

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2514
ANSWERED ON:16.03.2007
NRI STATUS TO INDIAN WORKERS ABOARD INDIAN SHIPS
Bishnoi Shri Kuldeep

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has rejected the Shipping Industry's demand to treat Indian workers aboard Indian Ships at par with those on foreign ships and give them non-resident status under the Income Tax Act;
- (b) if so, the reasons therefor; and
- (c) the steps taken by the Government to reconsider the matter and resolve the issue amicably?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM)

(a) & (b): Representations received from the Shipping Industry to treat Indian seafarers on board Indian flag vessels at par with those on foreign flag vessels in respect of eligibility for non-resident status under the Income Tax Act were considered during budgetary exercise, 2007.

In terms of section 6 of the Income tax Act, 1961, Indian workers aboard Indian ships already have an advantage as compared to those on foreign ships as they can remain in India for a longer period and still be eligible for non-resident status. Accordingly, the demand of the Shipping Industry was not found to merit further consideration.

(c): In view of (a) & (b) above, does not arise.