RS

# CH-2
## Residential Status [4M to 5M]

**Note:**

Resident → Income earn in India, Income earn outside India → Both taxable in India

Non Resident → Income earn in India → Taxable in India
→ Income earn outside India → Taxable outside India

### Residential Status

- Part-A: U/s 6 Residential status
  - Individual / HUF
    - Resident
      - Resident and ordinary Resident (ROR) 1
      - Resident But not ordinary Resident (RNOR) 2
    - Deemed Resident → Resident But not ordinary Resident (RNOR)
    - Non Resident 3
  - AOP/BOI, Firm, Co, Local Authority, AJP
    - Resident 1
    - Non-Resident. 2
- Part-B: U/s-5 Scope of total Income

→ U/s 6(1) : Residential status of Individual

- Step-1: Resident | Non-Resident
- Step 2: Resident → ROR | RNOR

Step-1 : Resident Individual

IF Individual Satisfied Any OF following condition [Basic condition]

Basic condition-1 : IF Individual has been in India during the previous year for total period of 182 days or more.

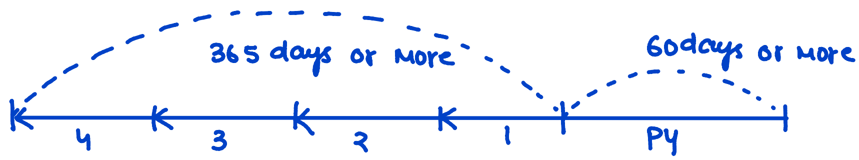
1·4·2022 — 182 days or more stay — 31·3·23

OR

Basic Condition-2 : IF Individual has been in India during the previous year for total period of 60 days or More

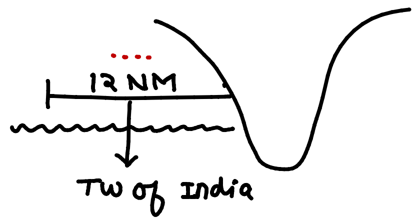
+

IF Individual has been in India last 4 previous year for total period of 365 days or More




Note-2 : It is not necessary that period of stay must be continous.

Note-3 : Stay in India Include → stay in territorial water of India.




Exception of Basic Condition NO-2 : i.e. Basic Condition-2 Not Apply IF following case.

→ Person will be resident only if satisfied Basic Condition-1.
↓
182 or More during PY

1. Indian Citizen will be Resident who leave India for employment/ Business, or he leave India as a crew member of Indian ship.

e.g. MR-P Indian Citizen —leave India→ Purpose
(i) Employment / Business OR
(ii) Crew member of Indian Ship

2. Indian Citizen / Person of Indian Origin (→ POI) : who being outside India come on visit to India during the previous year

POI : Person of Indian Origin → a person IF he or either of his Parents or grand parents was born in undivided India Before 1947

→ Exception

- IF Indian Citizen / PIO +
- Indian Income Exceed 15 lakh during PY

then such Individual Resident in India only if

1. Stay 182 days or more during PY

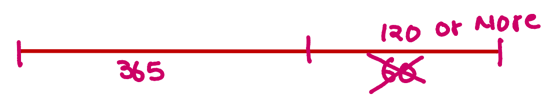
OR

2. Stay 120 days during PY + 365 days during 4 Preceeding PY

1. Stay 182 days or more during PY

OR

2. Stay 120 days during PY + 365 days during 4 Preceeding PY




Visit to India

| Ex. | Stay During PY | Stay During last 4 PY | Indian Income | Person | Residential Status |
|---|---|---|---|---|---|
| | | | | | |

U/S 6(1A) : Deemed Resident

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IF Individual being Indian Citizen [ PIO Not cover]
+
his Indian Income Exceed 15 Lakh
+
he not pay any tax in any other country

then such Individual become Deemed resident and Residential Status of such Individual Always → RNOR

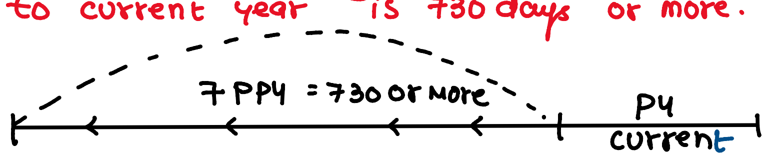
Step-2 : Resident [As step-1]

ROR ↓ IF he satisfied Both Additional conditions

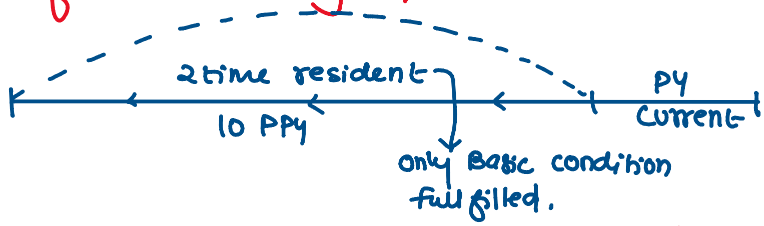
RNOR ↓

1. IF not satisfied Both either or one Additional condition
2. Deemed Resident
3. Indian citizen | PIO visit India + Indian Income exceed 15Lakh

Addition Condition - 1 : he stay in India last 7 preceeding PY relevant to current year is 730 days or more.



Addition Condition-2 : he is resident in India at least two time out of 10 Preceeding PY relevant to current year.




## "Residential Status of HUF" "MCQ"

- step 1 [ Resident
  - ROR
  - RNOR
- Non-Resident

### Basic Condition OF HUF

- Resident
  - IF control & management of its Business affair is wholly or Partly situated in India.
    - ROR
      - IF Both Additional condition (same as Individual) is satisfied by karta of HUF
    - RNOR
      - IF Both | one Additional condition (same as Individual) is not satisfied by karta of HUF
- non-Resident
  - IF control & management of its Business affair is wholly outside India

## Residential Status of AOP | BOI | firm | Local Authority | Trust | AJP [other than co's]

- Resident
  - IF control & management of its Business affair is wholly or Partly situated in India.
- non-Resident
  - IF control & management of its Business affair is wholly situated in outside India.

→ Residential Status of company : [All co's]

1. All Indian co's is Always being Resident
   ↳ Registered under ROC.
2. All foreign co. – Always Resident if POEM in India
   ↳ Place of effective mgt

2. All foreign co. – Always Resident if POEM in India

3. All foreign co. → non-Resident if POEM outside India.