

HIGH COURT OF ANDHRA PRADESH::AT AMARAVATI

MAIN CASE No. I.T.T.A.No.48 of 2025

PROCEEDING SHEET

Sl. No	DATE	ORDER	OFFICE NOTE
1.	28.08.2025	<u>DEV,J & TCDS,J</u> <u>I.T.T.A.No.48 of 2025</u> Heard. In view of the following substantial questions of law raised at Paragraph Nos.A and B of the grounds of appeal, as hereinunder: A. Whether the Hon'ble Tribunal failed to apply the well settled tests laid down by the constitutional benches of the Supreme Court for determining rental income v. business income, viz. (i) <i>'whether the letting of property is bare lease or composite lease'</i> and (ii) <i>'whether the letting of property is the main/sole trading activity'</i>? B. Whether the Hon'ble Tribunal erred in characterizing income from leasing of immovable property as business income, in disregard of the binding ratio laid down by the Constitution Benches of the Hon'ble Supreme Court in <i>East India Housing & Land Development Trust Ltd.</i> [(1961) 42 ITR 49 (SC)], <i>Sultan Brothers (P) Ltd. V. CIT</i> [(1964) 51 ITR 353 (SC)], and	

		the three-Judge Bench in <i>Raj Dadarkar & Associates v. ACIT</i> [(2017) 394 ITR 592 (SC)], which hold that in the absence of complex commercial services, such leasing constitutes income from property and not business? Admit. Issue notice to the respondent. Post the matter on 25.09.2025. _____ DEV, J _____ TCDS,J <u>I.A.No.1 of 2025</u> Heard learned counsel for the appellant and perused the material available on record. There shall be an interim suspension of the order dated 01.04.2025 passed by the Hon'ble Income Tax Appellate Tribunal, Visakhapatnam Bench in I.T.A. No.185/Viz/2024 and C.O. No.12/Viz/2024 for the A. Y. 2020-21, for a period of eight (08) weeks. _____ DEV, J _____ TCDS,J SCS	
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