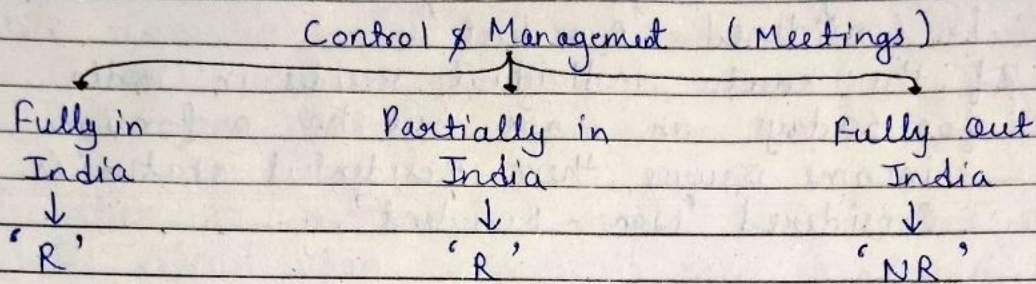


• Determining Residential status :

- (i) If the Karta individual resides in India for 182 days or more, their residential status is considered 'Resident'.
- (ii) If the Karta individual resides in India for 60 days or more but has a foreign income source, their Residential status is considered 'Non - Resident'.

* Residential status of P. Firm / LLP / AOP / BOI / AJP / municipal authorities :-



Lec 7 30 Jan

* Residential status of a Company :-

Indian Co.
↓
"R"

Others
↓
check Companies
↓
Sales

upto 50 Cr.
↓
"NR"

T/O = > 50 Cr.

check P.O.E.M

fully /
Partially
India
↓
"R"

outside
India
↓
"NR"

Place of
effective
management.

Place of
effective
management

To understand P.O.E.M. → first we need to understand the Concept of A.B.O.I.

↳ (Active Business outside India)

Passive income → गैरतो side पेशात काम
Active income →

4 Conditions → If we 4 gets satisfied then we
Consider A.B. is outside India.

Passive
Income
upto
50%.

Assets in
India
< 50%
(less than)

Emp. in India
'R' / working
in India
< 50%.

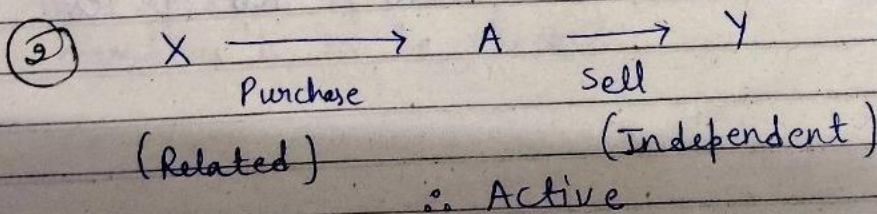
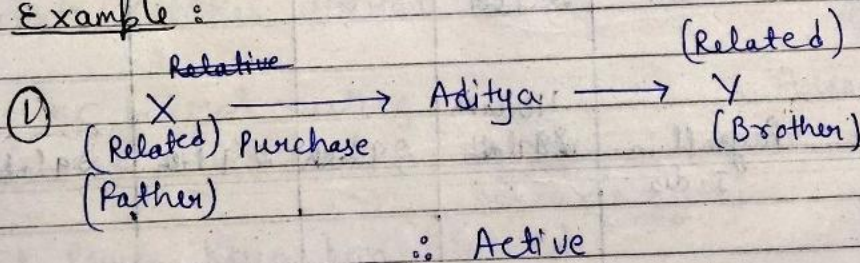
(All Salary emp.)
Pay roll
to such emp.
in India
< 50%.

Passive Income:

Royalty
Interest
Dividend
Capital gains

• Purchase & Sale Both are from
Associated Enterprise (पेशात काम)
Branch / Relative / subsidiary etc.

Example:



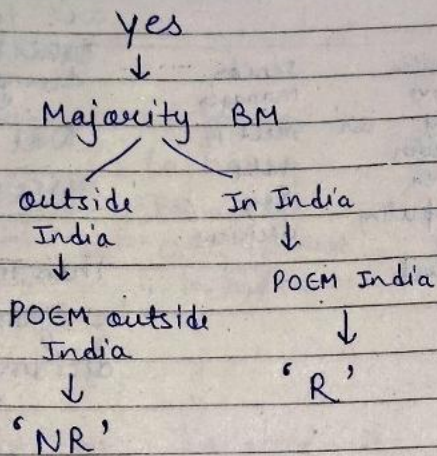
③ X $\xrightarrow{\text{Purchase}}$ Aditya $\xrightarrow{\text{sell}}$ Y
 independent Related
 $\therefore$ Active

Question :-

Find ABOI in the following Cases :-

			I	II	III	IV
Total income	10 Cr	Passive income in India	4 Cr ✓	4 Cr ✓	4.5 Cr ✓	5 Cr ✓
Total Emp.	300 Cr	Emp in India	130 ✓	130 ✓	150 X	149 ✓
Total Assets	4 Cr	Assets in India	1.5 Cr ✓ 2.1 Cr	2.1 Cr X	1.5 Cr ✓	1.5 Cr ✓
Total Pay roll	60 lakh	Payroll in India	40 lakh 29 lakh X	29 lakh ✓	29 lakh ✓	29 lakh ✓
ABOI yes / No ??			No	No	No	Yes

* Company → POEM → ABOI



NO
↓
Hindi AB in India
↓
Assessing officer will decide about Residenti-
al status as per the guidelines.

Guidelines Principles

where the Board
meets & takes decisions
↓

Merely formal meeting
is not sufficient
↓

If Powers have been delegated
↓

The location of such Committee
members is to be checked.

(authority has
been ko dena to take
decision)

Guidelines

2 stages

1st Identify the Person

2nd Identify the Location

Following things are to
be considered :-
↓

PTO

(Page turn over)