



GOVERNMENT OF INDIA
Office of The
DEPUTY COMMISSIONER OF INCOME-TAX (IT)-4(2)(1),
MUMBAI.
17th FLOOR, ROOM NO. 1708, AIR INDIA BUILDING,
NARIMAN POINT, MUMBAI-21
022-22046252; mumbai.dcit.it4.2.1@incometax.gov.in

No. DCIT(IT)-4(2)(1)/Certificate u/s 197/2018-19

Dated: 10.04.2018

M/s. SM Line Corporation, Korea.
C/o. SM Line Corporation (India) Pvt.
Ltd., 101 & 123 The Summit Business
Bay, Next to WEH Metro Station,
Off Andheri Kurla Road,
Andheri East, Mumbai-400093.
PAN: AAYCS4811Q

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

M/s. SM Line Corporation (India) Pvt. Ltd. (i.e. applicant), an agent of M/s. **SM Line Corporation, Korea** has filled application dated 13.03.2018 requesting for issue of a certificate u/s. 197 of the Income Tax Act, 1961 so as to enable it to collect freight, handling and other miscellaneous charges, etc. from various parties on behalf of its principal without deduction of tax at source during the Financial Year 2018-19, as M/s. SM Line Corporation (India) Pvt. Ltd. (agent) is paying taxes fully before remitting freight to Principal after claiming DIT relief. The applicant, further, submitted that 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. M/s. SM Line Corporation (India) Pvt. Ltd. (as general agent for M/s. SM Line corporation, Korea) has also undertaken to deduct and pay freight, handling and similar charges from various parties before remittance of such amount to its principal M/s. SM Line Corporation. It is also submitted that M/s. SM Line Corporation, a registered company in **Korea**, is engaged in operation of vessels in international traffic from India through its agent M/s. SM Line corporation (India) Pvt. Ltd and is liable to pay tax in India u/s 172 read with section 44B of the Act.


As per clarification given by the CBDT vide Circular Nos. 723 dt. 19.09.1995 and 732 dt. 20.12.1995, the provisions of section 195 and 194C of the Act 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, in compliance to the afore mentioned Circulars, the provisions of section 195 & 194C of the Act of **deduction of tax at source are not applicable in respect of any payments made to M/s. SM Line Corporation or its agent M/s. SM Line Corporation (India) Pvt. Ltd.** The assessee's request to issue General certificate under section 197 of the IT Act 1961, so as to enable its to collect the freight, handling and other similar charges from various parties on behalf of its principal without deduction of tax at source during the financial year 2018-19, as the foreign shipping line is entitled to 100% DIT relief as per new DTAA between India and Korea, is accepted.

This Certificate is issued after prima facie verification of details / documents / information furnished before the undersigned and it is the subject of verification / scrutiny at the time of assessment proceedings of any other legal proceedings. This Certificate is valid from **01.04.2018 upto 31.03.2019** unless the same is cancelled or modified before the expiry of the said financial year with prior intimation.

This certificate is provisional in nature and is subject to final assessment and is without prejudice to the stand taken by the Department during the course of the assessment proceedings.




(Aastha Madhur)
Deputy Commissioner of Income Tax
(International Taxation)-4(2)(1),
Mumbai.