

Topic: Residential Status (Part-6)

Unit: 1

Class: M.Com Semester: IV

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

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Example

Mr. Tapan Kumar provides following details of income, calculate the income which is liable to be taxed in India for the A.Y.2020- 21 assuming that –

a) He is an ordinarily resident b) He is not an ordinarily resident c) He is a non-resident.

Serial No.	Particulars	Amount in
1.	Salary received in India from a former employer of Dubai	1,50,000
2.	Income from Silk business in Bangladesh being controlled from India	50,000
3.	Interest on company deposit in Canada (1/3rd received in India)	45,000
4.	Profit from a business in Ranchi controlled from Japan	2,00,000
5.	Profit for the year 2012-13 from a business in UAE remitted to India	3,00,000
6.	Income from a property in India but received in USA	2,65,000
7.	Income from a property in America but received in Jamshedpur	2,50,000
8.	Income from a property in China but received in Pakistan	50,000
9.	Income from a business in Sri Lanka but controlled from Bangladesh	1,10,000

Solution

SL.NO.	Particulars	Resident & Ordinarily resident	Resident but not ordinarily resident	Nonresident
1.	Salary received in India from a former employer of Dubai	1,5 0,000	1,5 0,000	1,5 0,000
2.	Income from Silk business in Bangladesh being controlled from India	50,000	50,000	NIL
3.	Interest on company deposit in Canada (1/3rd received in India)	15,000	15,000	15,000
4.	2/3 rd received outside India	30,000	NIL	NIL
5.	Profit from a business in Ranchi controlled from Japan	2,00,000	2,00,000	2,00,000
6.	Profit for the year 2012-13 from a business in UAE remitted to India	NIL	NIL	NIL
7.	Income from a property in India but received in USA	2 65,000	2 65,000	2 65,000
8.	Income from a property in America but received in Jamshedpur	2,50,000	2,50,000	2,50,000
9.	Income from a property in China but received in Pakistan	50,000	NIL	NIL
10.	Income from a business in Sri Lanka but controlled from Bangladesh	1,10,000	NIL	NIL
Income liable to tax in India		11,20,000	9,30,000	8,80,000

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