

Tax Hotline

July 06, 2000

THE INCOME TAX TRIBUNAL - MUMBAI, INDIA RELIEVES THE EMPLOYER FROM LIABILITY TO MAKE UP SHORTFALL OF TAX AT SOURCE ON SALARY TO EMPLOYEE.

The Indian Income Tax Appellate Tribunal (Mumbai) (ITAT) in the case of The Associated Cement Co Ltd. (the employer), Mumbai V/s The Income Tax Officer held that the tax authorities should collect the deficient amount of tax deducted at source on salary income directly from the employee and not from the employer.

It was further held that the Income Tax Act, 1961 (ITA) casts an obligation on the employer to deduct tax at source on the salaries paid to its employees, and deposit the same to the Government Treasury. Under the provisions of the ITA the employer cannot be treated as "assessee in default" if there is a shortfall in such deduction. Hence a penalty cannot be imposed on the employer for the shortfall. The primary responsibility of making up the shortfall in tax is that of the employee and the income tax officer should collect the shortfall together with the penalty from the employee.

Source: *The Economic Times* July 6, 2000

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

M&A In The Indian Technology Sector

February 19, 2025

Unlocking Capital

February 11, 2025

Fintech

January 28, 2025

Research Articles

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Key changes to Model Concession Agreements in the Road Sector

January 03, 2025

Audio

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part I

August 26, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

Click here to view Hotline archives.

Video

Arbitration Amendment Bill 2024: A Few Suggestions | Legally Speaking With Tarun Nangia | NewsX

February 12, 2025

**What India’s Transition to New Data
Protection Law Means for Global
Businesses**

January 23, 2025

**India 2025: The Emerging
Powerhouse for Private Equity and
M&A Deals**

January 16, 2025
