

M/s. Atlantic Shipping Pvt. Ltd. v. Income Tax Officer (International Taxation)

R/Tax Appeal No. 688 of 2024 with R/Tax Appeal No. 707 of 2024 and R/SCA Nos. 6595 & 6539 of 2025

R/Tax Appeal No. 688 of 2024 with R/Tax Appeal No. 707 of 2024 & SCA Nos. 6595 & 6539 of 2025 (Guj HC, decided 15.10.2025) | 2025-10-15

International shipping profits under section 172(3) and Article 8 vs. Article 24 (Limitation of Relief) of the India-Singapore DTAA: freight remitted to London bank account of Singapore tax-resident shipping principal (ST Shipping) taxed in Singapore on accrual basis is eligible for Article 8 exemption; Article 24 does not apply.

Income-tax Act, 1961: sections 90, 172(3), 172(4) and 260A | India-Singapore DTAA: Articles 8 and 24

High Court of Gujarat | 2-judge bench (Division Bench) | Bhargav D. Karia, J. | Pranav Trivedi, J.

Assessment years: 2012-13 (FY 2011-12)

Common 66-page judgment disposing of two Tax Appeals (688 & 707 of 2024) and two Special Civil Applications (6595 & 6539 of 2025)

This 66-page judgment both answers the substantial question of law in Tax Appeals No. 688 and 707 of 2024 against the ITAT's remand direction and simultaneously allows Special Civil Applications No. 6595 and 6539 of 2025 by quashing the consequential post-remand assessment orders.

01 FACTS OF THE CASE

The appellant shipping agent filed voyage returns under section 172(3) for FY 2011-12 on behalf of its principal, ST Shipping and Transport Pte. Ltd. (a Singapore tax resident operating ships in international traffic from Indian ports including Sikka Port), claiming exemption under Article 8 of the India-Singapore DTAA. Because freight was remitted to a bank account in London rather than Singapore, the AO invoked Article 24 (Limitation of Relief) to deny Article 8 benefit despite an IRAS certificate dated 09.01.2013 confirming that ST Shipping was taxed in Singapore on worldwide shipping income on an accrual basis, and the ITAT remanded the matter to the AO.

Source: [Paragraphs 1-6; PDF pp. 1-14](#)

02 DISCUSSION BY THE HON'BLE COURT

Following its coordinate-bench decision in CIT (International Taxation) v. M.T. Maersk Mikage ((2016) 72 taxmann.com 359 (Guj)) and Alabra Shipping Pte. Ltd. v. ITO ((2015) 62 taxmann.com 185 (Rajkot ITAT)), the Division Bench held that under Article 8(1) of the India-Singapore DTAA, profits derived by a Singapore enterprise from the operation of ships in international traffic are taxable only in Singapore and are not income 'exempt from tax in India' within the meaning of Article 24(1), particularly where IRAS certifies that the shipping income is taxed in Singapore on an accrual basis rather than a remittance basis.

Source: [Paragraphs 14-24; PDF pp. 30-65](#)

03 JUDICIAL DECISION

Answering the substantial question of law in favour of the assessee and against the Revenue, the High Court quashed the ITAT's remand order in Tax Appeals No. 688 and 707 of 2024, held that Article 8 applies and Article 24 is inapplicable, and allowed SCA Nos. 6595 and 6539 of 2025 by quashing the post-remand assessment orders.

Source: [Paragraphs 21-25; PDF pp. 64-66](#)

04 OUTCOME / IN WHOSE FAVOUR

Assessee - Substantial question of law answered in favour of the assessee; ITAT remand order and post-remand assessment orders quashed; Article 8 India-Singapore DTAA benefit upheld.

Source: [Paragraphs 21-25; PDF pp. 64-66](#)

05 AKHB REVIEW POINT

AKHB analysis: where a Singapore shipping enterprise is assessed in Singapore on worldwide shipping profits on an accrual basis (evidenced by an IRAS certificate), remittance of freight to a third-country bank account (such as London) does not trigger Article 24(1) of the India-Singapore DTAA to defeat exclusive residence-state taxation under Article 8.

Source: [Paragraphs 14-24; PDF pp. 30-65](#)

SOURCE & VERIFICATION

[High Court of Gujarat official judgment PDF - AKHB Cloud Repository \(20251015_GJHC240457702024.pdf\)](#)

66-page official High Court of Gujarat judgment PDF (20251015_GJHC240457702024.pdf).

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STATUTORY SCOPE

Applies section 172 of the Income-tax Act, 1961 and Articles 8 and 24 of the India-Singapore DTAA for FY 2011-12. Income-tax Act, 2025 equivalence is not verified.

LATER TREATMENT

Source checked 2026-10-18. Full primary judgment PDF read page-by-page and verified against the AKHB Google Drive repository. Comprehensive subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

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