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

INCOME TAX REFERENCE NO.186 OF 1999

The Tata Iron & Steel Co. Ltd. .. Applicant

v/s.

The Commissioner of Income-Tax
City-I, Mumbai .. Respondent

Mr. Mandar Vaidya a/w Mr. Srihari Iyer for the applicant
None for the respondent

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

DATED : 5th AUGUST, 2016.

P.C.

1. This Reference under Section 256(1) of the Income Tax Act, 1961 (the Act) by the Income Tax Appellate Tribunal seeks our opinion on the following substantial questions of law :-

(i) Whether on the facts and in the circumstances of the case and on a proper interpretation of Section 37(4) of the Income-Tax Act, the accommodations maintained by the assessee at Jamshedpur and five other places can be treated as in the nature of Guest House.

(ii) Without prejudice to the above whether on the facts and in the circumstances of the case and on a proper interpretation of

> *Section 37(4) of the Income-Tax Act, disallowance thereunder should be limited to the "maintenance" of Guest House and not extended to "running" of the Guest House."*

2. Mr. Mandar Vaidya, learned Counsel appearing for the applicant assessee very fairly states that the questions as referred by the Tribunal now stands concluded against the applicant assessee and in favour of the respondent Revenue by the decision of the Apex Court in ***Britannia Industries Ltd. Vs. Commissioner of Income Tax & Anr. 278 ITR 546***.

3. In the above view, both the questions are answered in the affirmative i.e. in favour of the respondent Revenue and against the applicant assessee.

4. The Reference is disposed of the above terms.

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