



INCOME FROM OTHER SOURCES

Basis of Charge – [Sec. 56 (1)]

- ❖ Income of every kind which is not to be excluded from the Total Income under this Act and it is **NOT** to be taxed under any other head of income shall be charged to Income Tax under the head –
“Income from Other Sources (IFOS)”

Dividends

- ❖ Received from a **Domestic Company** is exempt up to **Rs. 10 Lakhs**
- ❖ Received from a **Foreign Company** is **Fully Taxable**
- ❖ Received from a **Co – operative Society** is **Fully Taxable**

Winning from Lotteries, etc.

❖ Following incomes are included in this type - **(30% flat tax rate)**

1. Lottery

2. Card Games

3. Game shows (E.g. – “*Kaun Banega Crorepati*”)

4. Betting and Gambling, etc.

Gifts (Receipts without Consideration)

- ❖ Includes **Money** received, **Movable** or **Immovable Property** received
- ❖ Gift received from a “Relative” at any point in time is Fully Exempt
- ❖ Gift Received from any person on the day of Wedding is Fully Exempt
- ❖ However, a gift received from a **Non-Relative on a Non-Wedding Day is Taxable**
- ❖ If the **Total value of Gifts** in a year exceed **Rs. 50,000/-**, it will be **Fully taxable**

Agricultural Income

- ❖ Agricultural Income from Land situated **in India** is **Exempt**
- ❖ Agricultural Income from situated **Outside of India** is **Fully Taxable**
- ❖ Following can be treated as **Agricultural Income** –
 1. Income from growing Crops, Flowers or Creepers
 2. Income from Lease of Agricultural Land
 3. Compensation received from Insurance Cos. on damage of crops

Incomes received by an M.P. and M.L.A.

❖ Salary received by a MP or an MLA is Fully Taxable

❖ However, Allowances received by them are Fully Exempt

AWARDS AND REWARDS

- ❖ **Awards** (Cash or Kind) from Central or State Government are **Fully Exempt**
- ❖ However, any other Awards are **Fully Taxable**

INCOMES FOR ARMED FORCES

❖ Following Incomes are **Fully Exempt** -

1. **Pension** to recipients of **Gallantry Awards** (“*Param Vir Chakra*”, etc.)
2. **Pension** to **Family members** of Armed Forces