



Income From Other Sources

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Examples of IFS

1] Investment income ✓ → Exception → such income is in the ordinary course of business → P&BP.

2] Dividend received → IFS ✓

Dividend recd (stock broker) → ~~P&BP~~ IFS

3] Sub-letting of House Property.

4] Letting out of P/M (not a bus).

5] Director sitting fees.

6] Royalty received

7] Winning from Lotteries/Puzzles/online games/Game shows.

8] Income-tax Refund → NOT Taxable.

Interest on Income-tax Refund → IFS ✓

9] Agri income from a land located in India ✓ → IFS ✓

10] Salary of MP/MLAs → IFS ✓

Casual Income.

Winning from

- Lotteries
- Card games
- online games
- Game shows.
- horse races ✓

Tax Rate → 30%.

No chapter VI-A deduction X

No Basic Exemption limit X

No set off possible X

No carry forward of loss X

Imp Note

1] Sometimes Qs mentions that lottery amt received / lottery amt received (net)

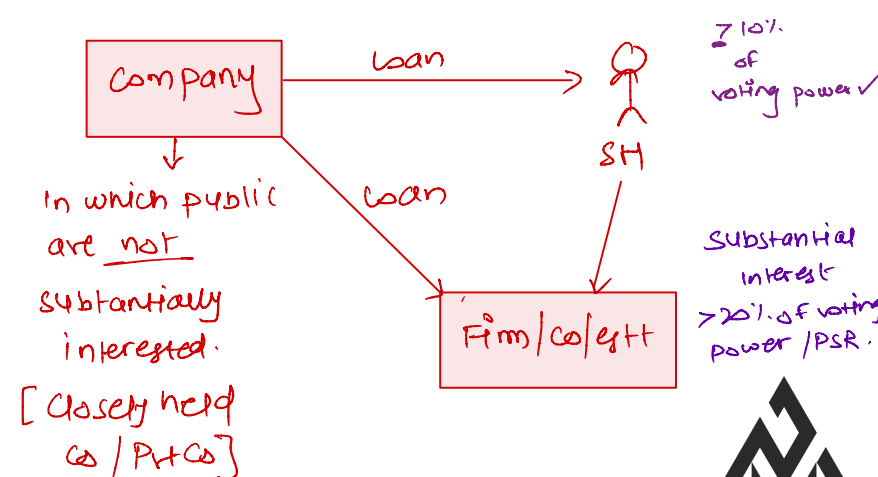
Eg. Lottery of ₹70000 received (net)

IFS Income → 70000

(1L)

This is called as Grossing up

Section 2(22)(e) → Loan given to Shareholders.



Notes

1] Co needs to a company in which public are not substantially interested → closely held co / Part co

2] SH shall have ≥ 10% of voting power in that closely held company.

3] IF Company (giving div) is giving a loan to another establishment in which SH has a substantial int. it will still be considered as deemed dividend for the shareholder ✓

1] what if shareholder repays the loan amount??

↓
Still deemed dividend.

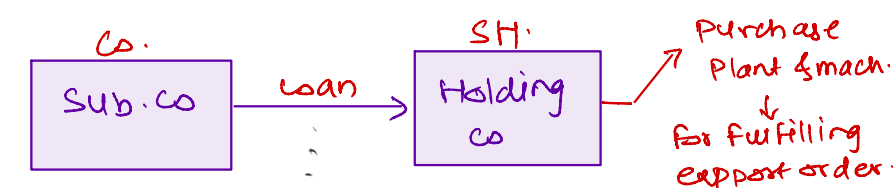
2] what if the loan is genuine / Int is charged at market rate??

↓
Still deemed dividend.

Exception

If loan is given as Trade Advance to the shareholder

↓
Such trade advance is considered as genuine & thus, it will not be considered as deemed dividend in the hands of the SH.



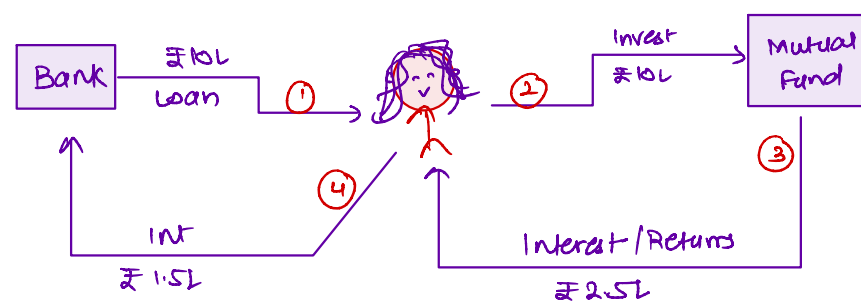
will not be considered as Deemed Dividend

Dividend → Accumulated Pts. → 10L
15L



Sec 57 → Deductions from IFS.

Dividend / Income in respect of Mutual Fund / specified units.



Taxability

Income u/s 56 2,50,000
 (-) Exp u/s 57 (50,000) ... 20% of 2.5L
 ~~1,50,000~~

IFS	2,00,000.
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Deduction of exp. is allowed only to the extent of 20% of Total Income from MF [2.5L in the present case.]

Std deduction in case of Family Pension

Family Pension → Regular monthly amount paid by the employer to a family member of the employee, in the event of employee's death.

Deduction = (i) ₹25,000
 OR
 (ii) 1/3rd of Pension Received.

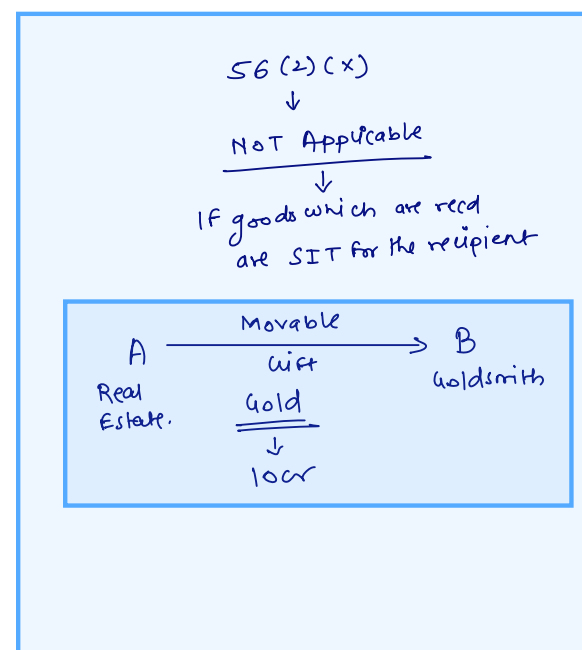
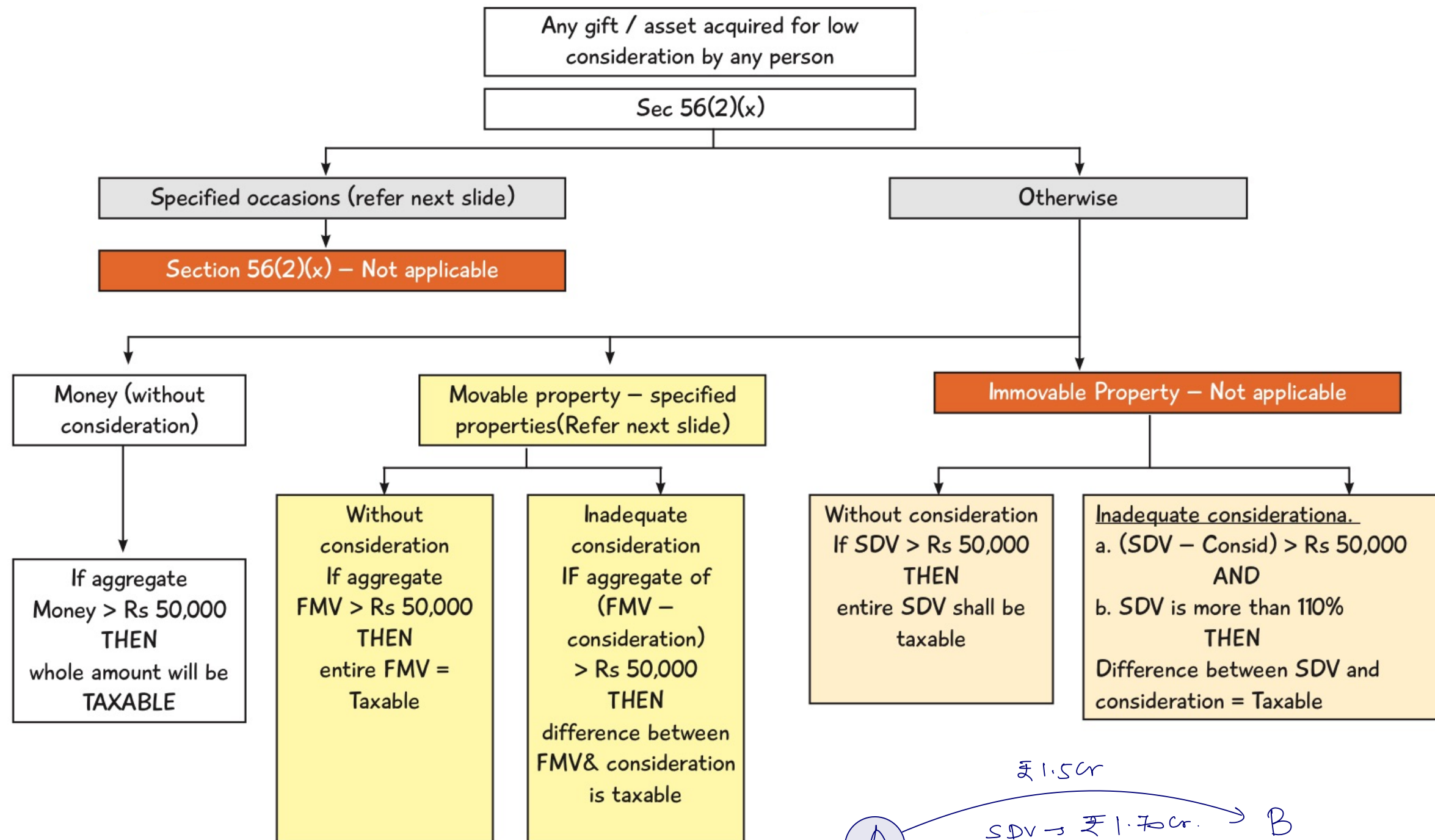
Example → Pension received → ₹90,000.

Income u/s 56 → ₹90,000.

(-) Expenditure u/s 57 → (₹25,000)

(i) ₹25,000
 OR
 (ii) ₹30,000
 1/3 of ₹90,000

IFS	65,000
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Specified Properties
<ul style="list-style-type: none"> Shares & securities Jewellery Drawing Painting Archaeological collection Sculptures Any other work of art Bullion Virtual Digital Asset Any property received as gift or acquired for low consideration other than above – Section 56(2)(x) = Not Applicable
<p>Amdt</p> <ul style="list-style-type: none"> Examples – Car, Washing machine, TV received and even though value is more than Rs 50,000 = NOT taxable

