

# Government exempts certain class of non-residents from furnishing return of income

The government has exempted certain class of non-residents from the requirement of furnishing a return of income from Assessment Year (AY) 2021-22 onwards, subject to the conditions prescribed:

**1. A non-resident (not being a company) or a foreign company, provided that**

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- It does not earn any income in India during the previous year, other than income from investment in Category III Alternative Investment Fund (Cat-III AIF) set-up in an International Financial Service Centre (IFSC) of which all units other than units held by sponsor or manager are held by non-residents; and
- It is not required to obtain a Permanent Account Number (PAN) in India subject to fulfillment of prescribed conditions [Rule 114AAB(1)].

**2. A non-resident, being an eligible foreign investor, provided that –**

- It has made transactions only in capital asset, being bond or Global Depository Receipt, Rupee Denominated Bond of an Indian company or derivative or foreign currency denominated bond, unit of a mutual fund, unit of business trust, foreign currency denominated equity share of a company, units of an AIF or such other securities as may be notified by the Central Government which are listed on a recognized stock exchange located in any IFSC; and
- It does not earn any other income in India other income from transfer of capital asset referred above; and
- It is not required to obtain a PAN in India subject to fulfillment of prescribed conditions [Rule 114AAB(2A)].

However, it may be noted that the exemption from the requirement of furnishing a return of income shall not be available where a notice has been issued for filing a return of income for the assessment year specified.