



सत्यमेव जयते

Office of The  
Asstt. Commissioner of Income Tax (International Taxation)  
2(1)(1) Room No. 1713, 17<sup>th</sup> Floor, Air India Building,  
Nariman Point, Mumbai - 400021

No. ACIT (IT)-2(1)(1)/197/2018-19

Date : 07.09.2018

To,  
The principal Officer,  
M/s SeaHorse Ship Agencies Pvt. Ltd.  
SeaHorse House, 30/32, Adi Marzban Street,  
Ballard Estate, Mumbai - 400038

**ORDER UNDER SECTION 197 OF THE INCOME TAX ACT, 1961**


M/s China United Ltd. China, through its agent M/s SeaHorse Ship Agencies Pvt. Ltd. has applied for withholding tax u/s 197 of the I.T. Act, 1961 for NIL deduction vide letter dated 17.07.2018. Assessee is a registered company in China, and is engaged in operation of vessels in international traffic from India through its agent M/s SeaHorse Ship Agencies Pvt. Ltd. M/s SeaHorse Ship Agencies Pvt. Ltd. vide their letter dated has requested for issue of a certificate u/s 197 of the I.T. Act, 1961, so as to enable it to collect freight, handling and other miscellaneous charges etc. from various parties on behalf of its Principal China United Lines Ltd. China, without deduction of tax at source during the financial year 2018-19. Further, several clients in India are deducting TDS u/s 195 and u/s 194 (C) while making freight and other payments to M/s China United Ltd. China and agents M/s SeaHorse Ship Agencies Pvt. Ltd. However applicant explained, it is not possible to give exhaustive list of parties who may do business with shipping lines and hence they require a General Certificate for NIL deduction. The company is exempt from income tax by virtue of Article - 8 of the DTAA between India and China.

As per the clarification given by CBDT vide its circular no. 723 dated 19.09.1995 and circular no. 732 dated 10.12.1995 the provisions of section 195 and 194 (C) of the Income Tax Act, 1961 for deduction of tax at source are not applicable to foreign shipping companies or their agents in respect of payments made on account of carriage of goods in international traffic.

Accordingly, applying the circular to the case, the provisions of sections 195 and 194 (C) of the Income Tax Act, 1961 for deduction of tax at source are not applicable in respect of any payments made to M/s China United Ltd. China or their agent M/s SeaHorse Ship Agencies Pvt. Ltd.

This certificate is issued on the prima facie examination of the details / documents / information furnished before me and it is subject to verification at the time of assessment proceedings or any other legal proceedings. This Certificate is valid up to 31.03.2019 unless cancelled or modified before the expiry of the said financial year with intimation. This Certificate is provisional in nature and is subject to the final assessment and is without prejudice to the stand taken by the Department during the course of the assessment proceedings.



  
(Ms. J. M. Thakur)  
Asstt. Commissioner of Income Tax,  
(International Taxation) - 2(1) (1),  
Mumbai



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