

No of Days

PY 25-26 100 → R

PY 24-25 100 → R

PY 23-24 100 → R

PY 22-23 100 → R

PY 21-22 100 → R

PY 20-21 100 → R

PY 19-20 100 → NR

PY 18-19 100 → NR

PY 17-18 100 → NR

PY 16-17 100 → NR

PY 15-16 NIL

Part a(ii) :- Determination of Residential status if he stays 90 days every year.

Particulars	No. of Days	Satisfied/ Not satisfied
Basic conditions		
(i) stay in India for 182 days or more in PY	90 days	Not satisfied
or		
(ii) stay in India for 60 days or more in PY	90 days	Not satisfied
AND		
365 days or more in last 4 PY's	360 days	

Conclusion :- since he is not satisfied any ^{basic} condition so he will be treated as Non Resident in India

Part a(ii) Determination of Residential status if he stays 110 days every year

Particulars	No of Days	Satisfied / Not satisfied
Basic condition		
(i) stay in India for 182 days or more in PY	110 days	Not satisfied
<u>OR</u>		
(ii) Stay in India for 60 days or more in PY	110 days	→ Satisfied
<u>And</u>		
365 days or more in last 4 PY's	440	
Additional condition		
(i) Resident in India for 2 PY's or more in last 10 PY's	Yes	Satisfied
<u>And</u>		
(ii) stay in India for 730 days or more in last 7 PY's	770 days	Satisfied

Conclusion :- Since Mr. Lee satisfied Basic condition and both the addition^{al} condition so he is treated as Resident and Ordinarily Resident in India.

(b) If above question is related to srinath an Indian citizen visit India during the PY and stay in India for only 100 days then his Residential status would be Non Resident irrespective of his Income.

- (c) If Srinath's no. of days stay in India is 120 days.
 — If total income (other than foreign source income) within the limit of 1500000 then there is no need to check 2nd Basic condition so he is treated as Non Resident in India. *

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Particulars	No. of Days	Satisfied Not Satisf- -fies
Basic conditions		
(i) Stay in India for 182 days or more in PY	70 days	Not Satisfied
<u>or</u>		
(ii) Stay in India for 60 days or more in PY	70 days	} NOT Satisfied
<u>And</u>		
365 days or more in last 4 PY's	365 days	

Conclusion :- since Mr B not satisfied any condition so he will be treated as Non Resident.

* — If his total income (other than foreign source ^{income}) is more than 1500000 then we have to check second Basic condition and instead of 60 days, 120 days shall be considered. In this case since he stay ~~60~~ 120 days in current year and 365 days or more in last 4 PY's so he satisfied 2nd Basic condition, so he is treated as [R-NOR]

— Exception of 2nd Basic condition

In the following 3 cases, 2nd Basic condition is not applicable. It means just we have to check first Basic condition

1) Indian citizen leave India during the PY for an employment / Business / Profession outside India.

2) Indian citizen leave India during the PY as a crew member of the Indian ship.

3) Indian citizen or person of Indian origin engaged outside India in any employment / business / profession and visiting India during PY and his total income [excluding income from foreign sources] is upto ₹ 1500000 in PY.

Note: Person of Indian origin means Assessee or either of his parents or either of his grandparents were born in undivided India.

Note: In case of Indian citizen or Person of Indian origin having total income (other than foreign income) is more than 1500000 then second basic condition is applicable and instead of 60 days in the PY, 120 days shall be considered. If that person stays in India for 120 days or more but less than 182 days in C.Y and 365 days or more in last 4 PYs then he will be treated as [R-NOR]

There is no need to check the additional condition.

Indian citizen
or
PIO

Not satisfied 10
→ 1st Basic
condition

↓
visiting India in PY

↓
Total Income (other than
foreign income)

↓
upto ₹ 1500000

↓
No need to check second
basic condition

↓
Total income >
1500000

↓
2nd Basic condition

(1) stay in India for 120
days or more in PY

&
(2) 365 days or more in last
4 PY's

↓
Satisfied

↓
R but NOR

↓
Not satisfied

↓
Non Resident

— CBDT Notification

In case of Indian citizen being crew member of foreign bound ship leaving India, for calculation of No. of days stay in India following time period shall be excluded.

"From the date entered into continuous discharge certificate in respect of joining the ship and ending on the date entered into continuous discharge certificate in respect of signing off the ship".

— Sec 6(1A) :- Deemed Resident.

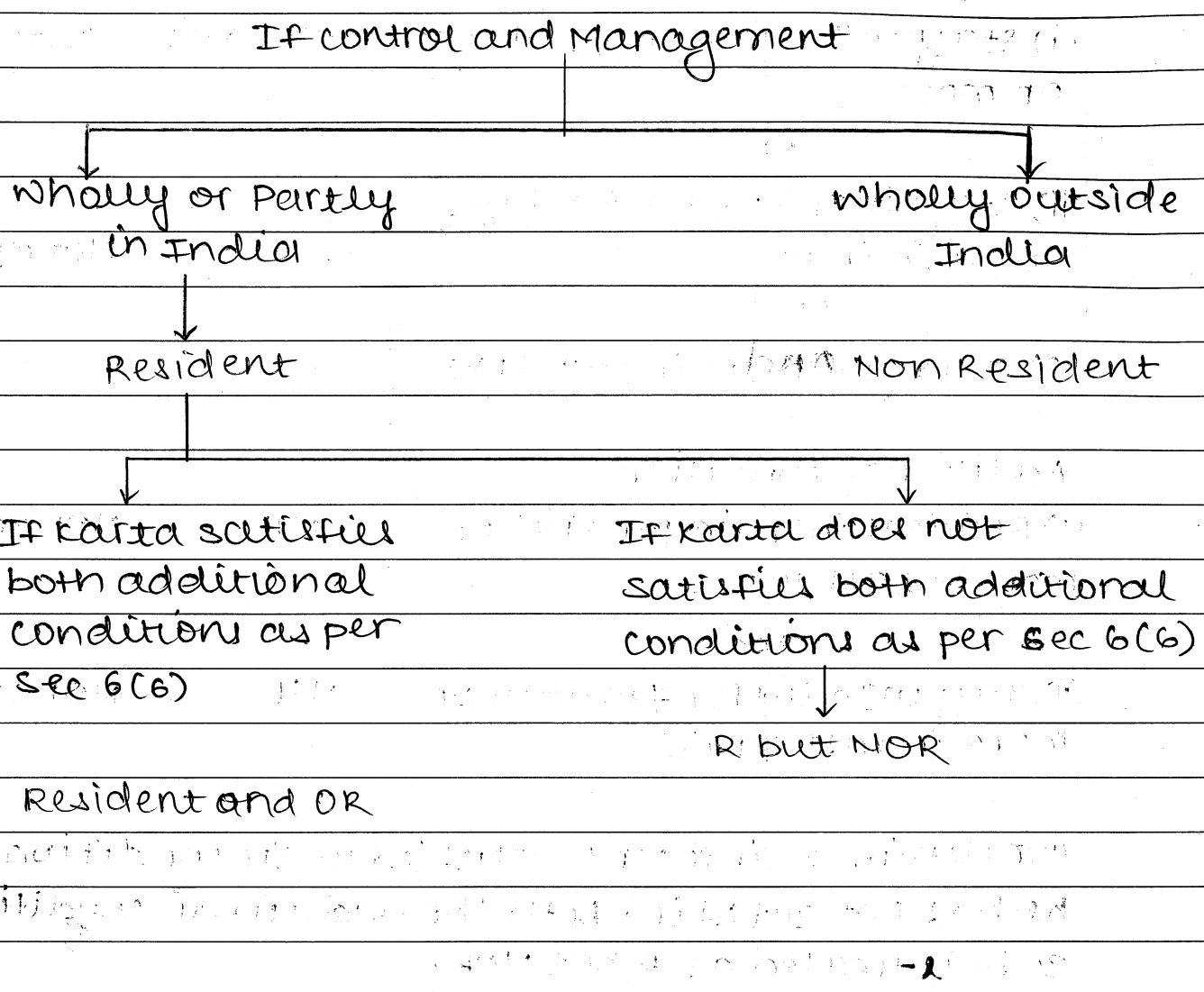
If any Individual being Indian citizen not satisfied any basic condition as per sec 6(1), having total Income more than ₹15,00,000 (other than foreign income) shall be deemed to be resident in India if he is not liable to tax in any country due to residency or domicile then he is treated as R but NOR in India.

Eg:- Mr Technical Gurujit is an Indian citizen and currently working in Dubai. During the PY 25-26 he has visited 55 days in India. During the PY he is not liable to pay tax in any country due to his Residency. Determine his Residential status if his total income (TIF)

(A) 2150000 → R but NOR

(B) 1100000 → NR

(B) — Residential status of HUF



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(A) Residential status of HUF

Business of HUF is fully transacted from Australia it means it is wholly controlled from outside India so as per sec 6(2), HUF is treated as Non Resident in India

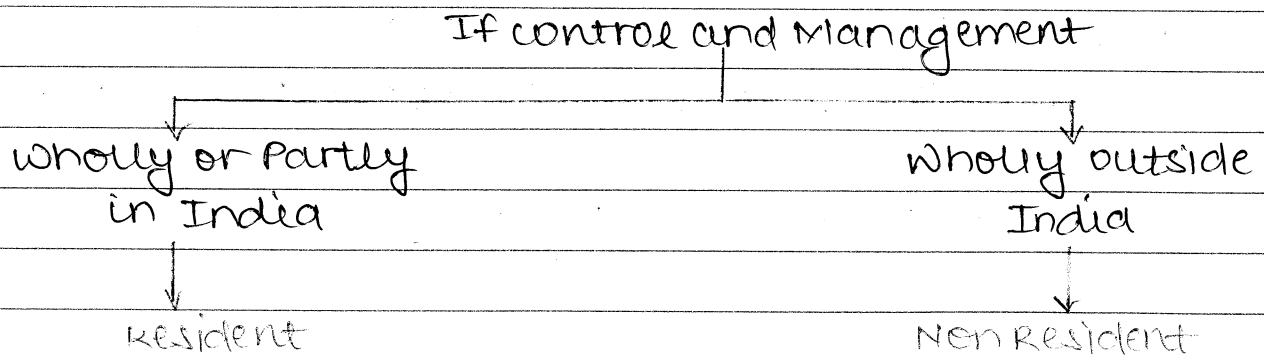
(B) Residential status of Mr E.

→

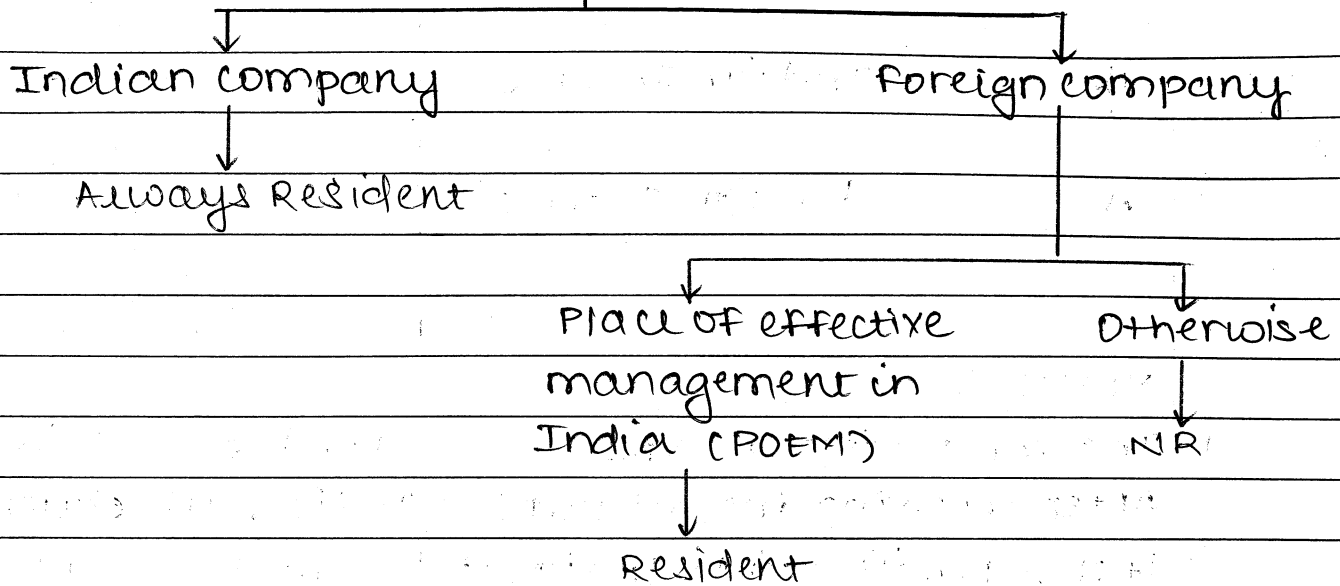
Particulars	NO. OF Days	satisfied/ Not satisfied
Basic conditions		
(i) stay in India for 182 days or more	245 days	satisfied
<u>OR</u>		
(ii) stay in India for 60 days or more in PY	→	Not applicable
<u>AND</u>		
365 days or more in last 4 PYs		
Additional condition		
(i) Resident in India for 2 PYs or more in last 10 PY's	NIL	Not satisfied
<u>And</u>		
(ii) stay in India for 730 days or more in last 7 PY's	NIL	Not satisfied

conclusion :- Since Mr E satisfied Basic condition but he has not satisfied both the additional conditions. So he is treated as R but NOR.

—(C) Residential status of firm/LLP/AOP/BOI/Local authority/ATP. Sec 6(2)



— D) Residential status of company, Sec 6(3)



— sec 5 :- Scope of Total Income

Total Income

Indian Income

Income Received or deemed to be received in

India

OR

Income accruing or arising or deemed to be accrue or arise in India

foreign Income

Income other than Indian Income

Taxability of Income for Individual and HUF

#	Income	ROR	R-NOR	NR
1)	Indian Income	Taxable	Taxable	Taxable
2)	Income from Business or Profession/controlled/set up in India	Taxable	Taxable	Not Taxable
3)	Other foreign Income	Taxable	Not Taxable	Not Taxable

Sr. NO	Income	Resident	NR
1)	Indian Income	Taxable	Taxable
2)	Foreign Income	Taxable	Not Taxable

NOTES:-

- 1) Income received means received for the first time. After receiving income outside India, subsequently if it is remitted into India, it cannot be treated as Receipt of Income.
- 2) Income may be in cash or in kind.
- 3) Any income already taxed on accrual basis, consequently remitted to India, is not chargeable to tax at the time of remittance irrespective of the residential status.
- 4) Income accrual in India means income generated in India or source of Income situated in India.

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Mr. --- PY 25-26 AY 26-27

Computation of Gross Total Income

		(1)	(2)	(3)
		R-OR	R-NOR	NR
1)	Interest on UK development Bonds			
	→ 50% received in India	5000	5000	5000
	→ 50% outside India	5000	—	—
2)	Income from Business in Chennai	20000	20000	20000
3)	STCG on sale of shares of an Indian company received in London	20000	20000	20000
4)	Dividend from British company received in London	5000	—	5000
5)	LTCG on sale of plant at Germany			
	→ 50% in India	20000	20000	20000
	→ 50% outside India	20000	—	—
6)	Income earned from Business in Germany			
	→ Received in India	40000	40000	40000
	→ outside India	30000	30000	—
7)	Profit from a business in Delhi	15000	15000	15000
8)	Income from HP in London deposited in Bank of London	50000	—	—
9)	Interest on debentures in an Indian company received in London	12000	12000	12000