



The taxability of an individual in India depends upon his **residential status** in India for any particular financial year.

This term has been coined by the Income Tax Act, and must not be confused with one's citizenship.

The Income Tax Act classifies an Individual Assessee as:

- A resident
- A resident but not ordinarily resident
- A non-resident (NR)

RESIDENT



An Indian citizen having total Indian income exceeding Rs 15 lakhs during the previous year, if he is not liable to tax in any other country or territory by reason of his domicile or residence



Stay in India for a year is 182 days or more



Stay in India for immediately 4 preceding years is 365 days or more, and :

- 60 days or more in the relevant financial year
- 182 days if an Indian citizen has left India for the purpose of employment
- 182 days if an Indian citizen or a person of Indian origin is coming to India for visits
- 120 days if an Indian citizen or a person of Indian origin has total Indian income of more than Rs 15 lakhs

A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

ROR/RNOR

If an individual qualifies as a resident, the next step is to determine if he/she is a Resident and ordinarily resident (ROR) or a Resident but not ordinarily resident (RNOR).

Conditions for being an RNOR:



An Indian citizen or a person of Indian origin having total Indian income exceeding Rs 15 lakhs during the previous year, if he has been in India for more than 120 days, but less than 182 days



He has been a non-resident in India in 9 out of the 10 previous years

OR

Has stayed in India for 730 days or less in 7 immediately preceding years

TAXABILITY

STATUS	TAXABILITY
Resident	Income earned in India as well as income earned outside India shall be taxable.
Resident but not ordinarily resident	Tax liability restricted to income earned in India
Non Resident	Tax liability restricted to income earned in India