IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 19.8.2019

Coram :

The Honourable Mr.Justice T.S.SIVAGNANAM
and
The Honourable Mrs.Justice V.BHAVANI SUBBAROYAN

Tax Case Appeal No.973 of 2010

Commissioner of Income Tax
-IV, Chennai ...Appellant

Vs

Sri.A.Manohar Prasad ...Respondent

APPEAL under Section 260A of the Income Tax Act, 1961 against the order dated 15.4.2010 made in ITA.No.1843/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2006-07 against the order of Commissioner of Income Tax/Appeals VI, No.121, Nungambakkam High Road, Chennai -34 made in ITA.No.224/2008-09 dated 03/06/2019 for the assessment year 2006-07 against the order of Income Tax Officer, Media Ward II(i/c) Chennai made in PAN/GIR No.AAGPP5384A, dated 31.12.2008 for the assessment year 2006-07.

For Appellant : Mr.M.Swaminathan, SSC assisted by Ms.S.Premalatha, SC

For Respondent : served and no appearance

Judgment was delivered by T.S.Sivagnanam,J

We have heard Mr.M.Swaminathan, learned Senior Standing Counsel, assisted by Ms.S.Premalatha, learned Standing Counsel appearing for the appellant - Revenue.

2. This appeal, filed by the Revenue under Section 260A of the Income Tax Act, 1961 is directed against the order dated 15.4.2010 made in ITA.No. 1843/Mds/2009 on the file of the Income Tax Appellate Tribunal, Chennai 'C' Bench for the assessment year 2006-07.

3. The appeal was admitted on 08.11.2010 on the following substantial question of law :

> "Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was justified in holding that the

remuneration of Rs.84,00,000/- received by the assessee as Director of the company was assessable under the head 'income from other sources' and not under the head 'salaries' ignoring all relevant material?”

4. The learned Senior Standing Counsel for the appellant submits that the above appeal is not pursued by the Revenue on account of the low tax effect in terms of Circular No.17/2019 dated 08.8.2019 issued by the Central Board of Direct Taxes. By the said Circular, the monetary limit for filing or pursuing an appeal before the High Court has been increased to Rs.1 Crore. It is further submitted that the tax effect in this case is less than the threshold limit.

5. In the light of the said submissions, the above tax case appeal is dismissed on account of the low tax effect. The substantial question of law framed is left open. In the event the tax effect is above the threshold limit fixed in the said circular, liberty is granted to the Revenue to make a mention to this Court to restore the appeal to be heard and decided on merits.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

To

1.The Income Tax Appellate Tribunal, Chennai 'C' Bench.
2.The Commissioner of Income Tax IV, Chennai.
3.The Commissioner of Income Tax Appeals VI,
No.121 Nungambakkam High Road, Chennai -34.
4.The Income Tax Officer,
Media Ward II(I/c), Chennai.
5.The Assistant Registrar,
Income Tax Appellate Tribunal,
III Floor Rajaji Bhavan, Besen Nagar, Chennai -90.

+1 cc to M/s.M.Swaminathan,Advocate Sr.No. 70422

AKM/26.09.19/2P-7C /

TCA.No.973 of 2010