IN THE HIGH COURT OF JUDICATURE AT MADRAS

**DATED: 15.11.2022**

CORAM :

**THE HON'BLE MR. JUSTICE S.VAIDYANATHAN**
AND
**THE HON'BLE MR. JUSTICE C.SARAVANAN**

**T.C.A.No.1270 of 2007**

M/s.Seshasayee Paper & Boards Ltd.,
Pallipalayam Cauvery RS PO,
Erode-638 007. ... Appellant in both T.C.A.'s

-vs-

The Deputy Commissioner of Income-tax,
Central Circle II (1),
No.46, Mahatma Gandhi Road,
Chennai- 600 034. ... Respondent in both T.C.A.'s

**Prayer**: Tax Case Appeals filed under Section 260-A of the Income Tax Act, 1961 against the order of the Income Tax Appellate Tribunal, 'D' Bench, Chennai dated 28.02.2007 passed in I.T.A.No.1268/MDS/04.

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| For Appellant | : | Mr.G.Baskar<br>for Ms.Mallika Srinivasan |
| For Respondent | : | Mr.M.Swaminathan<br>Senior Standing Counsel<br>Ms.V.Pushpa |

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**JUDGMENT**

**S.VAIDYANATHAN,J.,**
**and**
**C.SARAVANAN,J.,**

This Tax Case Appeal has been filed against the order of the Income Tax Appellate Tribunal, 'D' Bench (in short 'the Tribunal), Chennai dated 28.02.2007 made in I.T.A.No.1268/Mds/04.

2. The dispute pertains to Assessment Year 1999-2000. On 26.09.2007, this Court admitted the Appeal on the following Substantial Questions of Law:

> "*(1) Whether on the facts and circumstances of the case, the Tribunal is right in holding that the tax paid by the Appellant under Section 115 of the Income Tax Act in respect of the dividend distributed by it is not an allowable deduction in computing the income for tax?*
>
> *(2) Whether on the facts and circumstances of the case, the Tribunal was right in confirming the disallowance of an estimated portion of the administrative expenditure as relatable to the dividend income?*

2. It is noticed that the issue is now squarely covered by the Judgment of this Court in the case of T.C.A.No.1421 of 2005 dated 16.07.2012. The relevant portion of the said Judgment reads as under:

> "*2. The first question of law raised herein can be straight away answered against the assessee by reason of the provisions of sub section (5) to section 115 O of the Income Tax Act, which reads as follows:*

*115.- O Tax on disputed profits of domestic companies- (1) Notwithstanding anything contained in any other provision of this Act and subject to the provisions of this section, in addition to the income-tax chargeable in respect of the total income of a domestic company for any assessment year, any amount declared, distributed or paid by assessment year, any amount declared, distributed or paid by such company by way of dividends (whether interim or otherwise) on or after the 1st day of June, 1997, whether out of current or accumulated profits shall be charged to additional income-tax (hereinafter referred to as tax on distributed profits) at the rate of ten per cent.*

*(2) .......*
*(3) .......*
*(4) .......*
*(5) ......."*

7. In view of the same, this Appeal is dismissed. No costs.

**[S.V.N., J.]      [C.S.N., J.]**
**15.11.2022**

Internet : Yes
Index : Yes / No
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**S.VAIDYANATHAN, J.**
and
**C.SARAVANAN, J.**

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To:

1. The Income Tax Appellate Tribunal,
   Chennai 'D' Bench.

2. The Deputy Commissioner of Income-tax,
   Central Circle II (1),
   No.46, Mahatma Gandhi Road,
   Chennai- 600 034.

**T.C.A.No.1270 of 2007**

**15.11.2022**