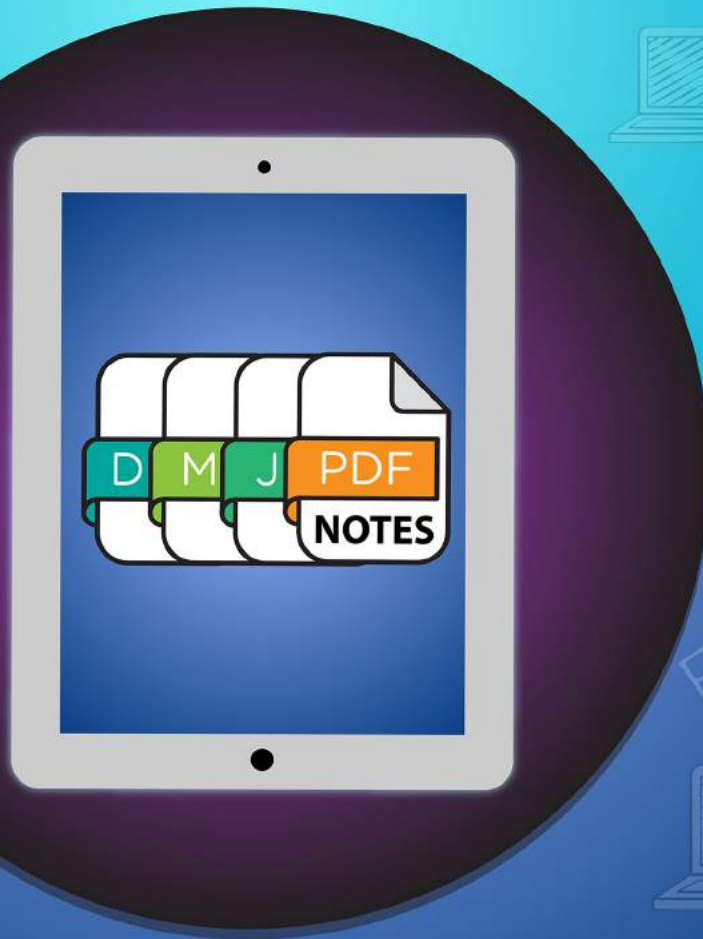




IndigoLearn

INDIGOLEARN.COM



*Prepare for CA EXAMS
LIKE NEVER BEFORE*

EIS



Accounting

Standards

Costing

FM



Economics

Direct Tax



GST



SM



Audit

Law



1Fin by IndigoLearn

#StudentFirst



Experience the world of e-learning



Online classes by faculties
with AIRs



Comprehensive coverage
with cool visual effects



MCQ's with personalised
analytics



Notes and flash cards at one click

1FIN
BY INDIGOLEARN

Download our APP - 1FIN





IndigoLearn

CA Inter

Direct Taxes



Paper-4A

Illustrations on Residential Status

Problem 1

X, a German national, came to India for the first time on 1.7.2012.

- During the period from 1.7.2012 to 31.3.2019, he stayed in India as follows--

| From | To |
|-----------|------------|
| 1.07.2012 | 31.10.2012 |
| 1.05.2013 | 31.10.2013 |
| 1.11.2014 | 31.12.2014 |
| 1.07.2017 | 31.08.2018 |

- During the previous year ended on 31.3.2019, X's income consisted of:
 - (a) Business in India: 40,000.
 - (b) Interest from an Indian company: 2,000.
 - (c) Dividends from non-Indian companies received in Germany but remitted to India: 5,000.
 - (d) Business in Germany (controlled from India): 25,000.
 - (e) Income from house property in Germany: 8,000.

Determine, giving full reasons, the gross total income of X for the assessment year 2019-20 after ascertaining his residential status for the purpose of income-tax.

Problem 2

X is a citizen of Bangladesh.

- His grandmother was born in a village near Dhaka in 1940.
- He came to India for the first time since 1981 on 3.10.2018 for a visit of 190 days.

Find out the residential status of X for the assessment year 2019-20 on the assumption that wife of X is a resident in India for the same year.

Problem 3

During the previous year 2018-19, X, a foreign citizen, stayed in India for just 69 days.

Determine his residential status for the assessment year 2019-20 on the basis of the following information:

- (i) During 2015-16, X was present in India for 365 days.
- (ii) During 2012-13 and 2011-12, X was in Japan for 359 and 348 days respectively and for the balance period in India.
- (iii) Mrs. X is 'resident' in India for the assessment year 2019-20.

Problem 4

'A', a citizen of India, on 21.10.2016 left India for employment abroad. Earlier to this date, he was always in India. During 2017-18 and 2018-19 he came to India for 168 days and 185 days respectively: Determine his residential status for assessment year 2019-20.

Problem 5

Mr. Kohli, a citizen of India, is an export manager of Arjun Overseas Limited, an Indian Company, since 1.5.2013

- He has been regularly going to USA for export promotion.
- He spent the following days in U.S.A. for the last five years:

| Previous year ended | No.of days spent in USA |
|---------------------|-------------------------|
| 31.3.2015 | 318 days |
| 31.3.2016 | 150 days |
| 31.3.2017 | 271 days |
| 31.3.2018 | 310 days |
| 31.3.2019 | 295 days |

Determine his residential status for assessment year 2019-20 assuming that prior to 1.5.2013 he had never travelled abroad.

Problem 6

A Ltd. Is an Indian Co.

It carries on business in New Delhi and London. The place of effective management of A Limited is situated outside India. 80% of the total income of the company is from the business in London.

What is the status of A Ltd.?

Problem 7

- (a) R was born in Lahore in 1948. He has been staying in America since 1970. He came to visit India on 2.10.2018 and returns on 31.3.2019. Determine his residential status the assessment year 2019-20.
- (b) Share Warne, an Australian cricket player, has been coming to India since 1991-92 every year to play cricket and has been staying here for about 4 months.
What will be his residential status for the assessment year 2019-20?

Problem 8

Determine the residential status in the following cases for the assessment year 2021-22:

- (i) The control and management of a HUF is situated in India. The manager of the H.U.F. visited England with his wife from 14.8.2020 to 30.6.2021. Earlier to that he was always in India.
- (ii) In a partnership firm, there are three partners namely A, B and C. A and B reside in India while C lives in Germany. The firm is fully

controlled by C. During the previous year, Mr. C stayed for 6 months in India.

- (iii) A V.I.P. pvt ltd is in India, whose director Mr. X belongs to China. The Club is controlled fully by Mr. X. In the previous year. Mr. X did not come for a single day to India.

Problem 9

From the following incomes earned by Mr. Rajesh during the financial year 2020-21, determine his total income for the assessment year 2021-22 if he is

- (1) resident and ordinarily resident.
- (2) not ordinarily resident.
- (3) non-resident.

| Particulars | Rs. |
|---|----------|
| a. Profit from a business in Bombay managed from London. | 1,60,000 |
| b. Pension for services rendered in India but received in Burma. | 15,000 |
| c. Interest on U.K. Government Bonds half of which is received in India | 4,000 |
| d. Income from property situated in Pakistan received there. | 20,000 |
| e. Past foreign untaxed income brought to India during the previous year. | 7,000 |
| f. Income from agricultural land in Nepal received there and then brought to India. | 30,000 |
| g. Income from profession in Kenya, which was set up in India, received there | 12,000 |

Problem 10

'A' earns the following income during the financial year 2020-21.

| Particulars | Rs. |
|--|----------|
| (a) Interest paid by an Indian company but received in London | 2,00,000 |
| (b) Pension from former employer in India, received in USA | 8,000 |
| (c) Profits earned from business in Paris which is controlled in India, half of the profits being received in India. | 40,000 |
| (d) Income from agriculture in Bhutan and remitted to India | 10,000 |
| (e) Income from property in England and received there | 8,000 |
| (f) Past foreign untaxed income brought to India | 20,000 |

Determine the total income of 'A' for the assessment year 2021-22 if he is

- (i) Resident and ordinarily resident,
- (ii) Not ordinarily resident, and
- (iii) Non-resident in India.

Problem 11

From the following, compute the taxable income of R when his residential status is

- (i) Resident and ordinarily resident,
- (ii) Not ordinarily resident, and

(iii) Non-resident.

| Particulars | Rs. |
|--|--------|
| a. Interest for debentures in an Indian company received in London | 5,000 |
| b. Interest on a company deposit in India but received in Germany | 22,000 |
| c. Interest on U.K. Development Bonds 50% of interest received in India | 40,000 |
| d. Dividend from British Co. received in London | 10,000 |
| e. Profits on sale of plant at Germany 50% of profits are received in India | 60,000 |
| f. Income earned from business in Germany which is controlled from Delhi, Rs.40,000 is received in India | 70,000 |
| g. Profits from property in London deposited in an Indian Bank at London, brought to India | 45,000 |
| h. Interest received in London on money lent to a resident in India in London, brought to India | 50,000 |
| i. Interest received in London on money lent to a resident in India in London, but the same money was used in India | 46,000 |
| j. Fees for technical services rendered in India but received in London | 25,000 |
| k. Royalty received in London for a IPR given to non-resident in India to be used for business in India | 34,000 |