In the High Court of Judicature at Madras

Dated : 19.11.2018

Coram :

The Honourable Mr.Justice **T.S.SIVAGNANAM**
and
The Honourable Mr.Justice **N.SATHISH KUMAR**

Tax Case Appeal Nos.1549 & 1550 of 2008

The Commissioner of Income Tax,
Chennai ...Appellant in both the appeals

Vs.

M/s.Orchid Chemicals & Phamaceuticals Ltd.,
313 Valluvarkottam High Road,
Chennai-37 ...Respondent in both the appeals

APPEALS under Section 260A of the Income Tax Act, 1961 against the common order dated 28.03.2008 in ITA No.780/Mds/2007 and ITA No.786/Mds/2007 on the file of the Income Tax Appellate Tribunal Madras 'B' Bench for the assessment years 2001-02 and 2002-03, respectively.

For Appellant : Mr.Karthik Renganathan

For Respondent : Mr.R.Meenakshi Sundaram

COMMON JUDGMENT

(Judgment was delivered by **T.S.SIVAGNANAM,J.**)

These appeals by the Revenue, filed under Section 260-A of the Income Tax Act, 1961 (The 'Act' for brevity), are directed against the order passed by the Income Tax Appellate Tribunal, Madras 'B' Bench, in ITA Nos.780 and 786/Mds/2007, for the Assessment years 2001-02 and 2002-03, respectively.

2.The Appeals have been admitted, by order dated 26.09.2008, on the following Substantial Question of Law:

> *"Whether on the facts and circumstances of the case, the Tribunal was right in holding that the fees paid by the assessee to a Singapore Company for carrying out clinical research for its drug formulations are not taxable in India, and that the assessee was right in not having deducted tax at source?"*

3.Heard Mr.Karthik Renganathan, the learned counsel for the appellant/Revenue and Mr.R.Meenakshi Sundaram, the learned Counsel for the respondent/assessee.

4.The Revenue seeks to withdraw the appeals on account of low tax effect in terms of Circular No.3 of 2018, dated 11.7.2018, issued by the Central Board of Direct Taxes.

5. In the light of the above, the appeals are dismissed as withdrawn and the Substantial Question of Law framed is left open. In the event, in each of the cases, 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 appeals to be heard and decided on merits. No costs.

(T.S.S.J.) (N.S.K.J.)
19.11.2018

Speaking (or) Non Speaking Order
Index : Yes (or) No
Internet : Yes (or) No

To
The Income Tax Appellate Tribunal, Madras 'B' Bench.

T.S.SIVAGNANAM,J.
and
N.SATHISH KUMAR,J.

msk

TCA.Nos.1549 and 1550 of 2008

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