आयकर अपीलीय अधिकरण, **'बी'** न्यायपीठ**,** चेन्नई।
IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH: CHENNAI

श्री एबी टी. वर्की, न्यायिक सदस्य एवं
श्री जगदीश**,** लेखा सदस्य **के समक्ष**

BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./**ITA Nos.873, 886 & 832/Chny/2025**
निर्धारणवर्ष**/Assessment Years: 2016-17, 2017-18 & 2018-19**

The ACIT, Circle-1 (LTU), Chennai.	**v.**	M/s. Olympia Tech Park, SIDCO Industrial Estate, Guindy, Chennai-600 032.
		[**PAN: AABCO 8102 F**]
(अपीलार्थी**/Appellant)**		**(**प्रत्यर्थी**/Respondent)**
Department by	:	Mr.Shiva Srinivas, CIT
Assessee by	:	Mr.Bhabagrahi Dash, CA
सुनवाईकीतारीख/Date of Hearing	:	11.06.2025
घोषणाकीतारीख /Date of Pronouncement	:	04.07.2025

आदेश **/ O R D E R**

PER ABY T. VARKEY, JM:

These are appeals preferred by the Revenue against separate orders of the Learned Commissioner of Income Tax (Appeals)/NFAC, (hereinafter referred to as "the Ld.CIT(A)"), Delhi, dated 27.01.2025 for the Assessment Year (hereinafter referred to as "AY") 2016-17; order dated 29.01.2025 for AY 2017-18 & by order dated 05.02.2025 for AY 2018-19 respectively. Both sides agreed that grounds of appeal raised by the Revenue in all the appeals are similar/identical and is only related to deduction claimed by the assessee u/s.80IA(4)(iii) of the Income Tax Act, 1961 (hereinafter referred to as "the Act"). Further, it was brought to our

notice that issues raised are no longer res integra since similar action taken by the AO in assessee's own case for AY 2012-13 onwards, was reversed by the Ld.CIT(A); and the Revenue's appeals against the Ld CIT(A)'s orders were dismissed by this Tribunal for AY 2012-13 by order dated 03.01.2024 in ITA No.1704/Chny/2018 in the case of DCIT v. M/s.Olympia Tech Park (Chennai) Pvt. Ltd., [successor of M/s. Khivraj Tech Park]. The grounds raised by the Revenue for captioned AY 2016-17 are reproduced as under:

1. The order of the learned Commissioner of Income Tax (Appeals) in ITA. ITBA/NFAC/S/250/24-25/1072589855(1) dt. 27.01.2025 for the Assessment year 2016-17 is erroneous in law, facts and circumstances of the case.

2. The Ld. CIT(A) erred in deleting the disallowance u/s 80IA(4)(iii) made by the assessing officer to the tune of Rs.41.29 crores. The Ld. CIT(A) ought to have appreciated that the constitution of the assessee firm(Transferee) was after March 2011, whereas the Industrial Park Scheme(IPS) 2002 and IPS 2008 provides that deduction is allowable only to those undertakings which were notified between the period 01.04.1997 and 31.03.2011 respectively.

3. The Ld. CIT(A) failed to note that the Industrial Park Scheme 2008, superceded the earlier scheme, whereby both the transferor and transferee entities have to be notified under the scheme to become eligible or claiming the deduction; the transferor Industrial Park was notified as per IPS, 2002, however the transferee entity was not notified under any of the said 2 schemes.

4. The Ld.CIT(A) erred in directing the AO to allow deduction u/s 80IA(4)(iii) on the entire income of the undertaking, including the income attributable to the development of the industrial park.

5. The Ld.CIT(A)failed to note that as per the proviso to section 801A(4)(iii), only the transfer of operation and maintenance of the industrial park has to be considered for the deduction in the hands of the transferee and not the entire income due to transfer of the industrial park itself lock stock and barrel.

6. The Ld.CIT(A) ought to have noted that there are 3 categories of business activities for an undertaking which are referred in section 801A(4), viz., (1) development of industrial park, (ii) development and operation of industrial park and (iii) operation and maintenance of industrial park; the assessee (transferee) is not a developer of industrial park but is only carrying out operation and maintenance of the industrial park and accordingly only the part of income as is attributable to "operation and maintenance" can be allowed as

a deduction u/s 80IA(4) and not the entire of the income derived from the industrial undertaking.

2. As submitted before us supra, we note that similar/identical grounds were raised by the Revenue before this Tribunal [in the assessee's own case for AY 2012-13] which has been repelled by this Tribunal by order dated 03.01.2024 for AY 2012-13 supra. Hence, it would be gainful to reproduce the order of this Tribunal in the assessee's own case for AY 2012-13 wherein we note that the Revenue had raised similar grounds of appeal as in the present appeals, which are reproduced:

"1. The order of the Id CIT(A) is contrary to law and to the facts and circumstances of the case.

2.1 The ld CIT(A) erred in deleting the disallowance u/s. 80IA(4)(iii) made by the Assessing Officer to the tune of Rs.41.25 crores.

2.2 The ld CIT(A) ought to have appreciated that the constitution of the assessee firm (transferee) was after March 2011, whereas the IPS 2002 & 2008 provide that deduction is allowable only to those undertakings which were notified between the period 1.4.1997 and 31.03.2011.

2.3 The Id CIT(A) failed to note that as per Industrial Park Scheme, 2008 superceded the earlier schemes, whereby both the transferor and transferee entities have to be notified under the scheme to become eligible for claiming the deduction ; the transferor Industrial Park was notified as per IPS, 2002,whereas the transferee entity was not notified under any of the two scheme~

3.1 The Id CIT(A) erred in directing the AO to allow deduction u/ s 80I(4)(iii) on the entire income of the undertaking, including the income attributable to the development of the industrial park such as rent, operation and maintenance and fit out.

3.2 The ld CIT(A) failed to note that as per the proviso to Sec.80IA(4)(iii), only the transfer of operation and maintenance of the industrial park has to be considered for the deduction in the hands of the transferee and not the entire income due to transfer of the industrial park itself lock stock and barrel.

3.3 The Id CIT(A) ought to have noted that three categories of business activities have been mentioned u/s 80IA(4)(iii) for. an undertaking, viz., only developing of industrial park, developing and operating an industrial park and only operating and maintaining an industrial park ; the assessee (transferee)

not a developer of industrial park but only carrying out operation and maintenance and accordingly only that part of income as is attributable to "operation and maintenance" and not the whole of the income derived from the industrial undertaking, can be allowed in the hands of the assessee for the purpose of the deduction.

4.1 The ld CIT(A) erred in allowing the assessee's claim of netting off of interest income with interest expenditure on bank deposits for the purpose of deduction u/s 80IA(4)(iii).

4.2 The ld CIT(A) ought to have noted that only income derived from operation and maintenance qualify for the deduction and interest income earned out of deposits with banks cannot form part of eligible income in the context of Sec. 80IA as they do not have a direct nexus with the profits of the undertaking.

5.1 The ld CIT(A) erred in directing the AO to treat the sta 7 tus of assessee as firm as against AO's action of treating the assessee as AOP.

5.2 The ld CIT(A) failed to note that the Memorandum and Articles of Association of partner companies did not authorise to enter into partnership and that while Memorandum of Association was amended the approval of the Registrar of Companies was not submitted by the assessee.

5.3 The ld CIT(A) ought to have appreciated that the resolutions passed by the partner companies, much after the formation of the firm, is only an afterthought and does not find any ratification with the Registrar of Companies to consider the assessee as a firm.

6. For these and other grounds that may be adduced at the time of hearing, it is prayed that the order of the learned CIT(A) may be set aside and that of the Assessing Officer restored."

3. And the Tribunal is noted to have decided all the issues in favour of the assessee by holding as under:

3. The brief facts of the case are that, the assessee M/s. Khivraj Tech Park is a partnership firm filed its return of income for the assessment year 2012-13, declaring Nil total income after claiming deduction u/s. 80IA(4)(iii) of the Income-tax Act, 1961 (hereinafter referred to as "the Act"). The case was selected for scrutiny and during the course of assessment proceedings, the Assessing Officer called upon the assessee to furnish necessary evidences to justify deduction claimed u/s. 80IA(4)(iii) of the Act. In response, the assessee submitted that the company, M/s. Khivraj Tech Park Pvt Ltd., is engaged in developing, operating and maintenance of the Industrial parks. The industrial park developed by the company was duly approved by the Department of Industrial Policy and Promotion (DIPP) under Ministry of Commerce and Industry vide notification no. 15/12/2005-IP&ID, dated 25.07.2016. The said industrial park was also notified by the CBDT vide notification no. 331/2006 dated 30.11.2006, in accordance with the Industrial Park Scheme, 2002. The assessee further stated that, during the financial year relevant to assessment year 2012-13, the company along with four other companies formed a partnership firm under name and style of 'M/s. Khivraj Tech Park' and the company M/s. Khivraj Tech Park Pvt Ltd has transferred the industrial park as its capital contribution as a going concern. The partnership

firm has been subsequently converted into a company under the name and style of 'M/s. Olympia Tech Park (Chennai) Private Limited' under Part IX of Companies Act, 1956. Since, the Industrial park was approved by the Ministry of Commerce, Government of India, under the Industrial Park Scheme, 2002, on transfer to the successor company, the successor company can claim deduction u/s. 80IA(4)(iii) of the Act, for remaining period and accordingly, the assessee has claimed deduction u/s. 80IA(4)(iii) of the Act.

4. The Assessing Officer, however was not convinced with the explanation of the assessee and according to the Assessing Officer, the assessee is not entitled for deduction u/s. 80IA(4) of the Act, because the new undertaking which is taking up operation and maintenance of industrial park is not approved under Industrial Park Scheme, 2002 & Industrial Park Scheme, 2008. Further, new firm just came into existence is not approved on or before the specified date as per the provisions of section u/s. 80IA(4)(iii) of the Act. Therefore, he opined that, when the successor company is not approved by the Government of India under Industrial Park Scheme and further the new firm constituted after the specified date i.e., 31.03.2011, the assessee cannot claim the benefit of deduction u/s. 80IA(4) of the Act. The Assessing Officer has discussed the issue at length in light of sub-section (iii) of section 80IA(4) of the Act and also the Industrial Park Scheme, 2002 and the Industrial Park Scheme, 2008 and Rules made there under and came to the conclusion that, as per proviso to section 80IA(4)(iii) of the Act, an undertaking is transfers industrial park to another undertaking for operating and maintenance, the successor undertaking also needs to be approved by the Ministry of Commerce under IPS Scheme. Unless, the successor undertaking is approved by the Ministry of Commerce under IPS Scheme, the benefit of deduction cannot be given to successor company. The Assessing Officer, had also discussed the issue in light of date of incorporation of three companies which are partners of assessee firm and opined that, they have entered into a partnership firm without any authorization in their Memorandum of Association (MoA) contrary to provisions of Indian Partnership Act, 1932. Therefore, rejected arguments of the assessee and denied deduction claimed u/s. 80IA(4)(iii) of the Act. The Assessing Officer, had also computed income from rental receipts under the head 'income from house property' and income received towards operation and maintenance under the head 'income from other source'. The Assessing Officer had also denied deduction claimed u/s. 80IA(4)(iii) of the Act to interest received from bank and assessed under the head income from other source.

5. Being aggrieved by the assessment order, the assessee preferred appeal before the ld. CIT(A). Before the ld. CIT(A), the assessee has challenged the findings of the Assessing Officer in denying deduction u/s. 80IA(4) of the Act, on the ground that as per provisions of section 80IA(4)(iii) of the Act, the successor company is eligible to claim deduction for the remaining period and the same has been recognized by the Industrial Park Scheme, 2002. The ld. CIT(A), after considering relevant submissions of the assessee and also taken note of relevant facts observed that, the assessee is eligible for deduction u/s. 80IA(4) of the Act, for the remaining period because the industrial park developed by the assessee company was approved by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industries, Government of India and was also duly notified by the CBDT. The ld. CIT(A), further held that on transfer of an undertaking, the successor company can claim deduction and the same has been recognized by the Industrial Park Scheme, 2002. The ld. CIT(A) discussed the issue at length in light of provisions of section 80IA(4)(iii) of the Act and relevant Industrial Park Scheme, 2002 & Industrial Park Scheme, 2008 and came to the conclusion that, the claim of deduction u/s. 80IA(4) of the Act is in accordance with said

provisions. Thus, directed the Assessing Officer to allow deduction claimed u/s. 80IA(4) of the Act, towards entire income including income under the head rent, operations and maintenance of pit out etc. The ld. CIT(A) has also directed the Assessing Officer to net off interest income and income expenditure while computing deduction u/s. 80IA(4) of the Act, towards interest income received from fixed deposits, on the ground that interest income earned from fixed deposit is having inextricable link with business activity of the assessee. Aggrieved by the ld. CIT(A) order, the revenue is in appeal before us.

6. The ld. CIT-DR, Shri. R. Clement Ramesh Kumar, submitted that, the ld. CIT(A) erred in deleting the additions made by the Assessing Officer towards disallowance u/s. 80IA(4)(iii) of the Act, without appreciating fact that the assessee firm was constituted after 31.03.2011, whereas the Industrial Park Scheme, 2002 & Industrial Park Scheme, 2008 provides that deduction is eligible only to those undertakings which were notified between the period 01.04.1997 to 31.03.2011. The ld. DR further submitted that, the ld. CIT(A) failed to note that as per Industrial Park Scheme, 2008, which superseded the earlier schemes, makes it very clear that both the transferor and the transferee entities have to be notified under the scheme to become eligible for claiming the deduction. In the present case, the transferor industrial park was notified as per Industrial Park Scheme, 2002, whereas the transferee entity was not notified under any Industrial Park Scheme. The ld. DR further submitted that, the ld. CIT(A) erred in directing the Assessing Officer to allow deduction towards entire income of the undertaking, including the income attributable to the development of the industrial park and also operation and maintenance, without appreciating the fact that as per the proviso to section 80IA(4)(iii) of the Act, only transfer of operation and maintenance of the industrial park has to be considered for the deduction in the hands of the transferee undertaking and not the entire income. The ld. DR further submitted that, the ld. CIT(A) failed to appreciate the fact that provisions of section 80IA(4)(iii) of the Act, provides deduction for different kinds of activities and as such, if the assessee undertakes development activity, deduction can be allowed only to the extent of income generated from said activity and if the assessee undertakes operation and maintenance, then deduction should be allowed only to income generated from said activity. The ld. DR further submitted that, the ld. CIT(A) erred in allowing deduction towards interest income earned from bank without appreciating fact that interest income from bank is not derived from industrial undertaking, which is engaged in the business of development and maintenance of industrial park. The ld. CIT(A) also failed to note that the Assessing Officer has rightly treated the appellant firm as AOP, because the Memorandum and Articles of Association of the partner companies did not authorize to enter into partnership firm and that while subsequent resolution passed by the partner companies much after the formation of the firm is only an afterthought and does not find any ratification with the business of the companies.

7. The Ld. Counsel for the assessee submitted that, the ld. CIT(A) has rightly allowed deduction u/s. 80IA(4)(iii) of the Act, after appraising relevant facts including necessary approvals from the Department of Industrial Policy and Promotion, Ministry of Commerce and Industries, Government of India and CBDT. The Ld. Counsel for the assessee, referring to provisions of section 80IA(4) of the Act and more particularly sub-section (iii) and proviso provided therein, explained the manner and method of allowing deduction u/s. 80IA(4) of the Act. The Ld. Counsel for the assessee took us to Industrial Park Scheme, 2002 & Industrial Park Scheme, 2008 and explained the difference between two schemes notified by the Government of India. He further submitted that, the appellant's industrial park is approved under Industrial

Park Scheme, 2002 and as per said scheme, if the undertaking has transferred the industrial park to another undertaking for operation and maintenance, then the successor undertaking can claim deduction, as if there was no transfer for the purpose of section 80IA(4)(iii) of the Act. The Ld. Counsel for the assessee had also explained various other sub-clause of section 80IA(4) of the Act and argued that the assessee has satisfied the conditions prescribed u/s. 80IA(4) of the Act and there is no dispute on this aspect. The ld. CIT(A) after considering relevant facts has rightly allowed the claim of the assessee and their order should be upheld.

8. The Ld. Counsel for the assessee, further explained the observation of the Assessing Officer with regard to the violation of Indian Partnership Firm Act, 1932 and authorization given by the MOA and AOA on partners company and argued that as admitted by the Assessing Officer, all partner companies have passed resolution and authorized to enter into a partnership firm before the date of incorporation of firm. In so far as M/s. Khivraj Tech Park Pvt Ltd, the said company has passed resolution and also filed necessary forms before the ROC for amending the MOA to authorize the company to enter into a partnership firm. The ld. CIT(A), after considering relevant facts has rightly allowed the claim of the assessee and their order should be upheld.

9. We have heard both the parties, perused materials available on record and gone through orders of the authorities below. The fact with regard to the industrial park developed by M/s. Khivraj Tech Park Pvt Ltd was duly approved by the Department of Policy and Promotion, Ministry of Commerce and Industries, Government of India vide notification no. 15/12/2005-IP&ID, dated 25.07.2016 and was also duly notified by the CBDT vide notification no. 331/2006, dated 30.11.2006, in accordance with Industrial Park Scheme, 2002 is not disputed by the Assessing Officer. In fact, the Assessing Officer categorically admitted that the industrial park developed by the assessee was approved under the Industrial Park Scheme, 2002. It is also not in dispute that the assessee has claimed deduction u/s. 80IA(4) of the Act from assessment year 2011-12 and the same has been denied by the Assessing Officer. On appeal, ld CIT(A) allowed deduction u/s. 80IA(4) of the Act and the same has been approved by the Tribunal. Although the department filed an appeal before the Hon'ble High Court of Madras, but subsequently the department had withdrawn the appeal filed before the Hon'ble High Court by filing memo that the industrial park developed by the assessee was approved by the competent authority. Therefore, from the above it is undoubtedly clear that the industrial park developed by the erstwhile company was approved under Industrial Park Scheme, 2002.

10. The sole basis for the Assessing Officer to deny deduction u/s. 80IA(4)(iii) of the Act, is that the firm was constituted after 31.03.2011, whereas the Industrial Park Scheme, 2002 and Industrial Park Scheme, 2008 provides that deduction is eligible only to those undertakings which were notified between 01.04.1997 and 31.03.2011. We do not find any merits in the reasons given by the Assessing Officer to deny deduction u/s. 80IA(4)(iii) of the Act, for the simple reason that the industrial park developed by the assessee company is approved under Industrial Park Scheme, 2002 and the assessee has developed the same within time prescribed under said scheme. Therefore, the date mentioned in section 80IA(4)(iii) of the Act, is qua the date for which the scheme is to be notified and not the actual date of notification of the industrial park. The undertaking and the industrial park of the assessee has been duly approved and notified by the CBDT. The said notified undertaking and industrial park was transferred to the appellant partnership firm as capital contribution. As per provisions of section 80IA(12) of the Act, if the undertaking is transferred and said transfer is not by amalgamation or

demerger, the benefit shall be available to the transferee undertaking. Unlike section 80IA(4)(v) of the Act, which stipulates conditions on formation of assessee being an Indian company should be formed before 30.11.2005, no such condition is stipulated in section 80IA(4)(iii) of the Act. Therefore, from the above it is very clear that transfer u/s.80IA(4)(iii) of the Act, is qua the undertaking and not qua the assessee. Therefore, the reasons given by the Assessing Officer to deny deduction u/s. 80IA(4)(iii) of the Act, with the successor undertaking is not formed within date prescribed under Industrial Park Scheme, 2002 & Industrial Park Scheme, 2008 is not correct and devoid of merits.

11. The Assessing Officer denied deduction on the ground that transferor undertaking and transferee undertaking shall be notified as per Industrial Park Scheme. In the present case, transferor undertaking is duly notified, whereas the transferee undertaking is not notified in any of the section. In our considered view, the Assessing Officer is once again failed to understand the provisions of section 80IA(4)(iii) of the Act, in right perspective because as we have stated in earlier part of this order transfer u/s. 80IA(4)(iii) of the Act is qua the undertaking and not qua the assessee. The undertaking owned by the transferor is same undertaking owned by the transferee. It is not a case of the department that the undertaking and industrial park transferred by the transferor is not notified. Further, as per Paragraph 9(4) of the Industrial Park Scheme, 2002 and Paragraph 10 of CBDT notification, if there is a transfer of undertaking, the transferor and transferee should jointly intimate to the DIPP. The said compliance was duly complied by the assessee vide letter dated 12.04.2011 and DIPP as acknowledged the transfer vide letter dated 01.02.2012 with a copy to the CBDT. In our considered view said compliance is sufficient for the transferee undertaking to claim deduction u/s. 80IA(4)(iii) of the Act for remaining period. This fact is further strengthened by Circular no. 10/2014 issued by the CBDT, where it has been clearly explained the concept of deduction and as per said circular, if an undertaking is transferred to another undertaking other than by way of amalgamation and demerger and in other cases, the transferee undertaking shall be eligible for deduction for remaining unexpired period. Therefore, we are of the considered view that the ground taken by the revenue on this issue fails.

12. The department has contended that provisions of section 80IA(4)(iii) of the Act restricts the deduction only to the operation and maintenance of industrial park. We find that CBDT Circular No. 779, dated 14.09.1999 explains the manner and method of claiming deduction u/s. 80IA(4)(iii) of the Act. As per said Circular the benefit of deduction u/s. 80IA(4)(iii) of the Act is similar to developer and operator. This fact is further strengthened by press release dated 21.02.2000 issued by Government of India, where it has been clearly spells out that section 80IA(4) of the Act has been amended to further enlarge the scope of concessions. The above referred scheme has been modified to bring it in line with amendments made in section 80IA of the Act and as per said amendment, if the developer wants to exit at any stage after the development of industrial park, and new entity enters as an operations and management undertaking, the same concession would be available to the operator during the balance period of 10 years. The above press releases clearly spells out that Government of India has no intention to split the deduction as intended by the revenue. Further, it should be noted that proviso to section 80IA(12) of the Act applies only when there is a transfer of operation and maintenance of industrial park. In the facts of the appellant case, the entire undertaking which developed the industrial park has been transferred and not merely the operation and maintenance alone. Therefore, in our considered view, the reasons given by the Assessing Officer to allow

deduction u/s. 80IA(4) of the Act only to operation and maintenance is not in accordance with law.

13. Having said so, let us come back to exclusion of interest income earned from fixed deposits kept with bank. The assessee has claimed deduction u/s. 80IA(4)(iii) of the Act on interest income earned from fixed deposit on the ground that the said income has also derived from industrial undertaking by development, operation and maintenance of industrial park. It was the contention of the revenue that the only income derived from operation and maintenance qualify for deduction and interest income earned out of deposits cannot form part of eligible income in context of section 80IA(4) of the Act. Although, in principle we agree with the contention of the revenue that interest income earned from fixed deposits kept with bank cannot be considered as income derived from industrial undertaking, but facts of the present case has to seen in light of the conditions for keeping mandatory security deposit with the banks. As per the Ld. Counsel for the assessee, the appellant company has availed loan from consortium of team of bank and as per agreement with banks, the company should maintain a sum of Rs. 15 crores in Debts Service Reserve Account (DSRA) under lien to lenders to guard against account any temporary mismatch in cash flows for repayment of loan installments. This Debt Service Reserve to be maintained with one of the lenders. Accordingly, the assessee has kept fixed deposits of Rs. 15 crores in two banks and earned interest. Therefore, the assessee argued that interest income earned from bank deposit is inextricably linked with business activity of the assessee and accordingly, is eligible for deduction u/s 80IA(4)(iii) of the Act. We find that there is a condition from the lending banks to maintain certain amount of fixed deposits to ensure repayment of timely installments of loan. In order to satisfy the conditions of lending bank, the assessee has kept fixed deposits in bank. Therefore, in our considered view to that extent it may be said that there is a mandatory requirement of keeping fixed deposits in bank. But fact remains that, said condition is sufficient to hold that interest income earned from fixed deposits is derived from industrial undertaking. In our considered view, it cannot be said that just because there is a condition between the parties for availing loan, any interest income earned from fixed deposits can be said to be derived from an industrial undertaking for the purpose of section 80IA(4) of the Act. In order to derive income from an industrial undertaking, there should be direct link between the business activity of the assessee and nature of income earned from industrial undertaking. In the present case, the nature of business of the assessee is to develop, operate and maintain an industrial undertaking and consequently any income derived from said undertaking can be considered as income derived from an industrial undertaking. Therefore, to this extent, we are not in agreement with the arguments of the assessee.

14. Having said so, let us examine, whether entire interest income should be taxed under the head income from other sources. The answer is No, because there is a direct link between the funds utilized for keeping fixed deposits in bank and interest income earned from banks. If interest income is to be assessed under the head income from other source, then corresponding interest paid on loan borrowed for the purpose of funds utilized for making fixed deposits also needs to be allowed as deduction. Therefore, we direct the Assessing Officer to exclude interest income from income derived from industrial undertaking and assess separately under the head income from other source. We also direct the Assessing Officer to allow deduction towards corresponding interest expenditure linked to such income. The Assessing Officer is also directed to exclude interest portion that is relatable to interest income while computing deduction u/s. 80IA(4) of the Act.

15. The Department has also contended that the status of the assessee should be that of AOP and not firm. Section 184 of the Act provides the situations under which partnership firm can be treated as AOP. The conditions of section 184 of the Act have been duly complied and same is not under dispute. Further, the MOA of partner companies authorizes to enter into partnership arrangements as required under the Companies Act. The Department has also considered the same in the remand report dated 08.12.2017. Therefore, we are of the considered view that the ground taken by the revenue in so far as assessment of the appellant as AOP instead of partnership firm is devoid of merits and thus, rejected.

16. In this view of the matter and considering facts and circumstances of the case, we are of the considered view that the ld. CIT(A) after considering relevant facts has rightly allowed deduction claimed u/s. 80IA(4)(iii) of the Act, by the appellant in respect of income derived from an industrial undertaking which operate and maintains industrial park developed under Industrial Park Scheme, 2002. Thus, we are inclined to uphold the findings of the ld. CIT(A) and dismiss appeal filed by the revenue.

17. In the result, appeal filed by the revenue is dismissed.

4. Since the Revenue couldn't point out any change in facts or law, respectfully following the decision of this Tribunal in the assessee's own case for AY 2012-13, we concur with the view of the Ld.CIT(A) and dismiss all the three appeals filed by the Revenue.

5. In the result, appeals filed by the Revenue are dismissed.

Order pronounced on the 04th day of July, 2025, in Chennai.

Sd/-	**Sd/-**
(जगदीश**)**	**(एबी टी. वर्की)**
(JAGADISH)	**(ABY T. VARKEY)**
लेखा सदस्य**/ACCOUNTANT MEMBER**	न्यायिक सदस्य**/JUDICIAL MEMBER**

चेन्नई/Chennai,
दिनांक/Dated: 04th July, 2025.
TLN

आदेश की प्रतिलिपि अग्रेषित**/Copy to:**
1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF