THE POWER OF BEING UNDERSTOOD

RSM

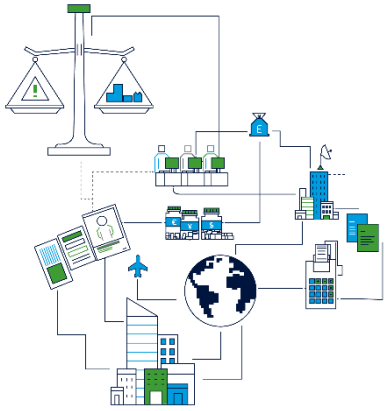
Newsflash – Bangalore ITAT rejects the claim of non-resident status of Binny Bansal denying the benefit claimed under the DTAA

Newsflash

Bangalore ITAT rejects the claim of non-resident status of Binny Bansal denying the benefit claimed under the DTAA

For Circulation
6 February 2026

1.0 Background



1.1 Recently, the Hon'ble Bangalore Bench of Income Tax Appellate Tribunal (hereinafter referred to as 'Hon'ble ITAT' or 'Tribunal') in the case of **Shri Binny Bansal v. DCIT, IT**[1] has passed a ruling rejecting the claim of the assessee being a non-resident in India, considering the provisions of section 6(1)(c) of the Income Tax Act, 1961 ('the Act') read with Explanation 1 of the said section[2].

1.2 Further, the Tribunal also held the assessee as resident in India on the basis of his nationality as per Article 4 of the India–Singapore Double Taxation Avoidance Agreement ('DTAA') after analysing the **tie-breaker rule** point by point and thereby, denying the benefits claimed under Article 13(4) of the DTAA with regard to indirect transfer of shares in India.

2.0 Facts of the Case

2.1 Shri Binny Bansal (the "assessee"), an Indian citizen and co-founder of Flipkart, stayed in India for 141 days during FY 2019-20 ("subject year") and over 365 days in the preceding four years. The assessee filed his Income Tax Return ('ITR') claiming non-resident status, relying on the extended threshold of 182 days under clause (b) of Explanation 1 to Section 6(1)(c) of the Act, instead of the usual 60 days.

2.2 The assessee, being a co-founder, was part of the leadership team of Flipkart group since its establishment, and he had served in various senior management capacities, including as chairman, chief operating officer ('CEO') and group chief executive officer ('Group CEO') at various points in time.

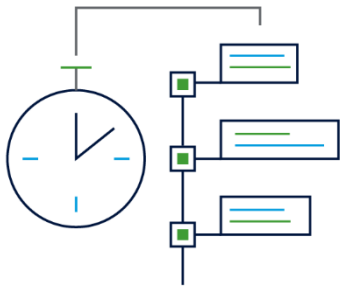
---

[1] Binny Bansal v. Deputy Commissioner of Income-tax [2026] 182 taxmann.com 226 (Bangalore - Trib.)

[2] **6.** For the purposes of this Act,—
(*1*) An individual is said to be resident in India in any previous year, if he—
(*a*) is in India in that year for a period or periods amounting in all to one hundred and eighty-two days or more ; or
(*b*) [***]
(*c*) having within the four years preceding that year been in India for a period or periods amounting in all to three hundred and sixty-five days or more, is in India for a period or periods amounting in all to sixty days or more in that year.
Explanation. 1—In the case of an individual,—
(*a*) being a citizen of India, who leaves India in any previous year ---------- for the purposes of employment outside India, the provisions of sub-clause (*c*) shall apply in relation to that year as if for the words "sixty days", occurring therein, the words "one hundred and eighty-two days" had been substituted ;
(*b*) being a citizen of India, or a person of Indian origin within the meaning of *Explanation* to clause (*e*) of section 115C, who, being outside India, comes on a visit to India in any previous year, the provisions of sub-clause (*c*) shall apply in relation to that year as if for the words "sixty days", occurring therein, the words "one hundred and eighty-two days" had been substituted.

Following the acquisition of a major stake in Flipkart Group by Walmart Group in August 2018, the assessee continued as the chairman and chief executive officer ('CEO') of Flipkart group. However, following subsequent developments, he resigned from these positions with effect from 13 November 2018. The key events following his resignation are set out below:

- **03.12.2018**: Assessee incorporated X to 10X Singapore Pvt Ltd., an Indian company.
- **14.01.2019**: Founded X to 10X Singapore Pte Ltd. in Singapore (formerly known as BTB Consulting Pte. Ltd.), promoted, co-founded by the assessee. This company holds 100% shares of above Indian company i.e. X to10X Singapore Pvt Ltd.
- **11.02.2019**: Approval for employment pass by Ministry of Manpower, Singapore
- **17.02.2019**: Employment letter issued by X to 10X Singapore Pte Ltd.
- **21.02.2019**: Travelled from India to Singapore to take up employment with X to 10X Singapore
- **22.02.2019**: Commenced employment as CEO with X to10X Singapore Pte Ltd.
- **02.04.2019**: Returned to India
- **12.04.2019**: Assessee incorporated BTB Advisors Pte Ltd in Singapore (co-founder and substantial shareholder)



- **04.09.2019**: Approval to the issuance of the Employment Pass to the assessee by the Ministry of Manpower, Government of Singapore authorising the assessee to reside in Singapore and take up employment with Three State Capital Advisors Pte Ltd. (formerly known as BTB Advisors Pte Ltd) in Singapore.
- **05.09.2019**: Resigned from X to10X Singapore Pte. Ltd., while in India
- **10.09.2019**: Travelled to Singapore to take up employment with Three State Advisors Pte. Ltd.
- **12.09.2019**: Commenced employment as CEO with Three State Advisors Pte. Ltd., Singapore.

2.3 During the relevant year, **the assessee sold 6,42,267 shares of Flipkart Pvt. Ltd, Singapore (which derived its value from an Indian entity i.e. Flipkart India Pvt Ltd) in three tranches, resulting in long-term capital gains.** Claiming the status of a non-resident, the assessee availed the beneficial provision of DTAA under section 90(2) of the Act.

Accordingly, the above capital gains were treated as not taxable in India as per Article 13 of DTAA in his ITR for the relevant year. As the acquiring entities had deducted withholding taxes ('WHT') on such gains, such WHT was claimed by the assessee as a refund. The claim of a high refund by the assessee for the subject year was one of the reasons for initiating the assessment proceedings.

2.4 The Assessing Officer ('AO'), however, denied the exemption, disputing the residential status claimed by the assessee. The AO denied the benefit of Explanation 1(b) to Section 6(1)(c) of the Act, holding that it applied only to non-residents, not to someone who was a resident in the immediately preceding year. This view was affirmed by the Dispute Resolution Panel ('DRP'), resulting in the present appeal before the Tribunal.

3.0 Contentions of the Assessee and Revenue Authorities

Line of Contention	Assessee	Revenue Authorities
Determination of Residency under the Act	• AO erred in holding that Explanation 1(b) to section 6(1)(c) of the Act applied only to individuals who were non-residents in India in the preceding years. It was argued that **the provision does not impose any requirement that an individual must be a non-resident in the preceding year in order to be covered by the said Explanation**. • The expression "being outside India" is different from "being non-resident" and the two cannot be used interchangeably. According to the assessee, once an individual leaves India to take up employment abroad, his situs is outside India, and he is 'outside India' for the purpose of Explanation 1(b), irrespective of his residential status in earlier years. • To support this interpretation, reliance was placed on the legislative history of this provision, including amendments introduced by the Finance Act 1978 and 1982 and its related explanatory memorandum and the Finance Minister's speech, relevant CBDT circulars[3], and various judicial pronouncements[4].	• Relying on ***CBDT Circulars***[8], which clarify that the relaxation was intended only for non-resident Indians to permit longer stays in India without losing their non-resident status. • The expression "being outside India" presupposes an established and settled presence abroad at the beginning of the previous year, whereas the assessee was a resident up to FY 2018–19 and entered India on 2nd April 2019, the second day of the relevant year. Moreover, **the assessee's stay of 141 days across multiple business-related visits, amounting to 38.6% of the year, was asserted to be a substantial presence rather than a mere visit contemplated under the provision.** • While there was no dispute regarding the first condition under Explanation 1(a) of the said section that the assessee is an Indian citizen, the second condition requires that the assessee must have left India during the relevant previous year. Since the assessee himself maintained that he left India in February 2019, which falls in the preceding previous year and not in the relevant previous year (FY 2019–20), he could not selectively change his position to claim the benefit of

[4] DIT, IT Bangalore vs. Manoj Kumar Reddy Nare [2011] 12 taxmann.com 326 (Karnataka HC), ADIT vs. Sudhir Choudrie [2017] 888 taxmann.com 570 (Delhi -Trib.), ITO vs. Dr. MP Konanhalli [1995] 55 ITD 266 (Bangalore-Trib.)

[8] Refer Annexure I for the relevant extracts of the Circular no. 346 (1982), 554 (1990) and 684 (1994)

Line of Contention	Assessee	Revenue Authorities
	• If the person 'being outside India' is to be interpreted as non-resident only, the statute would have used the simple phrase of "non-resident". Relying on the ruling of ***AMP spinning***[5] states that ***if the case of the assessee is covered by the plain, clear and unambiguous statutory language of the provisions of the law, it requires no external aid, like an object to construe them differently.*** • Even if the assessee fails to satisfy that the case of the assessee falls under Explanation 1(b) of the said section, h**is case also falls under Explanation 1(a) of the said section.** As per the Explanation 1(a) of the said section, if a citizen of India who leaves India in any previous year for the purpose of employment outside India, the criteria of 60 days mentioned in sub clause (c) of the said section should be considered as 182 days. The assessee submits that he is a citizen of India, who left India in any previous year for the purpose of employment outside India; therefore, the period of 60 days should also be extended to 182 days in his case. • Relying on ***Nishant Kanodia***[6] and ***Abdul Razak,***[7] wherein it was held that employment outside India under ***Explanation 1(a) of the said section includes self-***	Explanation 1(a) of the said section. Accordingly, the Revenue argued that the second condition remained unfulfilled. • The Indian and Singapore entities were promoted, substantially controlled, and effectively managed by the assessee, with overlapping business functions forming part of his continuing entrepreneurial activities**. It was argued that the so-called foreign employment was neither independent nor external, but entirely under the assessee's control**. • The movements and self-created employment arrangements were designed to create an artificial façade of non-residency, which could not be recognized for availing the benefit of the said provision. • The chronology of events clearly demonstrated that the assessee orchestrated an artificial arrangement to portray his presence abroad as "employment" and his presence in India as mere "visits," with the sole objective of avoiding Indian capital gains tax. **Invoking the doctrine of substance over form** and relying upon the SC ruling in the case of *Mc Dowell & Co. Ltd*[9]., it was contended that the assessee's residential status must be determined based on his actual stay and real conduct, rather than on self-serving employment structures. • The assessee had adopted a colorable device, purporting either an "Indian visit

[5] AMP spinning and weaving Mills Pvt. Ltd vs. ITO (2006) 100 ITD 142 (Ahd -SB)
[6] Nishant Kanodia vs. ACIT [2024] 158 taxmann.com 262 (Mumbai- Trib.)
[7] CIT vs Abdul Razak [2011] 337 ITR 350 (Kerela)
[9] Mc Dowell & Co. Ltd. vs. Commercial tax Officer [1985] 22 Taxman 11 (SC)

Line of Contention	Assessee	Revenue Authorities
	employment and is not restricted to conventional salaried employment only. The assessee contended that the employment in a company which is controlled by the assessee would certainly be covered under the ambit of both the clauses of Explanation 1 to section 6(1)(c) of the Act.	while being outside India" or "leaving India for the purpose of employment," to evade tax. Consequently, Explanation 1(a) and 1(b) to section 6(1) of the Act were stated to be inapplicable, and reliance was placed on CBDT Circular Nos. 346, 554, and 684 to contend that the legislative intent never envisaged granting relief to such contrived arrangements.
Determination of Residency as per the tie-breaker rule under Article 4 of the DTAA.	• **Permanent Home** The assessee stayed in a rented serviced apartment during 2019, which constituted a permanent home available to him in Singapore. It was further asserted that although the assessee owned a house in India, the same was under construction and not in a habitable condition and therefore could not be regarded as a 'permanent home' available to him in India. • **Centre of Vital Interest** During FY 2019-20, the assessee's personal and economic relations are more closely connected with Singapore than India. **Personal Relations:** The assessee's nuclear family, consisting of his spouse and his two children are residing in Singapore along with the assessee. His children go to school in Singapore, and the spouse of the assessee is also employed in Singapore. His principal bank accounts and credit cards are also in Singapore. **Economic Relations:** The assessee is employed in Singapore, does not have any office or other similar premises in India, and he administers his investment from Singapore.	• **Permanent Home** As per the OECD Commentary and settled judicial interpretation, the Permanent Home Test is satisfied by the ownership and availability of residential property and does not require actual occupation or completion of renovation. Accordingly, the fact that the assessee's residential property in India was under construction or renovation did not negate the existence of a permanent home in India during the relevant period. While the assessee had a rented residential apartment in Singapore, he also owned high-value residential properties in Bangalore (which includes one of the properties valued at Rs. 39 crores) Despite being specifically asked by the AO to explain his stay in India for 141 days (which includes 38 days during Covid-19 Pandemic) during FY 2019–20, the assessee failed to furnish details of his accommodation in India for nearly 39% of the year, both during assessment and appellate proceedings. • **Centre of Vital Interest and Habitual Abode** **Economic Relations**: The capital gains arose from shares of Flipkart

Line of Contention	Assessee	Revenue Authorities
	Accordingly, his "centre of vital interest" is with Singapore and not with India since he moved to Singapore in February 2019. • **<u>Habitual Abode</u>** The assessee had a habitual abode in Singapore and not in India, as Singapore was the place where he customarily and ordinarily resided during the subject year by virtue of his employment in Singapore.	Singapore, whose underlying assets are in Flipkart India Limited which is an Indian entity. Also, relied on screenshots from the company's website showing that the assessee was employed in a company based in Bangalore, deriving salary income in India. On this basis, the Revenue observed that the company operates within the Indian start-up ecosystem, caters primarily to Indian clients and customers, is largely staffed by Indians, and maintains its office in Bangalore, with no indication of any Singapore-based operations or clientele. **Personal Relation:** The assessee's ownership of multiple high-value properties in India and his physical presence in India for 141 days (including 38 days during the Covid period) during the year demonstrated continued personal, residential, and social ties to India. His family's gradual relocation, schooling, and social integration in Singapore occurred later, and his presence there was transitional and exploratory, not a fully established shift of residence. Accordingly, the assessee's centre of vital interests and habitual abode remained in India, and the tie-breaker under Article 4(2) of the DTAA must be applied based on the factual matrix of the subject year, without giving regard to developments in subsequent years.
Validity of the Assessment order	• The AO treated the assessee as a resident in his assessment order; he ceased to be an "eligible assessee" under section 144C of the Act.	• Since the assessee had claimed non-resident status in the ITR, the AO was mandatorily required to issue a draft assessment order, and the subsequent

Line of Contention	Assessee	Revenue Authorities
	Consequently, the AO was not required to pass a draft assessment order, and the draft order issued was barred by limitation and liable to be quashed. • The draft assessment order passed by the AO is without jurisdiction, non-est, illegal and bad in law, since the notice under section 143(2) of the Act was issued by the National Faceless Assessment Centre ('NFAC'), which does not have jurisdiction over the assessee's case which is under the International tax charge.	treatment of the assessee as a resident did not vitiate the draft proceedings. • Relying on ***Adarsh Developers***[10], it was held that the National Faceless Assessment Scheme under Section 144B of the Act validly decentralizes assessment functions and authorizes the Additional Commissioner of Income Tax, NaFAC, to issue notices under Section 143(2) of the Act, irrespective of territorial jurisdiction. Relying on Section 24 of the General Clauses Act, 1897, such issuance was held to be valid. Accordingly, the assessee's challenge with respect to the jurisdiction of NaFAC in issuing the notice under Section 143(2) is devoid of merit and liable to be dismissed.

4.0 Decision of the Hon'ble ITAT

4.1 Residency under the Act

4.1.1 The Tribunal **affirmed the findings of the AO and the DRP** that the assessee was not entitled to the extended threshold of 182 days in place of 60 days for determining residential status under the second limb of section 6(1)(c) by invoking Explanation 1(a) or (b) under the Act.

4.1.2 The Tribunal, referring to the legislative intent reflected in the Finance Acts of 1978, 1982, 1989 and 1994 and the corresponding CBDT circulars, observed that the relaxation under **explanation 1(b) of the said section was meant exclusively for genuine non-resident Indians**. The Memorandum to the Finance Act, 1978 expressly clarified that the objective of this explanation was to allow Indian citizens already employed abroad to spend longer periods in India on vacation without becoming residents, thereby presupposing an existing non-resident status.

4.1.3 The Tribunal observed that the subsequent amendment to clause (b) of Explanation 1 clearly reflected the legislative intent to curb arrangements whereby individuals carrying out substantial economic activities from India structured their stay to remain non-residents indefinitely and avoid taxation of global income in India. The amendment was held to restrict, rather than expand, the scope of the relaxation under clause (b), indicating that the provision was never intended to negate residence for

[10] Adarsh Developers vs. DCIT [2024] 158 taxmann.com 81 (Karnataka HC)

persons otherwise effectively connected with India. Accordingly, the Tribunal concluded that Explanation 1(b) of the said section applies only to non-residents.

4.1.4 The relaxation in **Explanation 1(a) of the said section applies to the previous year in which the assessee leaves India**. The facts clearly show that the assessee left India in FY 2018-19, in February 2019, for employment with X to 10X Pte Limited. Joining the employment with another Singapore company during the relevant year would not satisfy the condition given in Explanation 1(a) of the said section since at the beginning of the relevant year, and also at the time of visit in India, the assessee was already employed in Singapore as per his own arguments.

4.1.5 If the assessee's contention of applying the extended 182-day threshold instead of 60 days under the second limb of section 6(1)(c) of the Act for FY 2019–20 was accepted, it would result in every visitor to India claiming such an extension every year. The Tribunal clarified that the **provision is intended for persons leaving India, not those merely visiting,** and such an interpretation would be contrary to the intent and spirit of the law. Accordingly, the assessee was held not eligible for the relaxation under Explanation 1(a) to section 6(1)(c) of the Act.

4.2 Residency under the DTAA

4.2.1 The Tribunal examined each limb of the tie-breaker test under Article 4 of the DTAA and concluded that the assessee was a resident of India.

- With respect to **permanent home,** it held that no distinction could be made with respect to more permanence between own house property in India and a rented premises in Singapore. The assessee's home at Kormangala is stated to be valued at Rs. 39 crores. One more crucial point for the issue of permanent residence is that during the Covid pandemic, which was the most difficult time, the assessee was in India and the assessee did not give any information about his stay during 141 days, which also included Covid period. Accordingly, it is apparent that a permanent home was available to the assessee in both India and Singapore.

- On the **centre of vital interests**, the Tribunal observed that the facts need to be analyzed looking at personal relationships as well as economic relationships, and both must be considered together to determine the centre of vital interest of an individual close to a particular state.

  So far as personal relations of the assessee are concerned, the assessee's family has travelled with him, though gradually to Singapore. With regard to economic relations, although the assessee made certain investments in Singapore after relocating, his substantial economic interests, including investments in alternative investment funds, equity shares of listed and unlisted companies, mutual funds, and house properties, continued to be located in India.

  On an overall evaluation, the Tribunal held that the assessee's centre of vital interests was closer to India as it is material that such centre of vital interests remain throughout the assessment year and not at the end of the assessment year only.

- Regarding **habitual abode**, the Tribunal noted that the assessee stayed in India for 141 days during the year and spent the balance period in other countries. This being the first year of overseas employment, the assessee continued to make frequent visits to India and maintained

long-standing residential ties there. Since the assessee worked in Singapore only for part of the year and also resided in India for a substantial period, it was held that he had a habitual abode in both India and Singapore.

Finally, applying the nationality test, the Tribunal noted that the assessee was an Indian national, which reinforced the conclusion that he was a resident of India under Article 4 of the DTAA. Consequently, the assessee's claim for exemption under Article 13 was denied.

4.3 Validity of the Assessment Order

4.3.1 The Tribunal rejected the assessee's legal objection on the validity of the assessment order by noting that the assessee had filed his return claiming non-resident status, which was subsequently treated as resident by the AO. While the assessee continued to dispute this determination and consistently asserted that he was a non-resident, the Tribunal held that the mere fact that the AO assessed him as a resident could not render the assessee outside the scope of an "eligible assessee" so as to invalidate the draft assessment order. Accordingly, the Tribunal found no merit in the contention that the draft assessment proceedings were without jurisdiction.

4.3.2 Relying on ***Adarsh Developers*** *(supra)*, wherein the Hon'ble Karnataka High Court held that *notices issued under Section 143(2) by the Addl. Commissioner, NaFAC, instead of the jurisdictional AO under the Central Charge, are valid*. Further, where the assessee, after being served with notice under section 143(2), responded to the notice and subsequent notices under Section 142(1) and participated in the assessment proceedings culminating in an assessment order, the assessee is precluded from challenging the jurisdiction of the AO.

Annexure 1

Relevant Extract from the Circular No. 346 dated June 30, 1982

FINANCE ACT, 1982

Relaxation of tests of "residence" in India - Section 6

7.1 Under the existing provisions, an individual is said to be 'resident' in India in any year, if:

a. he is in India in that year for a period or periods amounting in all to 182 days or more; or

b. he maintains or causes to be maintained for him a dwelling place in India for a period or periods amounting in all to 182 days or more in that year and has been in India for 30 days or more in that year; or

c. he, having within the four years preceding that year been in India for a period or periods amounting in all to 365 days or more, is in India for a period or periods amounting in all to 60 days or more in that year.

FINANCE ACT, 1982

7.2 In the case of an Indian citizen who is rendering service outside India, and who is on leave or vacation in India, the period of 30 days and 60 days referred to in (*b*) and (*c*) above is taken as 90 days.

FINANCE ACT, 1982

7.3 With a view to avoiding hardship in the case of Indian citizens, who are employed or engaged in other avocations outside India, the Finance Act has made the following modifications in the tests of residence in India:

1. The provision relating to maintenance of a dwelling place coupled with stay in India of 30 days or more referred to in (*b*) above has been omitted.

2. In the case of Indian citizens who come on a visit to India, the period of "60 days or more" referred to in (*c*) above will be raised to "90 days or more".

3. Where an individual who is a citizen of India leaves India in any year for the purposes of employment outside India, he will not be treated as resident in India in that year unless he has been in India in that year for 182 days or more. The effect of this amendment will be that the test of residence in (*c*) above will stand modified to that extent in such cases.

FINANCE ACT, 1982

7.4 These amendments will take effect from April 1, 1983 and will, accordingly, apply in relation to the assessment year 1983-84 and subsequent years.

[Section 3 of the Finance Act]

Relevant Extract from the circular No. 554 dated 13 February 1990

Direct Tax Laws (Second

Amendment) Act, 1989

Liberalisation of the criterion for determining the residential status in the case of non-resident Indians

6.1 Under the provisions of the Income-tax Act, an individual who is resident in India is taxable on his global income, *i.e.*, in respect of income accruing or arising in India as well as outside India. Prior to the amendment by the Second Amending Act, 1989, a citizen of India who was outside India and came to India on a visit in any previous year was held to be resident if he had been in India for a period or periods amounting in all to 365 days or more in the four years preceding that year and was in India for a period of 90 days or more in that year. In the case of individuals who are not citizens of India, the period of 90 days or more is restricted to 60 days or more. The non-resident Indians had been representing that the period of 90 days or 60 days was too short, especially for those who had to supervise their investments in India. In order to enable the non-resident Indians to stay in India for a longer period for looking after their investments without losing their 'non-resident' status, clause (*b*) of the *Explanation* to clause (*c*) of sub-section (1) of section 6 has been amended. The period of 90 days provided thereunder has been increased to 150 days. The amended provision will apply not only to a citizen of India but also to a person of Indian origin within the meaning of *Explanation* to clause (*e*) of section 115C of the Income-tax Act. Accordingly, 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. The effect of the amended provision is that, subject to the other conditions prescribed in section 6 of the Income-tax Act, such persons can stay in India on a visit for 149 days as against 89 days earlier in the case of citizens of India and 59 days earlier in the case of those who were not citizens of India during a previous year without losing their 'non-resident' status.

Relevant Extract Circular No. 684 dated June 10, 1994

FINANCE ACT, 1994

Extending the period of stay in India in the case of non-resident Indians without their losing the non-resident status

19. Under the provisions of clause (*1*) of section 6 of the Income-tax Act, an individual is said to be resident in India in any previous year, if he has been in India during that year,—

(*i*) for a period or periods amounting to one hundred and eighty-two days or more, or

(*ii*) for a period or periods amounting to sixty days or more and has also been in India within the preceding four years for a period or periods amounting to three hundred and sixty-five days or more.

However, the period of sixty days was increased to one hundred and fifty days in the case of a non-resident Indian, *i.e.,* a citizen of India or a person of Indian origin within the meaning of the *Explanation* to clause (*e*) of section 115C of the Act, who, being outside India, comes on a visit to India. The said *Explanation* provides that 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.

FINANCE ACT, 1994

19.2 Suggestions had been received to the effect that the aforesaid period of one hundred and fifty days should be increased to one hundred and eighty-two days. This is because the non-resident Indians who have made investments in India, find it necessary to visit India frequently and stay here for the proper supervision and control of their investments. The Finance Act, therefore, has amended clause (*b*) of the *Explanation* to section 6(1)(*c*) of the Income-tax Act, in order to extend the period of stay in India in the case of the aforesaid individuals from one hundred and fifty days to one hundred and eighty-two days, for being treated as resident in India, in the previous year in which they visit India. Thus, such non-resident Indians would not lose their 'non-resident' status if their stay in India, during their visits, is up to one hundred and eighty-one days in a previous year.

FINANCE ACT, 1994

19.3 This amendment takes effect from 1-4-1995 and will, accordingly, apply in relation to assessment year 1995-96 and subsequent years, *i.e.,* each previous year commencing on or after 1-4-1994.

[Section 5]

THE POWER OF BEING UNDERSTOOD

For further information please contact:

RSM Astute Consulting Pvt. Ltd.

301-307, 3rd Floor, Technopolis Knowledge Park, Mahakali Caves, Chakala, Andheri East, Mumbai - 400095.

T: (91-22) 6108 5555/ 6121 4444
F: (91-22) 6108 5556/ 2287 5771

E: emails@rsmindia.in **W:** www.rsmindia.in

Offices: Mumbai, New Delhi - NCR, Chennai, Kolkata, Bengaluru, Navi Mumbai, Surat, Hyderabad, Ahmedabad, Pune, Gandhidham, Jaipur and Vijayanagar.

facebook.com/RSMinIndia

X.com/RSM_India

linkedin.com/company/rsm-india

Youtube.com/c/RSMIndia

6 February 2026