business income. The contention was rejected by the Income Tax Department and it was argued that the income consists of two parts i.e. Rental Income (House Property Income) and Charge towards those kind of facilities (Income from Other sources). The High Court in its judgement considered the entire amount as Income from House Property. The judgement was overruled by Supreme Court and it was held that the income was a business income. It was opined by the court that, "if the assessee provides services that are result of its commercial activities and are carried out in a continuous and organized manner, with an aim to earn profits, then such cases these activities would constitute as business activities and the income arising from such commercial activities would be assessable under Section 28 of the Income Tax Act 1961".

In **Universal Plast Ltd. v. CIT**²⁵, the assessee company had a business wherein the plant was established along with machinery installed in the premise. The company signed a lease agreement with another company for 7 years and the business assets including the premise and machinery was leased to the contracting party.

The agreement was in the form of a profit sharing arrangement. It was contended by assessee company that the "leave and lease agreement" must be treated as business income. It was held by the court that the agreement included a clause wherein it was stated that at the end of tenure of license agreement, there was an agreement to sell the asset to the other party. Hence it was a lease cum sale license agreement. It was opined that if the intent was to sell the asset at the end of the tenure, then it cannot be considered as a business income rather it would be a IFHP.

In ***S.G. Mercantile Corporation Ltd. v. CIT***²⁶, the moot proposition was similar to East India case, wherein it was held that, "the character of income will not alter if it is received by a company formed with the object of developing and setting up market".

In ***Everest Hotels Ltd. v. CIT***²⁷, it was held by the court that, "letting out on lease the entire hotel along with goodwill, furniture, equipment, building etc." would constitute as commercial utilization of the property and the income arising from such utilization shall be considered as business income.

In ***Balaji Enterprises v. CIT***²⁸, it was observed that, if a property is taken on lease, later the property is developed and leases out to various tenants by the assessee as a part of business activity and not in the capacity of an owner, then the income shall be treated as a Business Income. This judgement was overruled in ***CIT v. Podar Cement (P.) Ltd.***²⁹ wherein it was held that in case of a lease hold property, the owner is entitled with the right to receive income earned from such property and shall be considered as IFHP.

Later in case of ***Shambhu Investment (P.) Ltd.***³⁰ v. ***CIT*** the assessee company was the owner of a building at Nariman Point in Mumbai. The property was fully furnished and was engaged in letting out to different persons, firms, organisations. As per the agreement, the assessee had to also provide ancillary services such as security, electricity, water and other basic amenities to the occupier. The rent paid included the charged of all these services. The assessee company contended that the income arising from such premise must be treated as Business Income. The Department held that the income arising from the said property was in real rent received from the occupier and cannot be considered as service charges and maintenance and thereby cannot be charged under the Business Income head.

It was opined that in case of composite rent wherein the assessee had let out a fully furnished office to an individual on the basis of monthly rent which included all charges to be paid to the assessee. The assessee had recovered the entire cost of the lease by the way of "interest free advance". It was thereby held by the court that it could not be deemed that he was exploiting the property for business purpose or to earn profit. In order to establish this fact, it has to borne in mind that the main intention of the assessee should be to exploit the immovable property as "complex commercial activity". It will be then considered as a Business Income.

In ***Asstt. CIT v. Saptarshi Services Ltd.***³¹, it was held that, Income earned by developing and constructing the property to be used as commercial space and to provide services like "reception, data processing, conference room etc." shall constitute as property used for business development and will not consist of any ownership rights held by the assessee. It will be considered as a Business Income.

In ***PFH Mall and Retail Management Ltd. v. ITO***³², the assessee company was involved in the business of "construction and management of shopping mall, departmental store and business centres at Mumbai, Ahmedabad and Kolkata". One such location of the company's business was the "PFH mall or Pantaloons Retail India" where they were engaged in establishing a shop in the proposed property. The company was engaged to provide services such as "Security system i.e. manual as well as electronic, cleaning and maintenance staff, adequate lighting, installation and maintenance of lifts/escalators/elevators, provision and management of parking space, provision of firefighting equipment, provision of diesel generator set, insurance of property and other amenities."

It was held by the Court that, the mere fact an income is arising from immovable property, cannot be considered as the sole criteria for tax assessment of such income and to be deemed as income from house property. In case if the ultimate aim is to exploit the property for commercial purposes, then the income so

earned from immovable property shall be held as business income and no tenancy rights shall be granted to the assessee.

In **Keyaram Hotels (P.) Ltd. v. Dy. CIT**³³, it was held that, if there the income is earned by the assessee by leasing out an immovable property but there is no commercial activity involved, it shall be considered as IFHP.

The Supreme Court in **Chennai Properties & Investment Ltd. v. CIT**³⁴ laid down certain factors which are to be borne in mind while creating a charge over the income considered as income from house property:

- ◆ The "Dominant Intention" of the assessee to let out the property is important and relevant i.e. whether the assessee has the intention to let out the property merely as a house or the property is considered as a specialized commercial asset.
- ◆ The true nature of the transaction will determine whether the income is a business income or income from house property. The books of accounts, charter documents such as memorandum of association and articles of association or other entries in the business documents shall not determine the nature of income.
- ◆ Another point of discussion is whether the transaction of letting out or sub-letting of the property is a part of the business operations of the assessee. In case if the transaction is a part of the trading and business operation of the assessee, then the income shall be considered under the ambit of business income.

In **Rayala Corporation Ltd. v. Asstt. CIT**³⁵, the assessee company was a private company and had a house property, which was let out and earned a rental income from the premise. The main issue before the court was that whether the income so received should be taxed under the head "Income from House Property" or "Profit and gains of business or profession". The reason for which the aforesaid issue has arisen is that though the assessee is having the house property and is receiving income by way of rent, the case of the assessee is that the assessee company is in business of renting its properties and is receiving rent as its business income, the said income should be taxed under the Head "Profits and gains of business or profession" whereas the case of the Revenue is that as the income is arising from House Property, the said income must be taxed under the head "Income from House Property".

As per its Memorandum of Association its business is to deal into real estate and also to earn income by way of rent by leasing or renting the properties belonging to the assessee company. The Supreme Court followed the Chennai Property case, and it was considered that the income earned will be income from business. So, the ambiguity was seeming to be settling down as in if the object of the company involved the activity you are pursuing, then it will be income from business.

In **Raj Dadarkar & Associates v. Asstt. CIT**³⁶, the Maharashtra Housing and Developing Authority was engaged in construction of buildings. The market space was auctioned on a monthly license to the municipal market by the market department. The assessee was also a participant in the auction to acquire the "Right to conduct market on the market portion". The object of the assessee company was to develop a premise as market, and for the said purpose, they leased out the property to a partnership for a lease of more than 12 years to develop such as a market. The object clause of the memorandum of association stated that the entity was to take the property on lease, develop and then let it out to retailers. The issue before the court was that, "whether this kind of income is IFHP or PGBP".

It was held by the court that, "Merely because there is an entry in the object clause of the business showing a particular object, would not be the determinative factor to arrive at a conclusion that the income is to be treated as income from business. Such a question would depend upon the circumstances of each case. This Court while holding that the income shall be treated as income from the house property, rested its decision in the context of the main objective of the company and took note of the fact that letting out of the property was not the object of the company at all. The Court was therefore, of the opinion that the character of that income which was from the house property had not altered because it was received by the company formed with the

object of developing and setting up properties. Hence it was held that, the income in question for assessment is income from house property and not income from business."

In *CIT v. Gundecha Builders*³⁷, the assessee was engaged in the business of constructing real estate projects. However, the assessee was not into the business of letting out property. The revenue department contended that the income earned by the assessee was arising from business and thereby must fall under PGBP. For this contention, the department supported its submission with the judgement of *Chennai Properties & Investments Ltd.* and *Rayala Corporation Limited*. It was held that the two judgements were based on different tangent and were not similar to the factual matrix of the present case. The appeal was dismissed and it was held that the assessee was correct in treating the income earned from letting out of property as IFHP as the activity of letting out did not form a part of its regular business.

In *Pr. CIT v. City Centre Mall Nashik (P.) Ltd.*³⁸, the issue before the court was that, "whether the fact that the assessee had exploited the property commercially by way of complex commercial activities and hence, the rental income received by the assessee to be taxable as income from business and not under the head "Income from House Property". The court delved into the charter documents of the company such as object clause of the memorandum of association and other ancillary services done by the company such as marketing and promotional activities for the branding of the company. It was observed that the object clause, services delivered by the company and the intention of the assessee clearly highlight the fact that the income arising from such activities is a PGBP or Business Income. The activities show cases that the assessee had the intention to enter into business of renting out commercial spaces to interested parties.

In the recent judgement of *Dy. CIT v. Cache Properties (P.) Ltd.*³⁹, the assessee had a business of "infrastructure development and leasing out of commercial spaces". The assessee claimed to create a charge over the income under the head IFHP where as it was contended by the department that the income must be subjected to charge under PGBP. The Assessing Officer was of the opinion that the main intent of the assessee was to commercially exploit the property by renting it out and the property was let out along with certain ancillary services being provided such as car parking and electricity supply.

The court opined that merely letting out of property as a commercial complex shall not suffice to create a charge over the rental income under the head "Business Income". A four-fold test has to be applied which includes, "tenure of lease, objects of the company, intention of the company and the services provided by the assessee after letting out of the property". The court accepted that the rental income must be assessed as IFHP as the "assessee intention is to enjoy the rental income on a long term basis by leasing out the premises and not to exploit the same commercially on short term basis".

ANALYSIS

Hence, if we trace the entirety of the concept discussed above, we begin with East India Case, where the court placed reliance on the judgement of House of Lords, wherein the rule of object clause under the Memorandum of Association i.e. where the object was not to let out the property and the alteration of the character was discussed by the bench. Then the National Storage Case, where in the issue of difference between the bare letting of a property or complex structure was discussed. In Karnani Case, further layers regarding the complex structure with the other ancillary services was added in order to treat as business income.

The variety in the way the rental income is collected, that is sometimes in the form of a composite collection or in two-fold manner i.e. income is parted and collected separately in order to assess the inseparability, was discussed in depth in Sultan Brother's Case. Here three questions were formed i.e. if you find the renting is inseparable then you have the option to treat the entire amount as Business, Income from House Property or Income from Other Sources.

The recent judgement of Chennai Property drew a distinction from East India, underlining that letting out was not the main object in East India and was the main object in Chennai Property, so the case without overruling East India case, continued to hold that the activity is deriving Business Income. This line of issue was followed in Rayala Corporation Case but was later distinguished in the Raj Dadarkar case wherein there was a failure to

state if the activity was in a continuous or structured manner.

Hence in some judgements the object clause has been considered and in some the line of judgement of Karnani Property case is considered. Therefore, on the fringes, we have the question of how we are exploiting and the intention of exploitation.

The key take away from the above discussion is that the conclusive factor for treatment of a rental income under the appropriate head i.e. Income from House Property or Business Income, is the "real intent and main object of business/nature of trading operations of the assessee". In cases where it is difficult to comprehend the real intention of the assessee behind the income earned, the nature of trading operation or the objects of the business must be considered. Hence the key factors that are the essential for characterization of rental income are as follows:

1. Intention of Assessee – The intention of the taxpayer is of utmost importance as it showcases his intent behind doing the trading operation. It can be gathered from the agreement for lease, Charter documents of the entity and the subsequent conduct of assessee.
2. Ownership – If the rental income can be derived from the property, then by virtue of its legal characteristics it would be considered as "Passive Ownership" and shall fall under the ambit of Income from House Property.
3. Charter Documents of Assessee – The Charter Document consisting of Memorandum of Association and Article of Association would draw a brief regarding the object/intent of the assessee behind the trading activities. Further the activities undertaken by the assessee must be in consonance with the objects laid down in the charter documents.
4. Nature of Income – The dividing line between IFHP and PGBP is the nature of income and the intention of parties. The income can be regular or occasional in nature. If the income yielded by a property is by way of leasing the property and does not form a part of the main business of the assessee, then such income shall be classified as occasional income, and shall be subject to charge under "Income from House Property". Contrary to this, if the transaction denotes that leasing out properties constitutes as a substantial part of the business of the assessee, then income arising from such activity shall be charged under the head "Profits and Gains from Business or Profession".

CONCLUSION

Hence, it can be concluded on the basis of the judicial pronouncement and conceptual thoughts, that the deciding factor is not "the ownership of the property but the nature of the activity of the assessee and the nature of the trading operations concerning the same". Further, in order to classify certain income as a business income, the activities undertaken by the assessee must be in consonance with the objects laid down in the charter documents of the entity.



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1. Section 22 Income Tax Act 1961.
 2. Section 28 Income Tax Act 1961.
 3. Section 56 Income Tax Act 1961.
 4. Arvind Dater, Kanga and Palkhivala's, "The Law and Practice of Income Tax", LexisNexis, Gurgaon, 11th Edition 2020, p. 770.
 5. Section 23 Income Tax Act 1961.
 6. "Tax Treatment of Income Under the Head Income from House Property", Taxmann 19th January 2023. <https://www.taxmann.com/post/blog/tax-treatment-of-income-under-the-head-income-from-house->

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7. Section 28 Income Tax Act 1961.
8. Section 2(36) Income Tax Act 1961.
9. Arvind Dater , Kanga and Palkhivala's, "The Law and Practice of Income Tax", LexisNexis, Gurgaon, 11th Edition 2020, p.809.
10. [\[1993\] 68 Taxman 45/201 ITR 800 \(SC\)](#).
11. Section 14 Income Tax Act 1961.
12. *H.K. Kothari v. CIT* [1951] 20 ITR 579 (Mad.).
13. *Anaikar Traders & Estate (P.) Ltd. v. CIT* [1990] 51 Taxman 350/186 ITR 175 (Mad.).
14. <https://aiftponline.org/journal/2022/january-2022> / rental-income-income-from-house-property-or-business-income/
15. Section 50 Income Tax Act 1961.
16. Section 54 Income Tax Act 1961.
17. Section 70 Income Tax Act 1961.
18. Section 71 Income Tax Act 1961.
19. Circular No. 16/2017, "Lease Rent from letting out buildings/developed space along with other amenities in an Industrial Park/ SEZ – to be treated as Business Income", Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, 25th April 2017.
20. [1961] 42 ITR 49 (SC).
21. [1964] 51 ITR 353 (SC).
22. [1967] 66 ITR 596 (SC).
23. [1965] 58 ITR 592 (Punj. & Har.).
24. [1971] 82 ITR 547 (SC).
25. [\[1999\] 103 Taxman 493/237 ITR 454 \(SC\)](#).
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27. [1978] 114 ITR 779 (Cal.).
28. [1997] 225 ITR 471 (Kar.).
29. [\[1997\] 92 Taxman 541/226 ITR 625 \(SC\)](#).
30. [2003] 129 Taxman 170/263 ITR 143 (SC).
31. [2004] 265 ITR 379 (Guj.).
32. [\[2008\] 110 ITD 337/\[2007\] 16 SOT 83 \(Kol.\)](#).
33. [\[2015\] 63 taxmann.com 301/235 Taxman 512 \(SC\)](#).
34. [\[2015\] 56 taxmann.com 456/231 Taxman 336/373 ITR 673 \(SC\)](#).
35. [Civil Appeal No. 6437 of 2016, dated 11-8-2016].
36. [\[2017\] 81 taxmann.com 193/248 Taxman 1/394 ITR 592 \(SC\)](#).
37. [\[2019\] 102 taxmann.com 27 \(Bom.\)](#).
38. [\[2020\] 121 taxmann.com 87/424 ITR 85 \(Bom.\)](#).
39. [IT Appeal No. 64 (Hyd.) of 2020, dated 11-6-2021.