



Residential Status as per Finance Act, 2020



APRIL 6, 2020

SACHIN GUJAR & ASSOCIATES

47/22, Ekta Apartments, Above Nirmitee Showroom, Law College Road, Pune- 411004

RESIDENTIAL STATUS AS PER FINANCE ACT 2020.

(A) For All Individuals OTHER THAN

1. An Indian citizen who leaves India in any year as member crew of an Indian ship or for the purpose of employment outside India.
2. An Indian citizen or a Person of Indian Origin, engaged outside India in an employment or a business or profession or in any other vocation, who comes on a visit to India during the relevant previous year.

Satisfies any one of the following conditions

1. Stay in India for 182 days or more during the relevant previous year. OR
2. Stay in India for 60 days or more during the previous year AND stay in India for 365 days or more during the 4 years prior to the previous year.

YES

NO

Then satisfies BOTH the following conditions

1. Resident in India at least in any 2 previous years out of 10 previous year preceding the relevant previous year
2. Stay in India for 730 days or more during the 7 previous years preceding the relevant previous year.

YES

NO

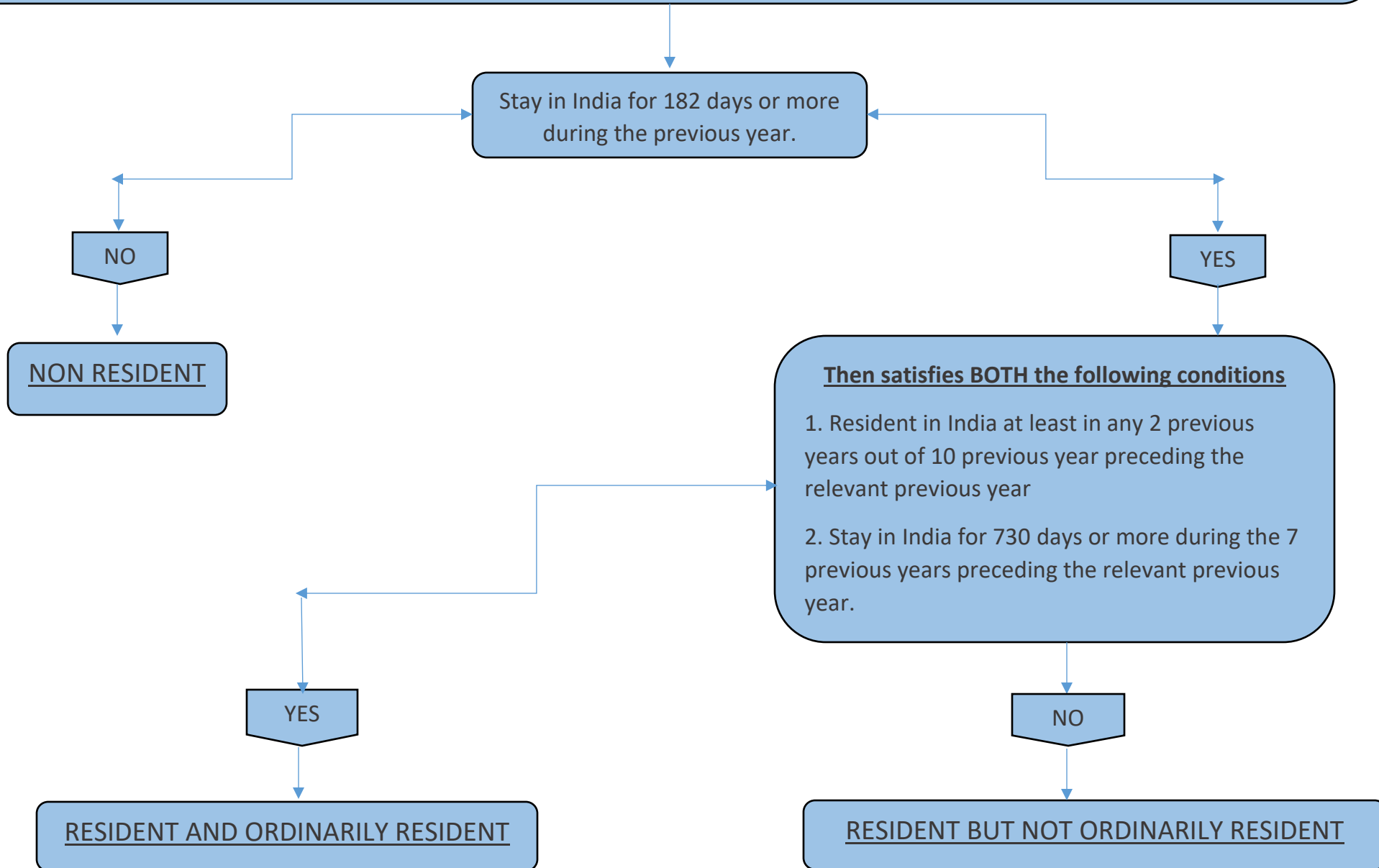
RESIDENT AND ORDINARILY RESIDENT

RESIDENT BUT NOT ORDINARILY RESIDENT

NON RESIDENT

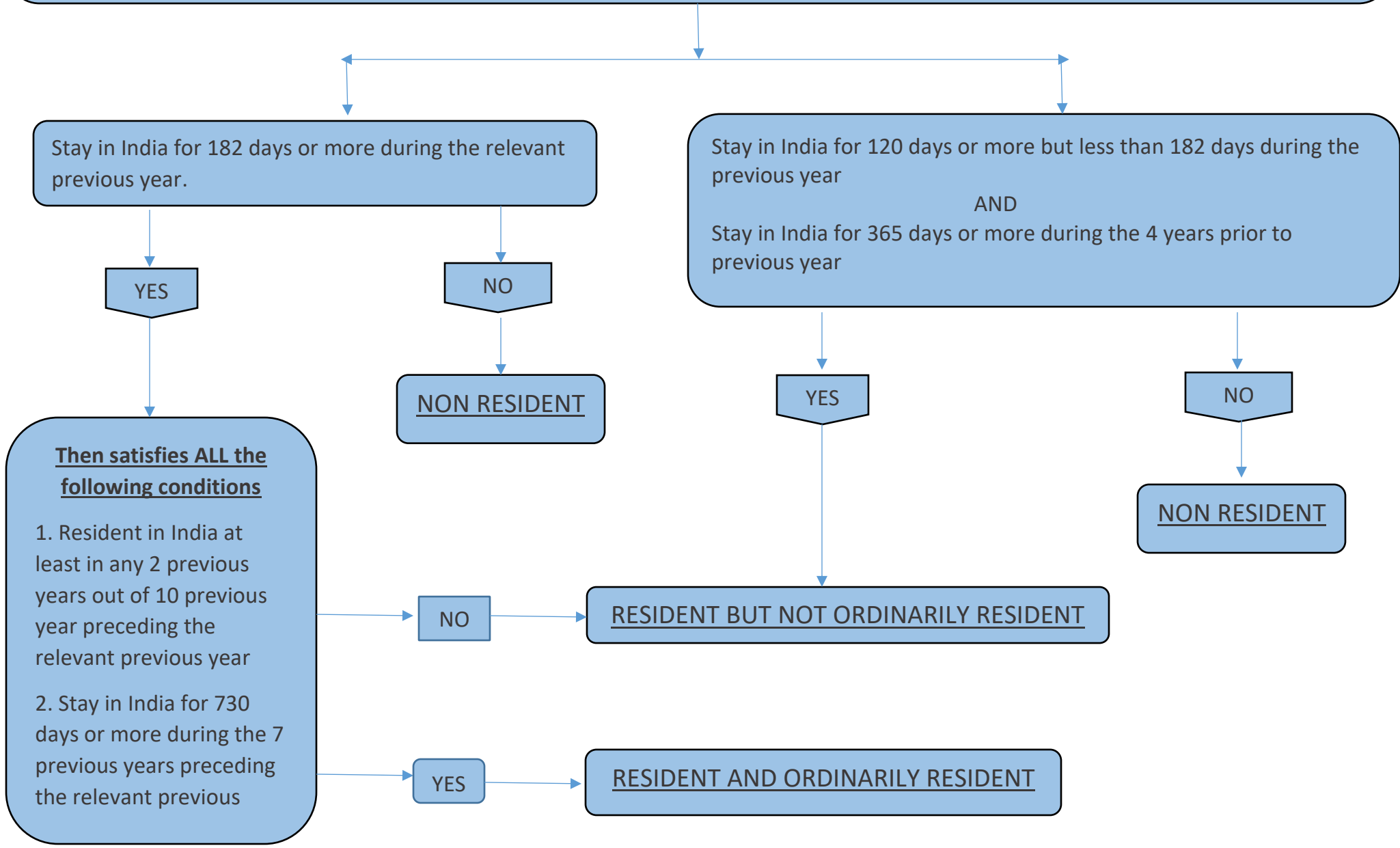
(B) RESIDENTIAL STATUS FOR THE FOLLOWING INDIVIDUALS WHOSE TOTAL INCOME IN INDIA IS LESS THAN RS. 15 LAKHS.

- 1. An Indian citizen who leaves India in any year as member crew of an Indian ship or for the purpose of employment outside India.**
- 2. An Indian citizen or a Person of Indian Origin, engaged outside India in an employment or a business or profession or in any other vocation, who comes on a visit to India during the relevant previous year.**

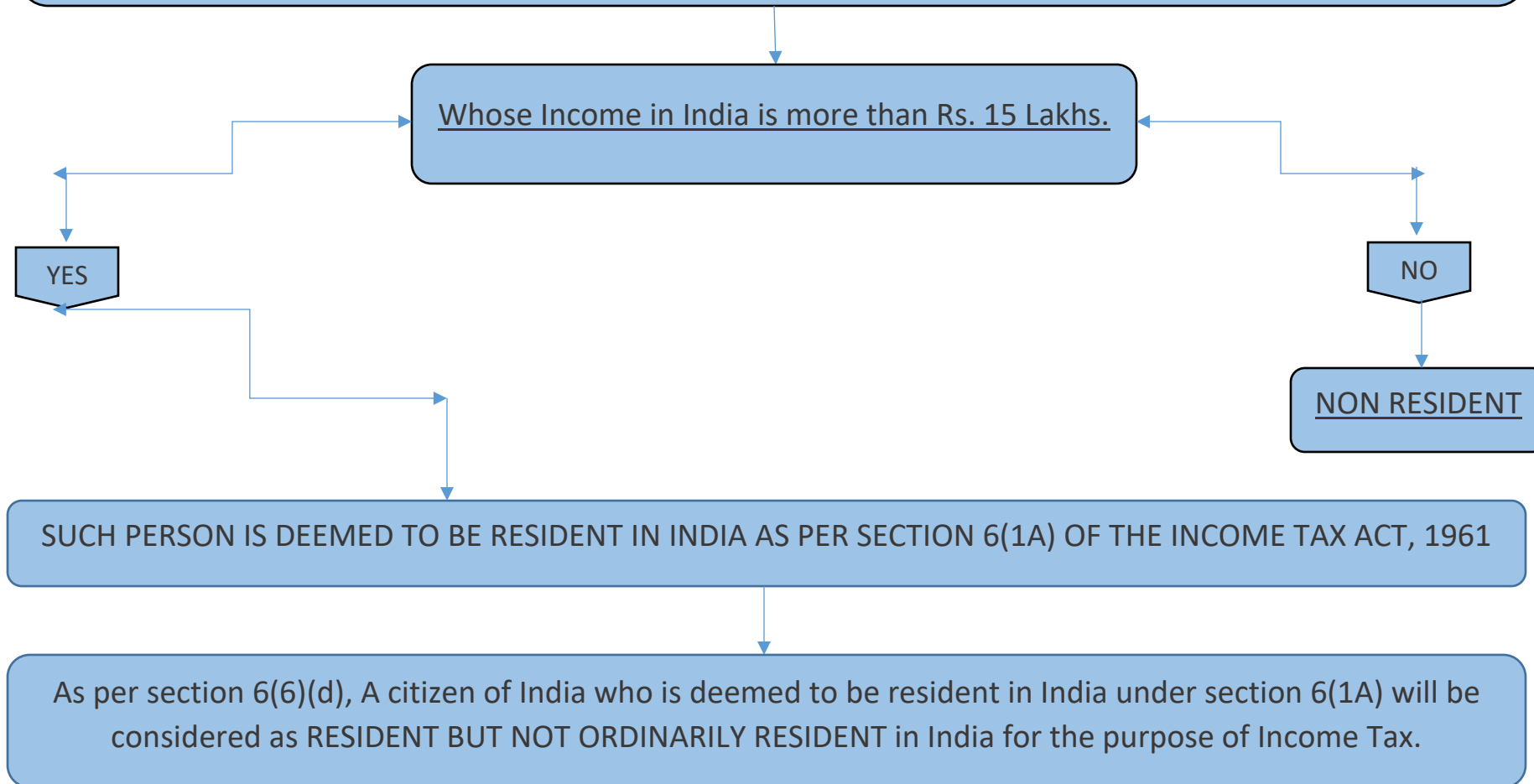


(C) RESIDENTIAL STATUS FOR THE FOLLOWING INDIVIDUALS WHOSE TOTAL INCOME IN INDIA IS MORE THAN RS. 15 LAKHS.

- 1. An Indian citizen who leaves India in any year as member crew of an Indian ship or for the purpose of employment outside India.**
- 2. An Indian citizen or a Person of Indian Origin, engaged outside India in an employment or a business or profession or in any other vocation, who comes on a visit to India during the relevant previous year.**



(D) RESIDENTIAL STATUS OF AN INDIAN CITIZEN WHO IS NOT LIABLE TO TAX IN ANY OTHER COUNTRY OR TERRITORY BY REASON OF HIS DOMICILE OR RESIDENCE.



Note: Press release from Ministry of Finance.

In order to avoid any misinterpretation, it is clarified that in case of an Indian citizen who becomes deemed resident of India, income earned outside India by him shall not be taxed in India unless it is derived from an Indian business or profession.

https://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/822/PressRelease_CBDT_issues_clarification_on_the_new_provision_pertaining_to_residence_in_India_03022020.pdf