

**DECISION OF INCOME TAX TRIBUNAL, KOLKATA  
IN THE CASE OF NON-RESIDENT MARINE ENGINEER**

**IS CHALLENGED IN CALCUTTA HIGH COURT**

**By**

**The Maritime Union of India and  
The National Union of Seafarers of India**

Mumbai : Is salary income of non-resident Marine Engineer who rendered service in international waters taxable in India?

The Income tax Tribunal, Kolkata held that even though assessee was non-resident and also earned salary by rendering service in international waters but same was taxable as his employer deposited salary in his bank account in India.

The decision given by the Income Tax Tribunal, Calcutta in the case of Shri Tapas Kumar Bandopadhyay has been challenged in the Calcutta High Court by filing appeal u/s. 260A of Income Tax Act, on 20 September 2016.

Due to the said decision the Marine Officers and Crew Members working on the Merchant navy vessels - all types of foreign going vessels including passenger vessels - have apprehension that the Income Tax sleuths will slap orders, raising high tax demand even though their salary income is not taxable in India.

Shri Amar Singh Thakur – General Secretary of The Maritime Union of India (MUI), and Shri Abdulgani Serang – General Secretary cum Treasurer of National Union of Seafarers of India (NUSI), mentioned that considering the seriousness of the said decision on the tax liability of Marine Officers and Crew Members on their income, their respective Unions decided to challenge the said decision in the Calcutta High Court.

Shri Tapas Kumar Bandopadhyay was a Marine Engineer who had worked with M/s. Great Offshore Ltd., and M/s. Bibby Ship Management (Singapore) Pte. Ltd.. Shri Bandopadhyay was non-resident during the financial year 2009-2010 as he worked in International Waters in the said year for more than 182 days. He contended that he rendered services outside Indian Waters and his salary paid by the above two companies was non taxable as his status was non-resident.

His contention was rejected by the Assessing Officer and also by the Commissioner. His employer, M/s. Great Offshore Ltd., deposited part of his salary in his NRE bank account in Kolkata. The Assessing Officer held that to the extent of his salary deposited by his employer in the bank account in Kolkata was taxable as he has received his salary in India.

He carried the matter before the Income Tax Tribunal Kolkata but the view taken by the Assessing Officer/the Commissioner was endorsed.

Mr. Amar Singh Thakur mentioned that the matter is handed by M/s. Dave & Padvekar Associates, Tax Law Firm in Mumbai and he is confident that the decision of the Kolkata Tribunal will be reversed by the Hon'ble High Court as said decision is given against well settled legal principles.

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