

INCOME-TAX ACT, 2025

SCHEDULES:

SCHEDULE IV (See section 11) - INCOME NOT TO BE INCLUDED IN TOTAL INCOME OF ELIGIBLE NON-RESIDENTS, FOREIGN COMPANIES AND OTHER SUCH PERSONS

(See section 11)

INCOME NOT TO BE INCLUDED IN TOTAL INCOME OF ELIGIBLE NON-RESIDENTS, FOREIGN COMPANIES AND OTHER SUCH PERSONS

In computing the total income of a tax year of any eligible person mentioned in column C of the Table below, the income mentioned in column B of the said Table shall not be included, subject to the conditions mentioned in column D of the said Table, and the expressions used in columns B to D shall have the meanings respectively assigned to them in the Notes below the said Table.

Table

Sl. No.	Income not to be included in total income	Eligible persons	Conditions
A	B	C	D
1.	Any income by way of interest.	(a) A person being an individual, who is resident outside India as defined in section 2(w) of the Foreign Exchange Management Act, 1999 (42 of 1999); or (b) a person being an individual who has been permitted by the Reserve Bank of India to maintain the said account.	Such interest is on moneys standing to the credit of such person in a Non-Resident (External) Account in any bank in India as per the said Act and the rules made thereunder.
2.	Any remuneration received for service in the capacity as an official mentioned in column C, not being a citizen of India.	An official, by whatever name called, of an embassy, high commission, legation, consulate or the trade representation of a foreign State, or as a member of the staff of any of these officials.	(a) The remuneration received as a trade commissioner or other official representative in India of the government of a foreign State (not holding office as such in an honorary capacity), or as members of the staff, if any, of the government, resident for similar purposes in the country concerned enjoy a similar exemption in that country; and (b) the members of the staff are subjects of the country represented and are not engaged in any business or profession or employment in India otherwise than as members of such staff.
3.	Any remuneration	A person who is an	(a) The foreign enterprise is not

	received as an employee of a foreign enterprise, not being a citizen of India.	engaged in any trade or business in India;	(b) his stay in India does not exceed in the aggregate a period of ninety days in such tax year; and (c) such remuneration is not liable to be deducted from the income of the employer chargeable under this Act.
4.	Any income chargeable under the head "Salaries", received or due as remuneration for services rendered in connection with his employment on a foreign ship.	Any individual being a non-resident, not being a citizen of India.	The total stay of such individual in India does not exceed in the aggregate a period of ninety days in the tax year.
5.	Any remuneration received as an employee of the Government of a foreign State.	An employee of the Government of a foreign State, not being a citizen of India.	Such remuneration is received during his stay in India in connection with his training in any establishment or office of, or in any undertaking owned by— (a) the Government; or (b) any company in which the entire paid-up share capital is held by the Central Government or any State Government or State Governments, or partly by the Central Government and partly by one or more State Governments; or (c) any company which is a subsidiary of a company referred to in clause (b); or (d) any corporation established by or under a Central Act or State Act or Provincial Act; or (e) any society registered under the Societies Registration Act, 1860 (21 of 1860), or under any other law and wholly financed

			by the Central Government, or any State Government or State Governments, or partly by the Central Government and partly by one or more State Governments.
6.	Any income arising by way of royalty or fees for technical services.	Any foreign company.	(a) Such company is notified by the Central Government; and (b) such income is received in pursuance of an agreement entered into with the Central Government for providing services in or outside India in projects connected with security of India.
7.	Any income arising by way of royalty from, or fees for technical services rendered in or outside India.	A non-resident, not being a company, or a foreign company.	(a) Such royalty is received from the National Technical Research Organisation; or (b) such fees is for technical services rendered to the National Technical Research Organisation.
8.	Interest received.	Non-resident or a person who is not ordinarily resident.	Such interest is received in India on a deposit made on or after the 1st April, 2005 in an Offshore Banking Unit referred to in section 2(u) of the Special Economic Zones Act, 2005 (28 of 2005).
9.	Income from lease rentals, by whatever name called, of cruise ship.	Foreign company.	(a) Such income is received from a specified company which operates such ship or ships in India; (b) such foreign company and the specified company are subsidiaries of the same holding company; and (c) such income is received or accrues or arises in India for any relevant tax year beginning on or before the 1st April, 2029.
10.	Any income derived in India by way of interest, dividends or Capital gains from investments made.	The European Economic Community.	Such investments are made out of its funds under such scheme as the Central Government may, by notification specify.
11.	Any income received in India in Indian currency.	A foreign company.	(a) Such income is on account of sale of crude oil or any other goods or rendering of services, as may be notified by the Central Government in this behalf, to any person in India; (b) receipt of such income in India by the foreign company is

			<p>pursuant to an agreement or an arrangement entered into by the Central Government or approved by the Central Government;</p> <p>(c) such foreign company and the agreement or arrangement is notified by the Central Government, having regard to the national interest; and</p> <p>(d) such foreign company is not engaged in any activity in India, other than activity resulting in such income.</p>
12.	Any income accruing or arising on account of storage of crude oil in a facility in India and sale of such crude oil to any person resident in India.	A foreign company.	<p>(a) Such storage and sale by the foreign company is pursuant to an agreement or an arrangement entered into by the Central Government or approved by the Central Government; and</p> <p>(b) such foreign company and the agreement or arrangement is notified by the Central Government, having regard to the national interest.</p>
13.	Any income accruing or arising on account of sale of leftover stock of crude oil, if any, from the facility in India after the expiry of the agreement or arrangement referred to against serial number 12 or on termination of the said agreement or arrangement.	A foreign company.	Such sale shall be as per the terms mentioned in the said agreement or arrangement, subject to such conditions as may be notified by the Central Government in this behalf.
14.	Any income falling under section 10(6A), (6B), (6BB), (15A), (15)(iiia), (15)(iiib), (15)(iiic) or (15)(iv)(a), (15)(iv)(b) or (15)(iv)(fa) of the Income-tax Act, 1961 (43 of 1961) subject to the conditions as specified therein.		

Note 1.—For the purposes of Sl. No. 9,—

(a)“specified company” means any company, other than a domestic company which operates cruise ships in India and opts to pay tax as per the provisions of section 61(2) (Table: Sl. No. 2);

(b)“holding company”, in relation to a foreign company or a specified company, means a company of which such companies are subsidiary companies; and

(c) “subsidiary company” or “subsidiary”, in relation to a holding company, means a company in which the holding company exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies.

Note 2: For the purposes of Sl. No. 10,--

“European Economic Community” means the European Economic Community established by the Treaty of Rome of 25th March, 1957.