

c) ICL Shipping Limited: In this case, Madras High Court in a controversy “whether the conclusion of the Tribunal in holding that the Indian shipping company need not deduct tax at source with respect to its crew for the days on which the ship was outside the territorial waters of India and the number of such days exceeds 182 in any particular year” has dismissed the revenue’s appeal and has concluded that:

“5. Having regard to the said specific statutory provisions providing for the benefit of grant of exemption for a non-resident, we are convinced that in the case on hand having regard to the fact that the crews with reference to whom the exemption was availed and who offered their services outside the territorial waters for an Indian shipping company, the period of which exceeded 182 days, there was no scope to find fault with the action of the Indian shipping company in not having deducted any tax at source in respect of the salary paid to such crew for the relevant period.”