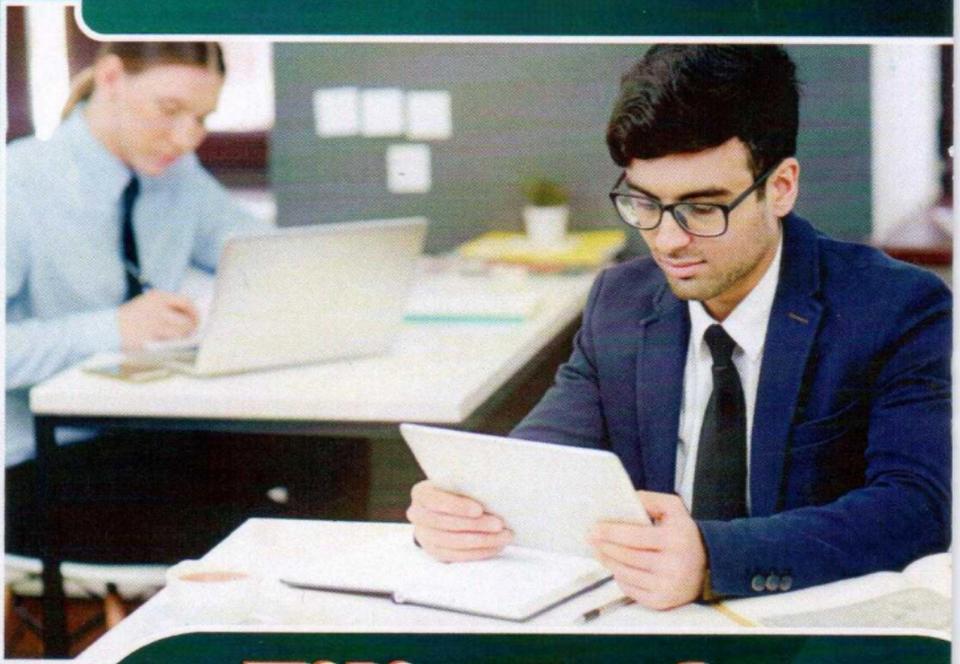




**Income Tax Department**  
**Central Board of Direct Taxes**



# **Filing of Income-tax return (ITR) for Non-Residents**



## Frequently Asked Questions (FAQs) for filing ITR by Non-residents.

### Q1 Who is resident?

- A. Resident means a person who is resident in India within the meaning of section 6 of the Income-tax Act, 1961.

### Q2 What is section 6 of Income-tax Act regarding residential status?

- A. Residential status is determined as per section 6 of the Income-tax Act, 1961. An individual will be treated as a Resident in India, if he/she satisfies any of the following conditions:
- If he/she is in India for a period of 182 days, or more during the previous year or
  - If he/she is in India for a period of 60 days or more during the previous year and 365 days or more during 4 years immediately preceding the previous year.

### Q3 Who is non-resident?

- A. Non-resident means a person who is not a resident and include a person who is not ordinarily resident.

### Q4 What is the meaning of "not ordinarily resident"?

- A. A person is said to be "not ordinarily resident" in India in any previous year, if such person is –
- an individual who has been a non-resident in India in nine out of the ten previous years preceding that year, or has, during the seven previous years preceding that year, been in India for a period of, or periods amounting in all, seven hundred and twenty-nine days or less; or
  - a Hindu undivided family whose manager has been a non-resident in India in nine out of the ten previous years preceding that year, or has during the seven previous years preceding that year been in India for a period of, or periods amounting in all to, seven hundred and twenty-nine days or less or
  - a citizen of India, or a person of Indian origin, having total income, other than the income from foreign sources, exceeding fifteen lakh rupees during the previous year, who has

been in India for a period or periods amounting in all to one hundred and twenty days or more but less than one hundred and eighty-two days; or

- (d) a citizen of India who is deemed to be resident in India under clause (1A) of section 6 of the Income-tax Act, 1961.

### Q5 What is the meaning of income from foreign sources?

- A. Income which accrues or arises outside India, and which is not deemed to accrue or arise in India, except income derived from a business controlled in or a profession setup in India.

### Q6 Whether Non-resident is taxable in India, in connection to his/her all global income?

- A. No, a non-resident is taxable in India in respect of his/her income earned or received or which arises or accrues or is deemed to accrue or arise in India only.

### Q7 Whether it is mandatory to file ITR for Non-residents?

- A. Non-residents are required to file ITR in respect of his/her income earned or received or which arises or accrues or is deemed to accrue or arise in India, if it exceeds the basic income which is not liable limit to pay tax.

### Q8 Is interest from Non-Resident External (NRE)/ Foreign Currency Non-Resident Account (FCNR) taxable in India?

- A: No, interest earned on NRE/FCNR accounts is tax-exempt in India as per provisions of section 10(4) of Income-tax Act.

### Q9 Is interest from Non-Resident Ordinary (NRO) accounts taxable in India?

- A: Yes, interest from NRO account is taxable @ 30% (plus surcharge and cess).

### Q10 Whether Non-residents claim deductions under Section 80C?

- A: Yes, Non-residents can claim deductions under Section 80C for investments such as LIC premium.

### Q11 What is the due date for filing ITR for Non-residents?

- A: Generally, the due date for filing ITR is July 31<sup>st</sup>

every year (for individuals), but belated returns can be filed up to December 31<sup>st</sup> every year.

**Q12 Which forms to be used for filing ITR by Non-residents?**

A: Following two forms

◆ **ITR-2:** For income from salary, house property, capital gains, and other sources (no business income)

◆ **ITR-3:** For income from business or profession in India

**Q13 What is the ITR filing process for Non-residents?**

A: Non-residents can file ITR online through the Income-tax Department's e-filing portal, or may use online tax filing platforms. After filing, verification can be done electronically using Aadhaar OTP or digital signature, or sending e-mail/Speed post/Registered post of physically signed ITR-V to CPC, Bangalore.

**Q14 How to receive refund from Income-tax Department at the earliest?**

A: Mention all relevant details related to bank account in India (i.e. Name of Bank, Bank Account Number, IFSC Code etc.) in the ITR for receiving refund from Income-tax Department at the earliest.

**Q.15 What are benefits to non-resident of filing ITR?**

- A.
- (I) Claiming refunds of excess TDS deducted.
  - (ii) Carry forward of capital losses for future tax benefits
  - (iii) Avoid double taxation (via DTAA benefits)
  - (iv) Maintain financial credibility for loans, visa, investments etc.

**Steps of filing ITR by Non-resident**

The Non-resident Status is determined on the basis of an individual's stay in India during a financial year (from April 1<sup>st</sup> to March 31<sup>st</sup> of financial year).

**Step 1: Whether an Individual is Non-resident**

Residential status is determined as per section 6 of the Income-tax Act, 1961. A person's status will be considered as a Non-resident, if his/her stay in India

is less than 182 days in a financial year. An individual will be treated as a Resident in India, if he/she satisfies any of the following conditions:

- (i) If he/she is in India for a period of 182 days, or more during the previous year or
- (ii) If he/she is in India for a period of 60 days or more during the previous year and 365 days or more during 4 years immediately preceding the previous year.

An individual, who does not satisfy the conditions as mentioned above, will be treated as Non-Resident in that previous year.

**Exceptions:**

- (i) However, in respect of an Indian Citizen and person of Indian Origin who visits India during the year, the period of 60 days as mentioned in (2) above shall be substituted with 182 days. The similar concession is provided to the Indian citizen who leaves India in any previous year as a crew member or for the purpose of employment outside India.
- (ii) The Finance Act, 2020, w.e.f A.Y 2021-22 has amended the above exception to provide that the period of 60 days as mentioned in (2) above shall be substituted with 120 days, if an Indian citizen or a person of Indian origin whose total income, other than Income from Foreign Sources, exceeds Rs.15 lakh during the previous year.
- (iii) The Finance Act, 2020 has also introduced new section 6(1A) which is applicable from the A.Y 2020-21. It provides that an Indian citizen earning Total Income in excess of Rs.15 lakh (other than income from foreign sources) shall be deemed to be Resident in India, if he/she is not liable to pay tax in any other country.

**Step-2: Income chargeable to tax for Non-residents.**

Non-residents are required to file ITR in respect of his/her income earned or received or which arises or accrues or is deemed to accrue or arise in India, if it exceeds the basic income limit which is not liable to pay tax.

Non-residents are taxed in India on income earned or received or which arises or accrues or is deemed to accrue or arise in India, Income from salary, Rental income from a property in India, income from

investments or business in India, Interest from an NRO account, Capital gains on sale of assets such as Land & Building, Share & stocks, Gold Jewelry and Bullion or any other asset, if his/her "Indian income" exceeds the basic income limit which is not liable to tax.

### Step 3: Documents required for filing of ITR by Non-resident

Following Documents required for filing of ITR in general:

- (i) PAN card (linked to Aadhaar if you have one, though Non-residents aren't forced to link it).
- (ii) Form 26AS (reflect TDS details—download it from the Income-tax portal).
- (iii) Bank statements (Non-Resident Ordinary (NRO), Non-Resident External (NRE) or Foreign Currency Non-Resident Account (FCNR) accounts).
- (iv) Proof of income (rental agreements, interest certificates, sale deeds for capital gains).
- (v) Foreign tax details (if claiming DTAA benefits).
- (vi) Documents establishing Non-resident Status of the individual
- (vii) Compute your total income from all sources in India such as —Salary accrued/ earned in India, Rental Income, interest earned (NRO, not NRE/FCNR), Capital gain/loss. Subtract deductions like Section 80C (up to ₹1.5 lakh for insurance, ELSS, etc.), if old tax regime is applicable.

### Step 4: Choose Correct ITR Form required by Non-residents which:

- (i) **ITR-2:** For income from salary, house property, capital gains, and other sources (no business income)
- (ii) **ITR-3:** For income from business or profession in India  
*(The portal's "Help me decide" tool can nudge toward the right choice if any help required.)*

#### Note:

- If income earned or accrue from India exceed Rs.1 Crore (₹50 lakhs earlier), then individual (Non-resident) also required to fill Schedule AL

(assets and liabilities) in ITR-2 or ITR-3, in connection to his/her assets in India.

### Step-5 : File ITR online through the Income Tax Department's e-filing portal

- (i) Fill in accurate personal details (name, PAN, Non-resident status)
- (ii) Report your income under the right schedules (e.g., house property, capital gains).
- (iii) Claim applicable deductions
- (iv) Match TDS with Form 26AS.
- (v) Any mismatch then resolve it before filing.
- (vi) Verify pre-filled information
- (vii) Pay any tax due (after considering TDS) through net-banking or challan or any available mode.

### Step-6 : Submit and Verify

After filling up the above data, enter at Submit button on the portal. After submitting the data, e-verify your ITR within 30 days—using Aadhaar OTP or a digital signature, or e-mail/Speed Post/Registered post, a physically signed ITR-V to CPC, Bengaluru.

### Step-7 : Track It

After e-verifying ITR, get an acknowledgment. Check the status under "View Returns/Forms" on the portal.

### Avoid Common Mistakes While Filing ITR

- 1) **Using the Wrong Form:** Stick to ITR-2 or ITR-3, to avoid ITR from becoming invalid. ITR-I is not applicable for Non-residents.
- 2) **Missing Deadlines:** July 31, 2025, is the usual due date for AY 2025-26. The due date for filing of ITR for A.Y. 2025-26 has been extended to 15th September 2025 for salaried individuals and Non-residents whose accounts do not require audit. If missed, due date of filing ITR then pay a ₹5,000 penalty (₹1,000 if income is equal to or below ₹5 lakh) plus interest under Sections 234A/B/C.
- 3) **Ignoring TDS Mismatches:** If Form 26AS shows TDS deducted but income not included in the ITR, then a notice may be issued by Income-tax Department.
- 4) **Not Reporting Exempt Income:** Interest earned from NRE/FCNR account is fully exempt, while interest from NRO account is taxable @ 30% (plus surcharge and cess)

- 5) **Capital gain reporting:** Long-term capital gain/loss on listed shares (up to ₹1.25 lakh) is tax-free but you are required to list them under "Exempt Income." From July 2024, capital gain calculation follows a dual regime (old rates before 23rd July 2024 and new rates afterwards).
- 6) **Skipping Verification:** An unverified ITR is equivalent to Non-filed ITR.



**Disclaimer:** The content of this page is only for basic understanding based on provisions presently available in Income-tax Act & Rules, subject to further changes. For the purpose of any compliances, provisions of Income-tax Act, Rules and notification must be referred.



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