

Section - 5, Income-tax Act, 1961-2013

Scope of total income.

⁵⁴**5.** ⁵⁵(1) Subject to⁵⁶ the provisions of this Act, the total income⁵¹ of any previous year of a person who is a resident includes all income from whatever source derived which—

(a) is received⁵⁷ or is deemed to be received⁵⁷ in India in such year by or on behalf of such person ; or

(b) accrues or arises⁵⁷ or is ⁵⁷deemed to accrue or arise to him in India during such year ; or

(c) accrues or arises⁵⁷ to him outside India during such year :

Provided that, in the case of a person not ordinarily resident in India within the meaning of sub-section (6)* of [section 6](#), the income which accrues or arises to him outside India shall not be so included unless it is derived from a business controlled in or a profession set up in India.

(2) Subject to^{57a} the provisions of this Act, the total income^{57b} of any previous year of a person who is a non-resident includes all income from whatever source derived which—

(a) is received⁵⁷ or is deemed to be received⁵⁷ in India in such year by or on behalf of such person ; or

(b) accrues or arises⁵⁷ or is ⁵⁷deemed to accrue or arise to him in India during such year.

Explanation 1.—Income accruing or arising outside India shall not be deemed to be received⁵⁷ in India within the meaning of this section by reason only of the fact that it is taken into account in a balance sheet prepared in India.

Explanation 2.—For the removal of doubts, it is hereby declared that income which has been included in the total income of a person on the basis that it has accrued⁵⁸ or arisen⁵⁸ or is deemed to have accrued⁵⁸ or arisen⁵⁸ to him shall not again be so included on the basis that it is received or deemed to be received by him in India.