

CHAPTER 2

RESIDENTIAL STATUS

Illustration 1

X is a citizen of Bangladesh. His grandmother was born in a village near Dhaka in 1940. He came to India for the first time since 1981 on 2/10/2020 for a visit of 190 days.

Find out the residential status of X for the assessment year 2023-24 on the assumption that wife of X is a resident but "not ordinarily resident in India" for the same year.

Illustration 2

'M' an Indian citizen left India for the first time on 24/09/2019 for employment in USA. During the previous year 2022-23 he comes to India on 5/6/2020 for 165 days. Determine the residential status of 'M' for the assessments year 2023-24 and 2024-25.

Illustration 3

Mrs Kohli, a citizen of India is an export manager of Arjun Overseas Limited, an Indian company, since 1.5.2015. he has been regularly going to USA for export promotion. He spent the following days in USA for the last five years:

Previous year ended	No. of days spent in USA
31.3.17	317 days
31.3.18	150 days
31.3.19	271 days
31.3.20	311 days
31.3.21	294 days

Determine his residential status for assessment year 2023-24 assuming that prior to 1.5.2016. he had never travelled abroad.

Illustration 4

R Ltd and S Ltd companies are registered in Nepal and India respectively. All meetings of board of directors of R Ltd were held in India. Whereas all board meetings of S Ltd were held in Nepal during the previous year 2022-23. Determine the residential status of both the companies for the assessment year 2023-24.

Illustration 5

Determine the residential status in the following cases for the assessment year 2023 - 24:

- The control and management of a HUF is situated in India. The manager of the HUF. Visited England with his wife from 14.8.20 to 30.6.2021. earlier to that he was always in India.
- A company, whose registered office is in America, has a place of its effective management in the previous year in India.

- In a partnership firm, there are three partners namely A, B and C. A and B reside in India. While C lives in Germany. The firm is fully controlled by C. during the previous year, Mr. C stayed for 6 months in India.
- A VIP club is in India, whose director Mr X belongs to China. The club is controlled fully by Mr. X. in the previous year Mr. X did not come for a single day to India.

Illustration 6

During the previous year 2022-23, X a foreign citizen, stayed in India for just 69 days. Determine the his residential status for the assessments year 2023-24 on the basis of the following information:

- During 2019-20, he was not present in India but during 2018-19 he came to India for 276 days.
- During 2017-18, X was present in India for 90 days.
- During 2014-15 and 2012-13, X was in India for 359 and 348 days respectively.
- Earlier to 2013-14 he had been regularly coming to India for 100 days every year.

Illustration 7

A earns the following income during the financial year 2022-23:

Particulars		Amount (₹)
A	Interest paid by an Indian company but received in London	2,00,000
B	Pension from former employer in India, received in USA	8,000
C	Profile earned from business in Paris which is controlled in India, half of the profits beings received in India.	40,000
D	Income from agriculture in Bhutan and remitted to India	10,000
E	Income from property in England and received there	8,000
F	Past foreign untaxed income brought to India	20,000

Determine the total income of A for the assessment year 2023-24 if he is (i) resident and ordinarily resident, (ii) not ordinarily resident, and (iii) non-resident in India.

Illustration 8

Following are the incomes of R, a citizen of India, for the previous year 2022-23:

1	Interest on savings bank deposit in corporation bank, Delhi	12,000
2	Income from agriculture in Africa invested in Russia	5,000
3	Dividends received in USA from an English company, out of which ₹2,000 were remitted to India	12,000
4	Salary drawn for two months for working in India Embassy's office in Australia and salary received there	48,000
5	Income from house property. (the building is situated in Iraq, out of which ₹20,000 deposited in banks in Iraq and the balance remitted to	25,000

	India)	
6	Pension received in Belgium for services rendered in India with a limited company	10,000

You are required to compute his gross total income for the assessment year 2023 - 24 if he is (a) a resident and ordinarily resident, (b) not ordinarily resident, and (c) a non-resident.

Illustration 9

Compute taxable income of G a non-resident for the previous year 2022-23:

	Particulars	Amount (₹)
1	Income from operations confined to the purchase of goods in India for the purpose of export	40,000
2	Income from operations confirmed to shooting of a cinematography film in India G is an Indian citizen	1,00,000
3	Income from salary received in India for service rendered outside India	60,000