



# SEAHORSE SHIP AGENCIES PVT. LTD.



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CIN : U63090MH1993PTC071399

## TO WHOMSOEVER IT MAY CONCERN

We, M/s Seahorse Ship Agencies Pvt Ltd are shipping agents for M/s China United Lines Ltd., China. We hereby confirm that as per the provisions of Indian Income-Tax Act, 1961, ("the Act") M/s China united Lines Ltd., China's residential status is "Non-Resident" and they are engaged in the operation of International Shipping.

Further, we are regularly filing return of income based on the provisions of Section 172 of the Act for the freight charges, handling charges (THC), referral commission/fees and any other amount of a similar nature collected by us on behalf of M/s China United Lies Ltd., China, , in respect of goods shipped at a port in India. We hereby confirm that the entire amount payable by you to us towards freight and other charges, mentioned above during the financial year 2018-19 shall be included in the returns filed us u/s. 172 of the Act and the applicable tax thereon will be paid accordingly.

In view of the above and clarification given by CBDT, vide its circular No.723 dt. 19.09.95 the provisions of Section 194C and 195 of Income-Tax Act, 1961 for deduction of tax at source shall not apply in respect of freight charges, THC charges and any other amount of a similar nature paid to us by you. Accordingly, no tax at a source from the above mentioned payments should be deducted. We shall keep you fully indemnified in case any liability in respect of income tax, interest and penalty under the provisions of the Act, arises on you in this regards.

We hereby give below Pan No of China United Lines Ltd  
AAGCC1524N

For M/s China United Lines Ltd.  
By Seahorse Ship Agencies Pvt Ltd



As Agents  
Anand Harshe  
Vide President - Fin & Admin

Place: Mumbai

Date: 10<sup>th</sup> April 2018

BANSA

Recd. 20 SEP 1995

Madhuri

CIRCULAR NO. 723

F.NO.133/105/95-TPL  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
CENTRAL BOARD OF DIRECT TAXES

NEW DELHI, SEPTEMBER 19, 1995

**SUBJECT: TAX DEDUCTION AT SOURCE FROM PAYMENT MADE TO FOREIGN SHIPPING COMPANIES.**

Representations have been received regarding the scope of sections 172, 194C and 195 of the I.T. Act, 1961, in connection with tax deduction at source from payments made to the foreign shipping companies or their agents.

2. Section 172 deals with shipping business of non-residents. Section 172(1) provides the mode of the levy and recovery of tax in the case of any ship, belonging to or chartered by a non-resident, which carries passengers, live-stock, mail or goods shipped at a port in India. An analysis of the provisions of section 172 would show that these provisions have to be applied to every journey a ship, belonging to or chartered by a non-resident, undertakes from any port in India. Section 172 is a self-contained code for the levy and recovery of the tax, ship-wise and journey-wise, and requires the filing of the return within a maximum time of thirty days from the date of departure of the ship.

3. The provisions of section 172 are to apply, notwithstanding anything contained in <sup>any</sup> other provisions of the Act. Therefore, in such cases, the provisions of section 194C and 195 relating to tax deduction at source are not applicable. The recovery of tax is to be regulated, for a voyage undertaken from any port in India by a ship under the provisions of section 172.

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- 2 -

4. Section 194C deals with work contracts including carriage of goods and passengers by any mode of transport other than rail-ways. This section applies to payments made by a person referred to in clauses (a) to (j) of subsection (1) to any "resident" (termed as contractor). It is clear from the section that the area of operation of TDS <sup>U.S. 194C</sup> is confined to payments made to any "resident". On the other hand, section 172 operates in the area of computation of profits from shipping business of non-residents. Thus, there is no overlapping in the areas of operation of these sections.

5. There would, however, be cases where payments are made to shipping agents of non-resident ship-owners or charterers for carriage of passengers etc. shipped at a port in India. Since, the agent acts on behalf of the non-resident ship-owner or charterer, he steps into the shoes of the principal. Accordingly, provisions of section 172 shall apply and those of Sections 194 C and 195 will not apply.



( DR. D.P. SEMWAL )  
OFFICER ON SPECIAL DUTY TO THE  
GOVERNMENT OF INDIA