

Topic: Residential Status (Part-5)

Unit: 1

Class: M.Com Semester: IV

Subject: Corporate Tax Planning and Management Paper: MC4.2

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E. Income from royalty [Sec. 9(1)(vi)]

Following royalty shall be deemed to accrue or arise in India –

Royalty payable by the Government: Nil

A resident person: The right, property, information or services are not utilized for the purpose of

- business or profession carried on by such person outside India; or
- earning any income from any source outside India.

A non-resident person: The right, property, information or services must be utilised for the purpose of –

- business or profession carried on by such person in India; or
- earning any income from any source in India.

F. Income from technical services [Sec. 9(1)(vii)]

Following income by way of fees for technical service shall be deemed to accrue or arise in India
—

Fee for technical services payable by

The Government: Nil

A resident person: Such services must not be utilised in –

- business or profession carried on by such person outside India; or
- earning any income from any source outside India

A non-resident person: Such services must be utilized in –

- business or profession carried on by such person in India; or
- earning any income from any source in India.

G. Deemed Receipts of Gift [Sec. 9(1)(viii)][A

When –

- a non-resident or a foreign company receives any sum of money referred to in sec. 56(2)(x)
- such receipt is from a resident person
- such money is received outside India - such money is received on or after 05-07-2019 then
- such receipt is treated as income deemed to accrue or arise in India.

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