

Section - 6, Wealth-Tax Act, 1957

Exclusion of assets and debts outside India.

6. In computing the net wealth of an individual [who is not a citizen of India or of an individual] or a Hindu undivided family not resident in India or resident but not ordinarily resident in India, or of a company not resident in India during the year ending on the valuation date—

- (i) the value of the assets and debts located outside India ; and
- (ii) the value of the assets in India represented by any loans or debts owing to the assessee in any case where the interest, if any, payable on such loans or debts is not to be included in the total income of the assessee under [section 10] of the Income-tax Act ;

shall not be taken into account.

Explanation 1.—An individual or a Hindu undivided family shall be deemed to be not resident in India or resident but not ordinarily resident in India during the year ending on the valuation date if in respect of that year the individual or the Hindu undivided family, as the case may be, is not resident in India or resident but not ordinarily resident in India within the meaning of the Income-tax Act.

[Explanation 1A.]—Where in the case of an individual the value of an asset in India is represented by any debt owing to him, being any moneys to his credit in a Non-resident (External) Account, the interest payable on which is not to be included in his total income under [sub-clause (ii) of clause (4)] of section 10 of the Income-tax Act, the provisions of this section shall, in relation to such asset, apply subject to the modification that the reference in this section to an individual not resident in India shall be construed as a reference to a person resident outside India as defined in clause (q) of section 2 of the Foreign Exchange Regulation Act, 1973 (46 of 1973)].

Explanation 2.—A company shall be deemed to be resident in India during the year ending on the valuation date, if—

- (a) it is a company formed and registered under the Companies Act, 1956 (1 of 1956), or is an existing company within the meaning of that Act ; or
- (b) during that year the control and management of its affairs is situated wholly in India.