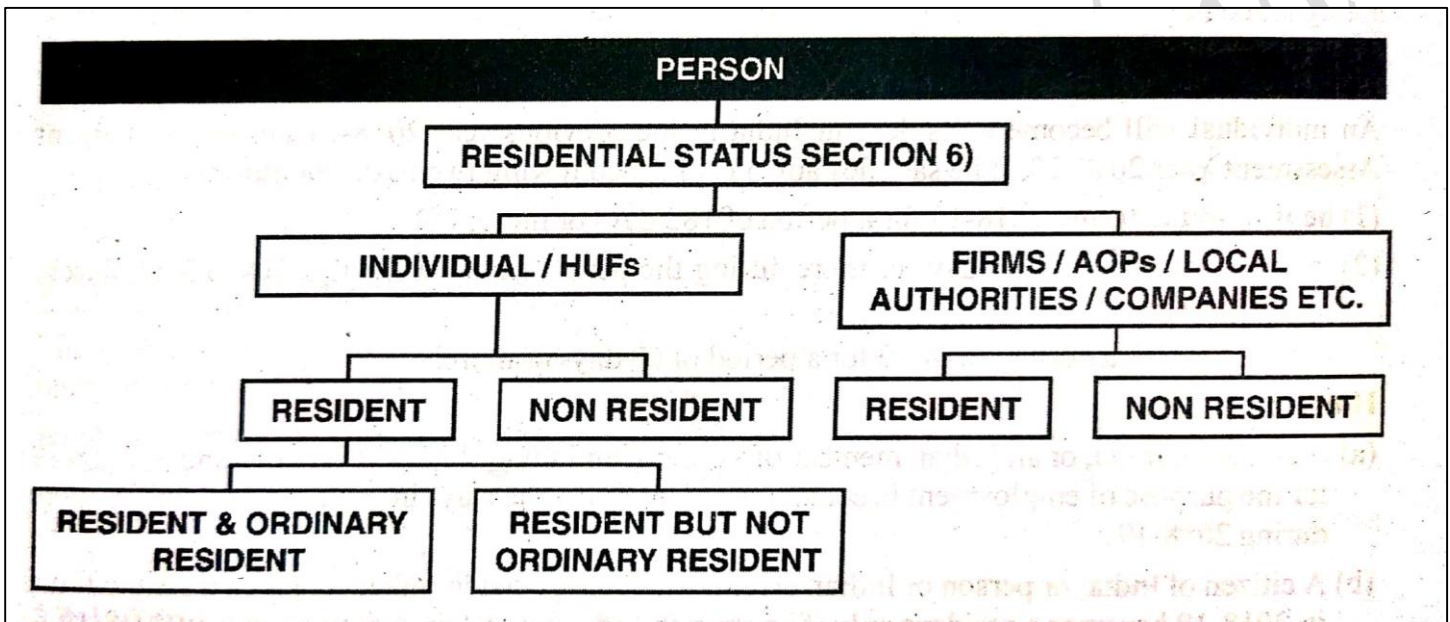


~: RESIDENTIAL STATUS:~

- A person is classified on the basis of LEGAL STATUS. like (Individual, HUF, Firm etc.)
- A person further may classified, on the basis of RESIDENTIAL STATUS into (a) RESIDENT IN INDIA and (b) NON-RESIDENT IN INDIA.
- Under Sec 6 of Income Tax Act,1961 , which defines the residential status of a person.



~: IMPORTANT POINTS :~

- According to Income Tax Act an Individual Accesssee is either registered as Resident or Non Resident.
- A Resident is liable to pay Income Tax on its world's Income
- A Non Resident is liable to pay Income Tax only on his Indian Income.
- Residential Status is determine in every Previous Year.

Who is An Resident ?

An Individual Accessee is regarded as a Resident ONLY IF he satisfies ANY 1 of 2 Basic Condition.

~: BASIC CONDITIONS :~

According to Sec 6(1) :-

1. Stay of 182 days or more in India in P.Y.

OR

2. (a) ~~Stay of 60 days or more in India in P.Y.~~

AND

2. (b) ~~Stay of 365 days or more in India in last 4 Preceding Previous Year.~~

IMPORTANT POINTS

- If he fails to satisfy the Basic Condition itself, then he shall be regarded as NON RESIDENT
- If he become a RESIDENT then next question shall be, whether he is ORDINARY RESIDENT OR NON ORDINARY RESIDENT.
- He shall be regarded Ordinary Resident ONLY IF he satisfy BOTH the ADDITIONAL CONDITIONS.
- If he fails to satisfy the 1st OR 2nd OR Both of the ADDITIONAL CONDITION than he shall be regarded as NON-ORDINARY RESIDENT.

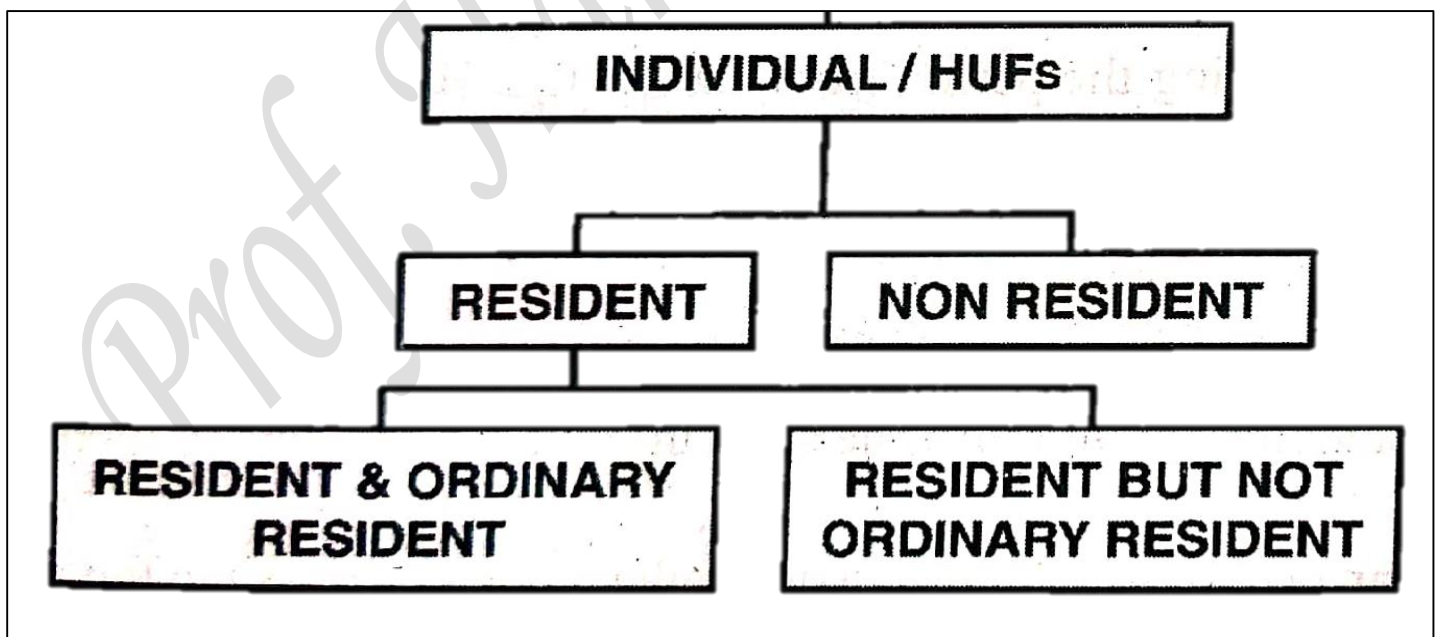
~: ADDITIONAL CONDITIONS :~

According to Sec 6(6) :-

1. Resident in India 2 out of last 10 P.P.Y.

AND

2. Stay of 730 days or more in India in Last 7 P.P.Y.



18 line Table To Calculate Residential Status

CONDITIONS	No. of	Satisfy
	Days of	OR Not
	Stay	Satisfy
BASIC CONDITION SEC 6(1)		
1) Stay of 182 days or more in India		
in P.Y.		
OR		
2) (a) Stay of 60 days or more in India		
in P.Y.		
AND		
2) (b) Stay of 365 days or more in India		
in Last 4 P.P.Y.		
ADDITIONAL CONDITION SEC 6(6)		
1) Resident in India At least 2 out of		
Last 10 P.P.Y.		
AND		
2) Stay of 730 days or more in India		
in Last 7 P.P.Y.		

IMPORTANT ADJUSTMENT

TIME LINE

- It is a Compulsory Adjustment.
- This adjustment is use for calculating number of days stay in India.
- While calculating number of days stay in India, the day of Coming to India, OR Leaves from India, BOTH ARE COUNTED AS STAY IN INDIA.
- FOR US :-
 Assessment Year (A.Y.) is 2021-2022
 and Previous Year (P.Y.) is 2020-2021

Number of Days in each month

In P.Y. 2019-2020

April	30
May	31
June	30
July	31
August	31
September	30
October	31
November	30
December	31
January	31
February	28/29
March	31

Example :-

1. Mr. A left India on 10th Aug 2019.

SOLUTION :-



April	30 days
May	31 days
June	30 days
July	31 days
August	10 days
<u>TOTAL</u>	<u>132 days</u>

2. Mr. B Comes to India on 2nd Dec 2019.

SOLUTION :-



December	30 days
----------	---------

January	31 days
February	29 days
March	31 days
<u>TOTAL</u>	<u>121 days</u>

~: IMPORTANT NOTE :~

Normally an Individual Accesssee is regarded as a Resident only if he satisfy any one of the 2 basic conditions, however in 3 Cases (Exceptions) he shall be regarded as a Resident only if he satisfy the 1st Basic Condition, in other words the 2nd Basic Condition is not applicable and therefore should not be checked.

1. An **Individual** who is an **Indian Citizen** and who **leaves India** in **PY** for **Employment**.
2. An **Individual** who is an **Indian Citizen** and who **leaves India** in **PY** as a **crew member** of an **Indian Ship**.
3. An **Individual** who is an **Indian citizen** OR **A person of Indian Origin** and who **comes to** India in **PY** for a **Visit**.

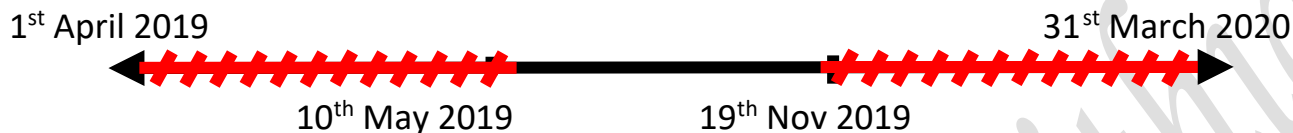
~: SUMS :~

Q-1) Mr. Sanjay, an Indian Citizen went to USA for the first time for the purpose of employment on 10th May, 2019. He came back to India on 19th November, 2019. Find out his residential status for Assessment year 2020-21.

SOLUTION :~

Working Note.

Time Line.



Apr +May +Nov +Dec +Jan +Feb +Mar
 30 +10 +12 +31 +31 +29 +31
TOTAL 174

Residential Status of Mr. Sanjay for A.Y 20-21

CONDITIONS	No. of	Satisfy
	Days of	OR Not
	Stay	Satisfy
BASIC CONDITION SEC 6(1)		
1) Stay of 182 days or more in India	174	Not
in P.Y.	Days	Satisfied
OR		
2) (a) Stay of 60 days or more in India		
in P.Y.	Not	Not
AND	Applicable	Applicable
2) (b) Stay of 365 days or more in India		
in Last 4 P.P.Y.		
ADDITIONAL CONDITION SEC 6(6)		
1) Resident in India At least 2 out of		
Last 10 P.P.Y.	Not	Not
AND	Applicable	Applicable
2) Stay of 730 days or more in India		
in Last 7 P.P.Y.		

EXPLANATION

CONCLUSION

Q.2) Mr. Charlie Farande who is an Indian Citizen went for employment to Dubai on 1st April

2013 and came on a visit to India on 1-7-2019 and left for Dubai on 15-12-2019.
Determine his residential status for Assessment Year 2020-21.

SOLUTION :~

Working Note.

Time Line.



July +Aug +Sept +Oct +Nov +Dec

31 +31 +30 +31 +30 +15

TOTAL 168

Residential Status of Mr. Charlie Farande for A.Y 20-21

CONDITIONS	No. of	Satisfy
	Days of	OR Not
	Stay	Satisfy
BASIC CONDITION SEC 6(1)		
1) Stay of 182 days or more in India	168	Not
in P.Y.	Days	Satisfied
OR		
2) (a) Stay of 60 days or more in India		
in P.Y.	Not	Not
AND	Applicable	Applicable
2) (b) Stay of 365 days or more in India		
in Last 4 P.P.Y.		
ADDITIONAL CONDITION SEC 6(6)		
1) Resident in India At least 2 out of		
Last 10 P.P.Y.	Not	Not
AND	Applicable	Applicable
2) Stay of 730 days or more in India		
in Last 7 P.P.Y.		

EXPLANATION

CONCLUSION

Q-3) Mr. Alexandra is a foreign citizen. During the Financial Year 2019 – 2020 he was in India for 101 days. Determine her Residential Status for A.Y 2020–2021 on the basis of following

information about her stay in India as given below:

2001 – 2002	74 days	2010 – 2011	10 days
2002 – 2003	20 days	2011 – 2012	20 days
2003 – 2004	38 days	2012 – 2013	40 days
2004 – 2005	165 days	2013 – 2014	135 days
2005 – 2006	16 days	2014 – 2015	240 days
2006 – 2007	160 days	2015 – 2016	200 days
2007 – 2008	81 days	2016 – 2017	300 days
2008 – 2009	25 days	2017 – 2018	100 days
2009 – 2010	165 days	2018 – 2019	150 days

SOLUTION :~

Working Note.

1. Last 4 P.Y. stay in India.

P.Y	No. of days
2018-19	150
2017-18	100
2016-17	300
2015-16	200
TOTAL	750

2. Last 10 P.Y. resident and stay in India.

P.Y	No. of days	BASIC		R / NR
		1	2	
2018-19	150	NO	YES	R
2017-18	100	NO	YES	R
2016-17	300	YES	-	R
2015-16	200	YES	-	R
2014-15	240	YES	-	R
2013-14	135	NO	NO	NR
2012-13	40	NO	NO	NR
2011-12	20	NO	NO	NR
2010-11	10	NO	YES	R
2009-10	165	NO	NO	NR

TOTAL
1165

Residential Status of Mr. Alexandra for A.Y 20-21

CONDITIONS	No. of	Satisfy
	Days of	OR Not
	Stay	Satisfy
BASIC CONDITION SEC 6(1)		
1) Stay of 182 days or more in India	101	Not
in P.Y.	Days	Satisfied
OR		
2) (a) Stay of 60 days or more in India	101	
in P.Y.	Days	Satisfied
AND		
2) (b) Stay of 365 days or more in India	750	
in Last 4 P.P.Y.	Days	Satisfied
ADDITIONAL CONDITION SEC 6(6)		
1) Resident in India At least 2 out of	6	
Last 10 P.P.Y.	Years	Satisfied
AND		
2) Stay of 730 days or more in India	1165	
in Last 7 P.P.Y.	Days	Satisfied

**EXPLANATION
CONCLUSION**

Q-4) Professor Rajendra a UK citizen is a visiting faculty at JNO university, provide you a following details of his visit to India during last 10 years. Prior to 1-4-2010 he did not visit India, find out his residential status for A.Y. 2020-21

2010 – 2011	100 days	2015 – 2016	179 days
2011 – 2012	190 days	2016 – 2017	182 days
2012 – 2013	130 days	2017 – 2018	70 days
2013 – 2014	15 days	2018 – 2019	200 days
2014 – 2015	195 days	2019 – 2020	182 days

SOLUTION :~

Working Note.

1) Last 10 P.Y. resident and stay in India.

P.Y	No. of days	BASIC		R / NR
		1	2	
2018-19	200	YES	-	R
2017-18	70	NO	YES	R
2016-17	182	YES	-	R
2015-16	179	NO	YES	R
2014-15	195	YES	-	R
2013-14	15	NO	NO	NR
2012-13	130	NO	NO	NR
2011-12	190	YES	-	R
2010-11	100	NO	NO	NR
2009-10	00	NO	NO	NR

TOTAL

971

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Residential Status of Professor Rajendra for A.Y 20-21

CONDITIONS	No. of	Satisfy
	Days of	OR Not
	Stay	Satisfy
BASIC CONDITION SEC 6(1)		
1) Stay of 182 days or more in India	182	
in P.Y.	Days	Satisfied
OR		
2) (a) Stay of 60 days or more in India	Not	Not
in P.Y.	Required	Required
AND		
2) (b) Stay of 365 days or more in India	Not	Not
in Last 4 P.P.Y.	Required	Required
ADDITIONAL CONDITION SEC 6(6)		
1) Resident in India At least 2 out of	6	
Last 10 P.P.Y.	Years	Satisfied
AND		
2) Stay of 730 days or more in India	971	
in Last 7 P.P.Y.	Days	Satisfied

EXPLANATION

CONCLUSION

Q.5) Shri Ram Gopal Desai, a citizen of USA has been staying in India since 1991. he leaves on 16th July 2019 on a visit to USA and return on 4th January 2020. Determine his residential status for Assessment Year 2020-21.

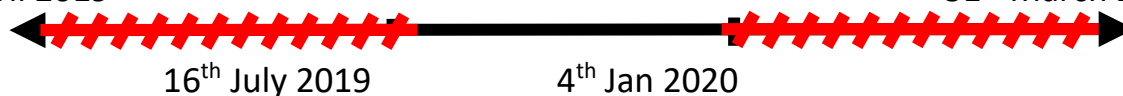
SOLUTION :~

Working Note.

1) Time Line.

1st April 2019

31st March 2020



Apr +May +Jun +July +Jan +Feb +Mar

30+31+30+16+28+29+31

TOTAL 195

2) Last 10 P.Y. resident and stay in India.

P.Y	No. of days	BASIC		R / NR
		1	2	
2018-19	365	YES	-	R
2017-18	365	YES	-	R
2016-17	365	YES	-	R
2015-16	366	YES	-	R
2014-15	365	YES	-	R
2013-14	365	YES	-	R
2012-13	365	YES	-	R
2011-12	366	YES	-	R
2010-11	365	YES	-	R
2009-10	365	YES	-	R

TOTAL

2556

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Residential Status of Shri Ram Gopal Desai for A.Y 20-21

CONDITIONS	No. of	Satisfy
	Days of	OR Not
	Stay	Satisfy
BASIC CONDITION SEC 6(1)		
1) Stay of 182 days or more in India	1195	
in P.Y.	Days	Satisfied
OR		
2) (a) Stay of 60 days or more in India	Not	Not
in P.Y.	Required	Required
AND		
2) (b) Stay of 365 days or more in India	Not	Not
in Last 4 P.P.Y.	Required	Required
ADDITIONAL CONDITION SEC 6(6)		
1) Resident in India At least 2 out of	10	
Last 10 P.P.Y.	Years	Satisfied
AND		
2) Stay of 730 days or more in India	2556	
in Last 7 P.P.Y.	Days	Satisfied

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EXPLANATION
CONCLUSION

Prof. Hare

~: Homework Questions :~

Q-6) Mr. X is a foreign citizen. During the Financial Year 2019 – 2020 he was in India for 85 days. Determine her Residential Status for A.Y 2020–2021 on the basis of following information about her stay in India as given below:

2007 – 2008	326 days	2013 – 2014	200 days
2008 – 2009	85 days	2014 – 2015	40 days
2009 – 2010	15 days	2015 – 2016	80 days
2010 – 2011	200 days	2016 – 2017	100 days
2011 – 2012	100 days	2017 – 2018	182 days
2012 – 2013	100 days	2018 – 2019	200 days

Q.7) Mr. Shane , an American citizen comes to India for the first time on 1st April 2015 & started business in Mumbai. He went out of India on 1st April 2019 and come back to India on 1st Jan 2020 and he was in India thereafter. Find his residential status for A.Y. 2020-21.

Q.8) Mr. Kapadia born in Japan is an Indian citizen. He comes to India at the age of 19 and never went outside India till the age of 29 years. He left for USA on 1st May 2017 for further studies after staying in India for 10 years continuously and again come back to India on 1st March 2019. he again leaves India on 1st Aug 2019 for the purpose of employment in U.K. and didn't return in India till 31st March 2020. find out his residential status for A.Y. 2020-21.

Q.9) Mr. Dhaval, an Indian citizen, went out of India for the first time for the purpose of his employment outside India on 1st May 2019 and come back to India on 1st Dec 2019. find out his residential status for A.Y. 2020-21.

Q.10) Mr. Ajay is a citizen of USA, his grandmother was born near a village in Karachi in 1933. Mr. Ajay come to India for the first time for a visit on 10th Sept 2019 and left on 5th Jan 2020. find out his residential status for A.Y. 2020-21.

Q-11)

Mr. Pratham is an Indian citizen. He visits various countries for the purpose of his business. Following are the details of his visits out of India :

<i>Name of Country</i>	<i>Date of Departure from India</i>	<i>Date of Arrival in India</i>
Germany (for first time)	01-07-2017	01-03-2019
France	10-04-2019	28-04-2019
U.K.	15-05-2019	01-06-2019
Australia	28-06-2019	15-07-2019
Singapore	01-09-2019	17-09-2019
China	01-02-2020	22-02-2020

Determine his residential status for the Assessment Year 2020-21.

(Nov. 2018, adapted)

Prof. Harshik Majithra