



RG Learning Hub

CA FINAL DT **MAY 26** NR TAXATION TAX RATES SUMMARY

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NR Taxation Tax Rates Summary

Presumptive Income % for Non-Resident

Section	Nature of Business	Percentage
44B	Shipping Business other than cruise ships referred to in 44BBC	7.5%
44BBA	Aircraft Business	5%
44BB	Business of providing services relating to supply of P/M on hire used in prospecting, extraction or production of mineral oil	10%
44BBB	Foreign Company engaged in business of civil construction or erection of plant & machinery relating to turnkey power projects	10%
44BBC	Cruise shipping business of Non resident	20%

Tax Rate on NRI (CHAPTER XII-A)

INCOME	TAX RATE
Investment Income	20% [Gross Basis without Deduction] [Ch VIA Ded. also NA]
LTCG	10% [Without Indexation] [First proviso to 48 available] 12.5% w.e.f 23.07.2024
Other Income	Normal Provisions

Tax Rate on Income of FII/ Specified Fund: (Section 115AD)

Income	Tax Rate
Interest on Securities [other than 115A] Dividend	20% (10% in case of specified fund without surcharge and HEC)
STCG u/s 111A	15% (20% w.e.f 23.07.2024)
STCG on other Securities	30%
LTCG u/s 112A	w.e.f 23.07.2024 12.5% in excess of Rs 1,25,000 Before 23.07.2024 Rate used to be 10%
LTCG on other Securities	12.5%
Other Income	Normal Provision

Special provision for computing tax on non-resident sportsmen or sports associations [Section 115BBA] [Only for NR + Not an Indian citizen]

Tax Rate:

- On above mentioned Income = 20% [Gross Basis without Deduction]
- TDS u/s 194E @ 20%
- Balance Income = Normal Provisions

Tax Rate on Royalty and FTS Income of NR/FC [Section 115A]

CASE 1: If PE in India: Taxable u/s 44DA

CASE 2: If No PE in India: Taxable u/s 115A @ 20% [Gross Basis without Deduction]

Tax on Dividends and Income Received on Units in case of FC/NR [Section 115A]

Where the total income of a foreign company or NR includes any income by way of:

- Dividend income on shares whether purchased in Indian currency or foreign currency
- Income of units, purchased in foreign currency, of a Mutual fund or of UTI
Tax shall be payable @ 20% on the above income. (TDS u/s 195/196A respectively)
- Dividend from **SPV received from Business Trust** shall be taxable @ 10% (TDS u/s 194LBA @ 10%)
- Dividend from **unit located in IFSC** = 10%

Tax Rate on Interest Income of NR/FC [Section 115A]

INCOME	Tax Rate	TDS
Interest from Infrastructure Debt Fund	5%	TDS u/s 194LB
Interest distributed by Business Trust to NR	5%	TDS u/s 194LBA
Interest from Indian Company or Business Trust on money borrowed by them in foreign currency under loan agreement made on or before 30.6.23 If loan issued after (01.04.20 upto 30.06.23) and listed only in IFSC stock exchange, Then Tax = 4% If loan issued after 30.06.2023 and listed only in IFSC stock exchange, Then Tax = 9%	5%	TDS u/s 194LC (No TDS at higher rate even if PAN not available)
Interest received by FII or QFI on: 1. Rupee Denominated Bonds 2. Government Securities 3. Municipal Debt Securities [Investment made in above assets by FII/QFI on or before 30.6.23] Note: This particular Provision has been deleted by ICAI, accordingly Interest received by FII or QFI will now be taxable @20% u/s 115AD	5%	TDS u/s 194LD
Interest from Government or Indian concern on money borrowed by them in foreign currency	20%	TDS u/s 195

Income from Units of UTI / Mutual Funds (covers both equity and debt oriented) purchased in Foreign currency to Overseas Financial Organization [Offshore Funds] [Section 115AB]

- **Income and LTCG from units of UTI/Mutual Fund both TAXABLE @ 10%**
- **TDS u/s 196B @ 10% (w.e.f 23.07.2024 Tax on LTCG and TDS rate on LTCG is 12.5%)**

Special provision for computing tax on income from bonds or GDR purchased in foreign currency or capital gains arising from their transfer [Section 115AC]

- **Interest/Dividend and LTCG on Transfer both TAXABLE @ 10%**
- **TDS u/s 196C @ 10% (w.e.f 23.07.2024 Tax on LTCG and TDS rate on LTCG is 12.5%)**