

RESIDENTIAL STATUS OF INDIVIDUAL

1.	Basic conditions of Sec 6(1)
a.	Stay in India for 182 days or more in R.P.Y.
	OR
b.	Stay in India for 60 days or more during RPY and aggregate 365 days or more during 4 PY
2	Additional conditions [Sec 6(6)]
a.	Resident as per Sec 6(1) for 2 or more PY out of 10 PY
	AND
b.	Stay in India for aggregate for 730 days or more out of 7 PY

R v/s NR

ROR v/s RNOR

Only 182 days conditions apply

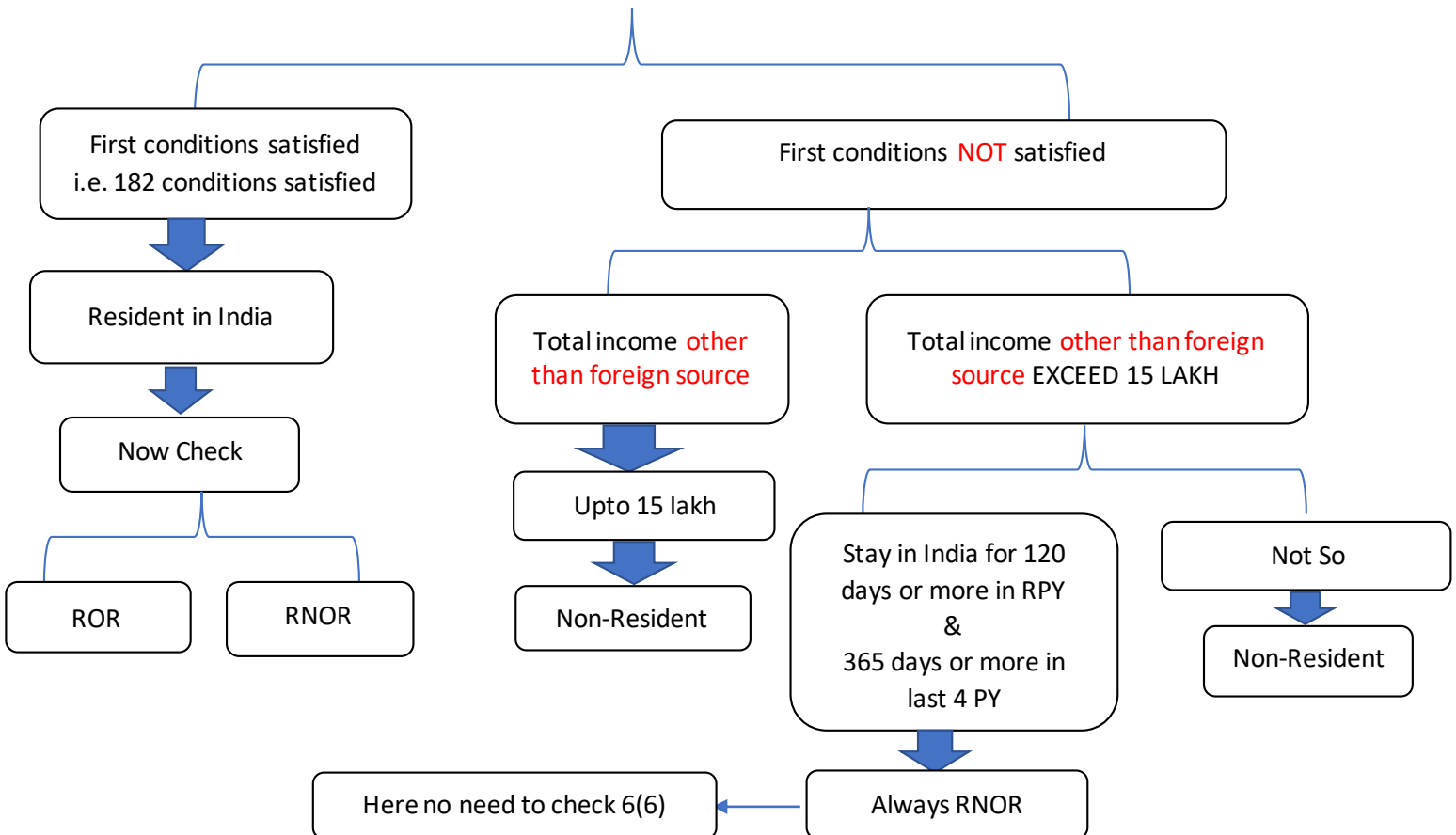
Exceptions

- (A) Indian citizen – left India for Employment purpose
- (B) Indian citizen – left India as a crew member of Indian Ship
- (C) Indian citizen or Indian origin comes India for visiting purpose

Indian citizen or Indian origin

During the PY

Comes India for **Visiting purpose**



Ex: Mr. Kabir is a Indian citizen working in UK. During the PY 19-20 an 20-21 he visited in India for 175 days and 140 days respectively. His stay in India for PY 16-17,17-18,18-19 is 119 days, 101 days and 155 days. His income for PY 20-21 is as follows:

○ Income from Rent, salary and interest earned in UK	25.00.000
○ Income from business in UK (controlled from UK)	21.00.000
○ Income from Business in UK (controlled from India)	8.00.000
○ Income from fixed deposit with SBI bank in India	11.00.000
○ Investment in PPF	2.00.000

Determine his RS for PY 19-20 and 20-21.

Ans: since in PY 19-20 he was in India for 175 days only i.e. less than 182 days (2nd basic conditions ignored since amendment applicable for PY 20-21. Mr. Kabir will be NRI for PY 19-20.

For PY 20-21: Mr. Kabir was in India for 140 days & his Total income (other than foreign source) is Rs. 17.50.000 [11+8-1.5] & also his stay in India for last 4 PY is more than 365 days [119+101+155 +175], so he will be treated as RNOR

Ex:2 What will be your if bank interest is Rs. 8.00.000 instead of Rs. 11.00.000.

Ans: He will be NRI because in this case amendment will not apply because his Total income other than foreign source less than Rs. 15.00.000

Earlier provisions were under:

In case of person who is Indian citizen or Indian origin, who being outside India come on visit to India during Relevant PY – then condition of only Sec 6(1)(a) shall apply. i.e. 182 days conditions.

Now in above case only, the period of 182 days has been reduced to 120 days in those case where income from source other than foreign source was exceeding 15 lakh during Previous year.

2nd amendment

1. Deemed resident [Sec 6(1A):

- ✓ In case of Indian Citizen, having Total income (Other foreign source)
- ✓ Exceeding Rs. 15.00.000 during PY
- ✓ Shall be deemed to be resident in India in that PY, if he is not liable to tax
- ✓ In any other country or territory
- ✓ By reason of his domicile or residence or any other criteria of similar nature &
- ✓ He is always treated RNOR

However above provisions will not apply in case of an individual who is a resident in India in PY as per sec 6(1)

- ❖ **Income from foreign source means:** income which accrues or arise outside India except income derived from a business controlled in or a profession set up in India.

Ex 3: Mr. Amir is an Indian Citizen, currently he is employment with an company in Dubai. During the PY he visited India for 55 days. During the PY 20-21 Mr. Amir is not taxable in Dubai or any other country due to his domicile or residence. Determine his residential status for PY 20-21, if his Total income other than foreign source is :

Case 1: Rs. 20.00.000 - RNOR

Case 2 : Rs. 12.00.000 - NR

Ex: 4 what will be your answer if Amir is not Indian citizen but Indian origin

Ans: he will be NRI, since Sec 6(1A) apply only on Indian citizen not Indian origin.
