

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"B" BENCH, BANGALORE**

**SHRI WASEEM AHMED, ACCOUNTANT MEMBER  
SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER**

**ITA No.1414/Bang/2025  
(Assessment Year:2018-2019)**

**Pradeep Narasimhan**

14A Phase 1 Palm Meadows,  
Varthur Main Road, Ramagondanhalli, Bangalore,  
Karnataka – 560066, Bengaluru.  
[PAN:AGBPN3331N]

..... **Appellant**

Vs

**Income Tax Officer, Circle 3(3)(1),  
Bangalore**

Bangalore, Bengaluru - 560032. Karnataka.

..... **Respondent**

**Appearance**

For the Appellant/Assessee : Shri Kanchan Kaushal

For the Respondent/Department : Shri Subramanian

**Date**

Conclusion of hearing : 26.11.2025

Pronouncement of order : 25.02.2026

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**ORDER**

**Per Rahul Chaudhary, Judicial Member:**

1. The present appeal preferred by the Assessee is directed against the order, dated 25/04/2025, passed by the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'the **CIT(A)**'] whereby the Ld. CIT(A) had allowed the appeal against the Assessment Order, dated 27/03/2021, passed under Section 143(3) read with Section 143(3A) and 143(3B) of the Income Tax Act, 1961 [hereinafter referred to as 'the **Act**'] for the Assessment Year 2018-2019.
2. The Assessee has raised following grounds of appeal :  
**"Ground No. 1.**  
*On the facts and circumstances of the case and in law, the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal*

*Centre [Ld. CIT(A)] erred in not directing the Ld. Jurisdictional Assessing Officer (Ld. JAO) to treat the Appellant as a Resident of Kazakhstan for the period 01 January 2018 to 31 March 2018 as per Section 90 of the Income-tax Act, 1961 (Act) read with Article 4(2) of India-Kazakhstan Double Taxation Avoidance Agreement ('DTAA'). It is prayed that Ld. JAO be directed to treat the Appellant as a Resident of Kazakhstan for period 01 January 2018 to 31 March 2018 as per Section 90 of the Act read with Article 4(2) of India-Kazakhstan DTAA.*

**Ground No. 2**

*On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in not directing the Ld. JAO not to tax salary income amounting to Rs. 71,60,922 for the period of services rendered in Kazakhstan (i.e., from 01 January 2018 to 31 March 2018) as per Section 90 of the Act read with Article 15 of the India-Kazakhstan DTAA It is prayed that Ld. JAO be directed not to tax salary income of Rs. 71,60,922 for the period of services rendered in Kazakhstan as per Section 90 of the Act read with Article 15 of the India-Kazakhstan DTAA.*

**Ground No. 3**

*On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in not directing the Ld. JAO not to tax house property income amounting to Rs. 1,26,863 for the period 01 January 2018 to 31 March 2018 as per Section 90 of the Act read with Article 22 of the India-Kazakhstan DTAA. It is prayed that Ld. JAO be directed to not to tax house property income of Rs.1,26,863 as per Section 90 of the Act read with Article 22 of the India-Kazakhstan DTAA.*

**Ground No. 4**

*On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in not directing the Ld. JAO not to tax dividend income amounting to Rs. 3,15,436 for the period 01 January 2018 to 31 March 2018 as per Section 90 of the Act read with Article 22 of the India-Kazakhstan DTAA. It is prayed that Ld. JAO be directed to not to tax dividend income of Rs. 3,15,436 as per Section 90 of the Act read with Article 22 of the India-Kazakhstan DTAA.*

**Ground No. 5**

*On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in not directing the Ld. JAO to DLEETE tax on interest income of Rs. 4,03,086 earned in India for the period 01 January 2018 to 31 March 2018 - taxed at normal rates in the computation sheet accompanying the Assessment order as the said interest income of Rs.*

*4,03,086 was already taxed at the special rate as per Article 11 of India Kazakhstan DTAA. It is prayed that Ld. JAO be directed to DLEETE the tax levied at normal rate on interest income of Rs. 4,03,086 earned in India.*

**Ground No. 6**

*Without any prejudice to Ground 1 to Ground 4 above, on the facts and circumstances of the case and in law, the Ld. CIT(A) erred in not directing the Ld. JAO to allow FTC of Rs. 21,12,009 instead of FTC of Rs. 91,728 allowed in the computation sheet accompanying the Assessment order. It is prayed that the Ld. JAO be directed to allow additional FTC of Rs. 20,20,281 (i.e., Rs.21,12,209 less Rs. 91,728).*

**Ground No. 7**

*On the facts and circumstances of the case and in law, the Ld. CIT(A) has erred in not directing the Ld. JAO to DLEETE the consequential additional interest under Section 234B and 234C of the Act. It is prayed that Ld. JAO be directed to DLEETE the consequential additional interest after considering the reliefs to be allowed by your Honours in respect of above-mentioned grounds.*

**Additional Ground No.1**

*On the facts and circumstances of the case and in law, the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [Ld. CIT(A)] erred in mentioning in para 6.1.1 of his Order, that the details to determine the Residential Status of the Appellant as per Article 4(2) of the India-Kazakhstan Double Taxation Avoidance Agreement ('DTAA') were not before the Ld. Assessing Officer (Ld. AO).*

*It is prayed that the details as well as submissions made before the Ld. AO in support of determining the Residential Status of the Appellant as per Article 4(2) of the India-Kazakhstan Double Taxation Avoidance Agreement ('DTAA') are reproduced on Pages 4 to 7 of the Order of the Ld. CIT(A).*

**Additional Ground No.2**

*Without prejudice to all the Grounds of Appeal, on the facts and circumstances of the case and in law, the Order of the Ld. CIT(A) is bad in law.*

*It is prayed that the Order of the Ld. CIT(A) be set aside and due reliefs be allowed to the Appellant."*

3. The relevant facts in brief are that the Assessee is an individual. For the Assessment Year 2018-2019, Assessee filed original return of income on 14/08/2018 declaring income of INR.4,18,44,660/-. Subsequently, the Assessee filed the revised return on 31/03/2019 declaring income at INR.3,42,41,440/-. The revised return filed by the Assessee was selected for scrutiny, inter-alia, on the issue of reduction of income in revised return of income and claim of refund.
4. During the assessment proceedings, the Assessing Officer noted that the Assessee was resident in India under Section 6 of the Act and was required to offered to tax in India his global income (including salary income, rental income, and dividend income) for the previous year relevant to Assessment Year 2018-2019. Assessing Officer noted that the Assessee had not disclosed salary income, rental income, and dividend income for the period 01/01/2018 to 31/03/2018 in the revised return of income for the Assessment Year 2018-2019. Therefore, the Assessee was asked to provide explanation. In reply, the Assessee submitted explanation on 19/12/2020 stating as under:

*"Reduction of income in Revised Return and claim of refund:*

*The '**salary income**' as mentioned above for the period 01.01.2018 to 31.03.2018 was not offered to tax in the revised ROI.*

*As per Article 22 of the India - Kazakhstan DTAA, income earned by resident of the Kazakhstan is only taxable in Kazakhstan. Accordingly, I was a resident of Kazakhstan as per **Article 4(2)** of the India - Kazakhstan DTAA for the period **01.01.2018 to 31.03.2018**, the following income is not taxable in India:*

- 1. '**Dividend income**' received on 26 March 2018 from the above investments is not taxable in India and accordingly dividend of Rs.9,17,284/- out of total dividend of Rs.12,32,720/-) has been offered to tax in my revised return of income.*
- 2. '**Rental income**' from property located in London is not taxable in India and accordingly rental income of Rs.3,80,590/- (out of total of Rs.5,07,453/-) has been offered to tax in my revised return of income.*

*As mentioned above, my rental and dividend income for the*

period 01.01.2018 to 31.03.2018 was not taxable in India and the same was inadvertently offered to tax in the original ROI.”  
(Emphasis Supplied)

5. However, the Assessing Officer rejected the above explanation offered by the Assessee observing that:

"3.2. The Assessee was asked to .....

xx xx

*In response to ..... However, the explanation given by the assessee is not acceptable for the following reasons:*

1. *The assessee is a Resident in India u/s. 6 of the I.T.Act, 1961 and is required to disclose his global income for taxation under Indian Law.*
2. *Any rental income from foreign immovable property is also required to be mandatorily disclosed and taxed under Indian Law. Such income is not exempt and is taxable u/s 22 of the I.T. Act, 1961.*
3. *In the Original Return of income filed by the assessee for the year under consideration, the assessee has declared his Residential Status as 'Resident'. Also, while filing the revised return of income the assessee has declared his Residential Status as 'Resident'.*
4. *If an assessee is a resident in India, there global income is taxable in India. This income may have been earned or received outside-but it shall be taxed in India. In this case income is also taxable in another country assessee can take benefit of DTAA.*
5. *Further assessee has not provided any passport details regarding his stay in abroad during the F.Y. 2017-18. Hence, his period of stay in abroad cannot be verified."*

6. On the basis of the above observations, the Assessing Officer concluded that the Assessee was liable to pay tax in India in respect of salary income (INR.71,60,922/-), rental income (INR.1,26,863/-), and dividend income (INR.3,15,436/-) pertaining to the period commencing on 01/01/2018 and ending on 31/03/2018 when the Assessee was in Kazakhstan. The Assessing Officer made addition of

INR.4,03,086/- in respect of interest income under the head Income from Other Sources. Assessing Officer was of the view that the Assessee could not be considered as resident in two different countries for one complete financial year. Therefore, the Assessing Officer also rejected the alternative claim of the Assessee for grant of Foreign Tax Credit (FTC) of INR.20,20,281/-. Out of the following FTC of INR.21,12,009/- claimed by the Assessee, the Assessing Officer only granted FTC for INR.91,278/-:

SNo.	Tax Treaty	FTC Amount (INR)	Status
1	Article 24 India-Kazakhstan	20,20,281/- [For Salary and Rental Income]	Denied
2.	Article 24 India-Netherlands	91,728/- [For Dividend Income]	Granted
	Total	21,12,009/-	

7. Being aggrieved, the Assessee filed appeal before Learned CIT(A) which was disposed off vide Order, dated 25/04/2025, holding as under:

"6. *Decision: I have considered the facts of the case, written submission and case laws relied upon by the appellant as against the observations and findings of the AO in the assessment order. The submissions and contentions of the appellant are discussed and decided as under:*

6.1. *Ground No.1: In this ground the appellant has challenged the addition made on various grounds.*

6.1.1. *Now before me in the appellate proceedings the appellant has filed written submission. The appellant has stated that he is a Newzeland National. The appellant has further stated that the relevant assessment year he was resident of both India and Kazakhstan. The appellant has prayed that the AO be directed to determine the residential status as per Article 4(2) of India Kazakhstan DTAA. Hence, this matter is set aside to the file of the AO as these details were not before the AO, when the assessment was decided.*

6.2. *Ground No.2: This ground is consequential/general in nature.*

7. *The appeal of the appellant is Allowed for statistical purposes."*

8. Being aggrieved, the Assessee has preferred appeal before the Tribunal on the Grounds reproduced in Paragraph 2 above.
9. We have heard both the sides and have perused the material on record
10. We note that before the Learned CIT(A) the Assessee had filed submissions which have been reproduced in Paragraph 5 of the order passed by Learned CIT(A). On perusal of the same it emerges that:
  - (a) Assessee is New Zealand national. He was on assignment in India from 01/08/2007 to 06/08/2017.
  - (b) Post completion of his assignment in India, the Assessee was sent on assignment to Kazakhstan from 07/08/2017.
  - (c) The Assessee was in India for more than 59 days during Financial Year 2017-2018 and more than 364 days in the immediately preceding 4 Financial Years. Therefore, as per Section 6 (6) of the Act, the Assessee filed his Original Return of Income for the Assessment Year 2018-2019 as a 'Resident' offering to tax in India his global income.
  - (d) The Assessee was on assignment in Kazakhstan since 07/08/2017. As per domestic laws of Kazakhstan 'tax year' followed is the calendar year. Post December 2018, the residential status of the Assessee in Kazakhstan was determined as 'Resident' for the tax/calendar year 2018.
  - (e) As a result, for the period 01/01/2018 to 31/03/2018 [hereinafter referred to as the '**Overlapping Period**'], forming part of previous year 2017-2018 relevant to Assessment Year 2018-2019 [*relevant for Indian domestic tax law*] and the Calendar Year 2018 [*relevant for domestic tax*]

*law of Kazakhstan*], the Assessee was 'Resident' of India as well as Kazakhstan.

The Assessee had placed on record the Income Tax Return filed in India for the Assessment Year 2018-2019 and Kazakhstan for the Calendar Year 2018 in support of the above.

11. It is the contention of the Assessee that as per Article 4(2) of the Double Taxation Avoidance Agreement (DTAA) between India-Kazakhstan, Assessee was resident of Kazakhstan for the Overlapping Period and therefore, income earned by the Assessee outside India could only be taxed in Kazakhstan and not in India. Therefore, the additions made by the Assessing Officer under the head Salary, Income from House Property, and Income from Other Sourced pertaining to the Overlapping period ought to be deleted.
12. We note that the provisions contained in the Act do not provide for split-residency for a previous year. Section 4 of the Act creates a charge on the total income for the previous year. Section 5 deals with the scope of total income which is dependent upon residential status of the Assessee to be determined as per Section 6 of the Act for the relevant previous year. The expression 'Previous Year' has been defined in Section 3 of the Act to mean the Financial Year immediately preceding the Assessment Year. Therefore, the Previous year would generally be a period of 12 months commencing on the first day of April of the calendar year and ending on 31<sup>st</sup> March of immediately succeeding calendar year. Proviso to Section 3 provides for an exception in the case of business or profession newly set up, or a source of income newly coming into existence as it provides that in such case the Previous Year shall begin from the date of setting up of business or the date on which source comes into existence, as the case may be. Similarly, for the person leaving India with no intention



of coming back, Section 174 of the Act provides for assessment for part of previous year starting on 1<sup>st</sup> April and ending on probable date of departure. However, there is no provision in the Act which provides for determination of residential status of an assessee for a part of the Previous Year. Thus, for the purpose of the Act, the residential status determined as per the Section 6 of the Act would apply for the entire Previous Year.

13. On the other hand we find that DTAA's entered by the India do not provide for separate mechanism to determine the residential status and accept the residential status as determined by the respective domestic laws of the Contracting States. However, for the limited purpose of applying the provisions contained in different Articles of DTAA's, a mechanism is provided to determination of residential status of a taxpayer to deal with a situation where such taxpayer is determined to be a resident of both the Contracting States as per the respective domestic tax laws. This is necessitated for effective application of the provision contained in articles of DTAA's as the DTAA's allocate taxing rights between the Contracting States on the premise that one State is the 'Residence State' while the other State is the 'Source State'. In case both the States are considered as 'Resident States' the application of provisions contained in various articles of DTAA's becomes unworkable. To avoid the said situation, the tax treaties provide for a tie-breaker rule to determine the residential status of a taxpayer in a case where the residential status of such taxpayer is determined to be 'resident' as per the domestic tax laws of both the Contracting States.
14. Thus, for the purposes of the Act, the residential status of taxpayer is vital to the determination of taxable income of the Previous Year. Whereas for the purpose of DTAA's, role of residential status is limited to determine the allocation of taxing rights between the Contracting States. Therefore, while an assessee can be resident in India for the

entire previous year, yet for the purpose of more beneficial provision contained an article of the DTAA, the same assessee may be regarded as resident of the Other Contracting State.

15. With the above background, we proceed to examine the applicability of relevant DTAA's in respect of various incomes pertaining to Overlapping Period brought to tax by the Assessing Officer in the hands of the Assessee in India.

#### Salary

16. The Assessing Officer has brought to tax Salary of INR.71,60,922/- pertaining to the Overlapping Period. It is admitted position that during the overlapping period the Assessee was exercising employment in Kazakhstan. The Assessee had filed copy of Income Tax Return for the Calendar Year 2018 to support the contention that for the Overlapping Period the Assessee was also tax resident of Kazakhstan and had, therefore, his Salary income for the Overlapping Period was brought to tax in Kazakhstan. We note that while the Assessee had moved to Kazakhstan in August, 2017, the Assessee had offered to tax Salary income in India till the December 2017 in the revised return of income. With effect from Jan 2018, the residential status of the Assessee was determined as 'Resident' as per domestic tax laws of Kazakhstan and thereafter, the Assessee claimed benefit of Article 4(2) read with Article 15(1) of the DTAA to claim that Salary for Overlapping Period was not liable to tax in India.
17. Article 4(2) of the DTAA between India and Kazakhstan provides for the following tie-breaker rule in case where taxpayer claiming the benefit of the said DTAA is resident of both the Contracting States:

*"Article 4  
Resident*

(1) xx      xx

- (2) *Where by reason of the provisions of paragraph 1, an individual is a resident of both Contracting States, then his status shall be determined as follows :*
- a) *he shall be deemed to be a resident of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident of the State with which his personal and economic relations are closer (centre or vital interests);*
  - (b) *if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident of the State in which he has an habitual abode;*
  - (c) *if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident of the State of which he is a national;*
  - (d) *if he is a national of both States or of neither of them the competent authorities of the Contracting States shall settle the question by mutual agreement."*

18. We note that the Assessee is nation of New Zealand who was on assignment in India and moved to Kazakhstan in August, 2017 on another assignment. The Assessee did not have permanent home in India thereafter, and was residing in Kazakhstan. On assignment to Kazakhstan, his payroll was also shifted to Kazakhstan. Therefore, the Assessee had closer personal and economic ties with Kazakhstan at the time of exercise of employment. Therefore, we hold that as per Article 4(2)(a)/(b) of the India-Kazakhstan DTAA, the Assessee would be regarded tax resident of Kazakhstan.

19. Article 15 (Dependent Personal Services) of DTAA between India and Kazakhstan read as under:

"ARTICLE 15

**DEPENDENT PERSONAL SERVICES**

1. *Subject to the provisions of Articles 16, 18 and 19, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.*

*2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first-mentioned State, if:*

- (a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any 12-months period commencing or ending in the fiscal year concerned, and*
- (b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and*
- (c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.*

*3. Notwithstanding the preceding provisions of this Article, remuneration derived in respect of an employment exercised aboard a ship or aircraft operated in international traffic, may be taxed in the Contracting State in which the enterprise operating the ship or aircraft is a resident.”  
(Emphasis Supplied)*

20. Article 15 (Dependent Personal Services) of DTAA between India and Kazakhstan, provides that salary/wages derived by a resident of a Contracting State in respect of employment shall be taxable only in that State unless the employment has exercised in the Other Contracting State. We have, hereinabove, determined the Assessee to be resident in Kazakhstan during the Overlapping Period. Therefore, we hold that the Salary for the Overlapping Period shall be taxable in Kazakhstan only.
21. Even otherwise, should we assume for the sake of arguments that the stand taken by the Revenue is correct and the Assessee is resident in India, there is no dispute as to the fact that the employment was exercised in Kazakhstan. The Revenue has not even set-up a case that the Salary should be taxed in India in terms of Article 15(2) of the DTAA.
22. In view of the above, we delete the addition of INR. INR.71,60,922/- made by the Assessing Officer in respect of Salary for Overlapping

Period.

### Rental Income

23. It is admitted position that Assessee owned a house property in London, United Kingdom and the same was let out during the relevant previous year. In the Revised Return of Income, Assessee offered to tax income from the said house property for the period 01/04/2017 to 31/12/2017 amounting to INR.3,80,590/-. The income from House Property amounting to INR.1,26,863/- for the Overlapping Period was not offered to tax. The Assessing Officer brought to tax the aforesaid income in the hands of the Assessee.
24. It is the contention of the Assessee that income from house property amounting to INR.1,26,863/- pertaining to Overlapping Period is not taxable in India. The Assessee had claimed benefit of Article 22(1) of DTAA between India and Kazakhstan.
25. We note that the rental income has been earned from immovable property located in London, United Kingdom. The relevant DTAA in our view would be the DTAA between India and United Kingdom. It is not the case of the Assessee that the Assessee was tax resident of United Kingdom for any period forming part of the relevant previous year. Therefore, the Assessee would be treated as resident of India for allocation of taxing rights as per the applicable article of DTAA between India and United Kingdom. Now, Article 16 of the DTAA between India and UK dealing with income from immovable property reads as under:

"ARTICLE 6

#### ***INCOME FROM IMMOVABLE PROPERTY***

1. *Income from immovable property may be taxed in the Contracting State in which such property is situated.*
2. *(a) The term "immovable property" shall, subject to the provisions of sub-paragraph (b) of this paragraph, be defined*

*in accordance with the law of the Contracting State in which the property in question is situated.*

*(b) The term "immovable property" shall in any case include property accessory in immovable property, livestock and equipment used in agriculture and forestry, rights, to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payment as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources. Ships and aircraft shall not be regarded as immovable property.*

3. *The provisions of paragraph 1 of this Article shall apply to income derived from the direct use, letting, or use in any other form of immovable property.*
4. *The provisions of paragraphs 1 and 3 of this Article shall also apply to the income from immovable property of a enterprise and to income from immovable property used for the performance of independent personal services." (Emphasis Supplied)*

26. As per Article 6 (1) above, the income from immovable property is to be taxed in the Source State where the immovable property is located (which is United Kingdom in the present case). Article 6(3) clarifies that the provisions of Article 6(1) shall apply to income derived from the direct use, letting, or use in any other form of immovable property. Therefore, even if the Assessee is considered to be tax resident of India, rental income arising from immovable property would not be taxable in India. Accordingly, we delete the addition INR.1,26,863/- made by the Assessing Officer in respect of rental income.

#### Dividend

27. As regards addition of INR.3,15,436/- made by the Assessing Officer in respect of dividend income is concerned, we find that the aforesaid dividend income has been earned during the Overlapping Period in respect of shares held in Netherlands. While the Assessee has claimed the benefit of Article 10(1) of the DTAA between India and Kazakhstan, in our view, the benefit of

same cannot be extended to the Assessee. The source country for dividend income is Netherlands. It is not the case of the Assessee that the Assessee was residents of Netherlands during the relevant previous year. Therefore, the relevant DTAA would be the DTAA between India and Netherlands. For the application of articles of the said DTAA, the Assessee would be considered as resident in India. Article 10 of the DTAA between India and Netherlands, allocates taxation of rights between the Contracting States. Since the relevant facts for adjudication of the said Article of DTAA between India and Netherlands are not before us, the issue relating to taxation of dividend income of INR.3,15,436/- in the hands of the Assessee is restored back to the file of Assessing Officer for denovo adjudication in view of our findings. It is clarified that in case the Assessing Officer brings to tax the aforesaid dividend income in the hands of the Assessee, the Assessing Officer is directed to grant credit of FTC of taxes paid in Netherlands over and above the credit of FTC of INR.91,728/-, in any, already granted to the Assessee after taking into consideration Form No.67 filed by the Assessee along with the original return of income wherein such dividend income was previously offered to tax.

#### Interest

28. As regards interest income of INR.4,03,086/- is concerned, we note that the same was offered to tax in India by the Assessee at the special rate of 10% as prescribed in Article 11 of DTAA between India and Kazakhstan. We note that while framing assessment the Assessing Officer had made addition of INR.7,18,521/- in respect of Income From Other Sources (consisting of dividend income of INR.3,15,436/- and interest income of INR.4,03,086/-) while computing taxable income. Thus, the Assessing Officer brought to tax the interest income of INR.4,03,086/- at the normal slab rate as against the beneficial rate of 10% applicable in terms of DTAA between India and Kazakhstan. Since we have concluded hereinabove, that the Assessee would be treated as resident of Kazakhstan during the Overlapping Period, we are of the view that interest income arising in India would be taxable in India at beneficial rate of 10% in terms of

Article 11(1) read with 11(2) of the DTAA between India and Kazakhstan. Accordingly, we direct the Assessing Officer to compute tax on interest income of INR.4,03,,086/- by applying the beneficial tax rate of 10% as provided in the Article 11(2) of DTAA between India and Kazakhstan.

29. In terms of above, Ground No. 1, 2 and 5 are allowed, Ground No. 3 and 4 are partly allowed. Ground No. 6, 7, Additional Ground No.1 and Additional Ground No. 2 are dismissed as having been rendered infructuous in view of adjudication of Ground No. to 5
30. Thus, in result, the present appeal preferred by the Assessee is partly allowed.

Order pronounced on 25.02.2026.

*Sd/-*  
**(Waseem Ahmed)**  
**Accountant Member**

*Sd/-*  
**(Rahul Chaudhary)**  
**Judicial Member**

मुंबई Mumbai; दिनांक Dated : 22.02.2026  
*Milan, LDC*



**आदेश की प्रतिलिपि अग्रेषित/ Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त/ The CIT
4. प्रधान आयकर आयुक्त / Pr.CIT
5. विभागीय प्रतिनिधि , आयकर अपीलीय अधिकरण , बैंगलोर/DR,  
ITAT, Bangalore
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

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आयकर अपीलीय अधिकरण, बैंगलोर/ ITAT, Bangalore