

Dr. Madhukarrao Wasnik P. W. S.  
College of Arts & Commerce,  
Nagpur.

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**Income from other source**  
**B.Com 4<sup>th</sup> sem**

**Sub. Teacher**  
**Dr. Suresh Bhagwat**

# Basis of Charge- U/s 56

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## **General Provision- Section 56 (1)**

Income of every kind which is not to be excluded from the total income under this Act shall be chargeable to income-tax under the head Income from other sources, if it is not chargeable to income-tax under any other of the heads such as

- 1) Salaries
  - 2) House Property
  - 3) Profit/ Gains from Business
  - 4) Capital Gains
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# Basis of Charge- U/s 56

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## Special Provision- Section 56 (2)

- i) Dividends
  - ii) Winning of Lotteries, crossword puzzles, races or card games or any sort of gambling & betting
  - iii) Sum Received by Assessee from his employees as contribution to Staff welfare scheme
  - iv) income by way of interest on securities (Debentures, Bonds & Government Securities)
  - v) Rental Income of Machinery or furniture let on hire
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# Basis of Charge- U/s 56

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- vi) Rental Income of Letting out of Plant, Machinery or furniture along with letting out of building and the tow lettings are not separable.
  - vii) Any sum received under a Keyman Insurance Policy including bonus if not taxable as Salary or Business Income
  - viii) Gifts (Receipts without/unadequate consideration/)
    - i) Any sum of money total exceeding Rs 50,000 is received by Individual/ HUF. Then Entire Amount
    - ii) Any immovable property exceeding Rs 50,000
    - iii) Any Movable property exceeding Rs 50,000
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# Deduction u/s 57

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- i) In the case of dividends, [other than dividends referred to in section 115-O,] [or interest on securities], any reasonable sum paid by way of commission or remuneration to a banker or any other person for the purpose of realising such dividend
  - ii) Deduction in respect of Employee's contribution towards Staff welfare scheme towards any welfare fund of such employees is allowable only if such sum is credited to the tax payer account before the due date
  - iii) Repairs Depreciation in case of Letting of plant machinery & furniture
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# Deduction u/s 57

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- iv) In the case of income in the nature of family pension, a deduction of a sum equal to  $33\frac{1}{3}\%$  of such income or Rs 15,000 whichever is less
  
  - v) any other expenditure (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of making or earning such income.
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# Amount not Deductible u/s 58

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(a) in the case of any assessee,

(i) any personal expenses of the assessee ;

(ii) any interest which is payable outside India on which tax has not been paid or deducted

(iii) any Salaries, if it is payable outside India, unless tax has been paid thereon or deducted

iv) The provisions of section 40A shall, so far as may be, apply in computing the income chargeable under the head Income from other sources as they apply in computing the income chargeable under the head Profits and gains of business or profession.

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# Amount not Deductible u/s 58

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v) In the case of an assessee, being a foreign company, the provisions of section 44D shall, so far as may be, apply in computing the income chargeable under the head Income from other sources as they apply in computing the income chargeable under the head Profits and gains of business or profession.]

vi) no deduction in respect of any expenditure or allowance in connection with such income shall be allowed under any provision of this Act in computing the income by way of any winnings from lotteries, crossword puzzles, races including horse races, card games and other games of any sort or from gambling or betting of any form or nature, whatsoever :

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# Gifts- Exceptions

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- i) Gifts from Relatives
  - ii) Gifts on the occasion of marriage of the individual
  - iii) Gifts under a will or by way of inheritance,
  - iv) Gifts in contemplation of death of the payer
  - v) Amount received from any local authority
  - vi) Amount received from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10
  - vii) Any amount received from any trust or institution registered u/s 12AA.
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# Relatives

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- i) spouse of the individual,
  - ii) brother or sister of the individual,
  - iii) brother or sister of the spouse of the individual,
  - iv) brother or sister of either of the parents of the individual,
  - v) any lineal ascendant or descendants of the individual,
  - vi) any lineal ascendants or descendants of the spouse of the individual,
  - vii) and spouse of the persons referred to ii) to vi) above
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**THANK YOU**

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