IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO. 1308 OF 2014

The Commissioner of Income Tax-TDS .. Appellant

v/s.

M/s. Parinee Developers Pvt. Ltd. .. Respondent

Mr. Charanjeet Chanderpal a/w Ms. Namita Shirke and Swapna Tejale for the appellant
Mr. Arun Panickar for the respondent

CORAM : M.S. SANKLECHA &
A.K. MENON, J.J.

DATED : 5th JANUARY, 2017

P.C.

1. This Appeal under Section 260-A of the Income Tax Act, 1961 (the Act) challenges the order dated 26th September, 2013 passed by the Income Tax Appellate Tribunal (the Tribunal). The impugned order is in respect of Assessment Year 2010-11.

2. The basic issue urged by the Revenue in the present Appeal is whether lump sum premium paid for acquisition for long term lease is Rent in terms of Section 194-I of the Act and subject to tax deduction at source.

3. Mr. Chanderpal, learned Counsel appearing for the Revenue states that in view of the Circular No.35 of 2016 dated 13th October, 2016, he has been instructed not to press the present appeal. The above circular clarifies that the lump sum lease premium paid for acquisition of long term lease, which is not adjustable against the periodic rent, would not be considered to be 'Rent' within the meaning of Section 194-I of the Act. Consequently, not liable for tax deduction at source.

4. Hence, the Appeal is dismissed as not pressed.

(A.K. MENON, J.) **(M.S. SANKLECHA, J.)**