

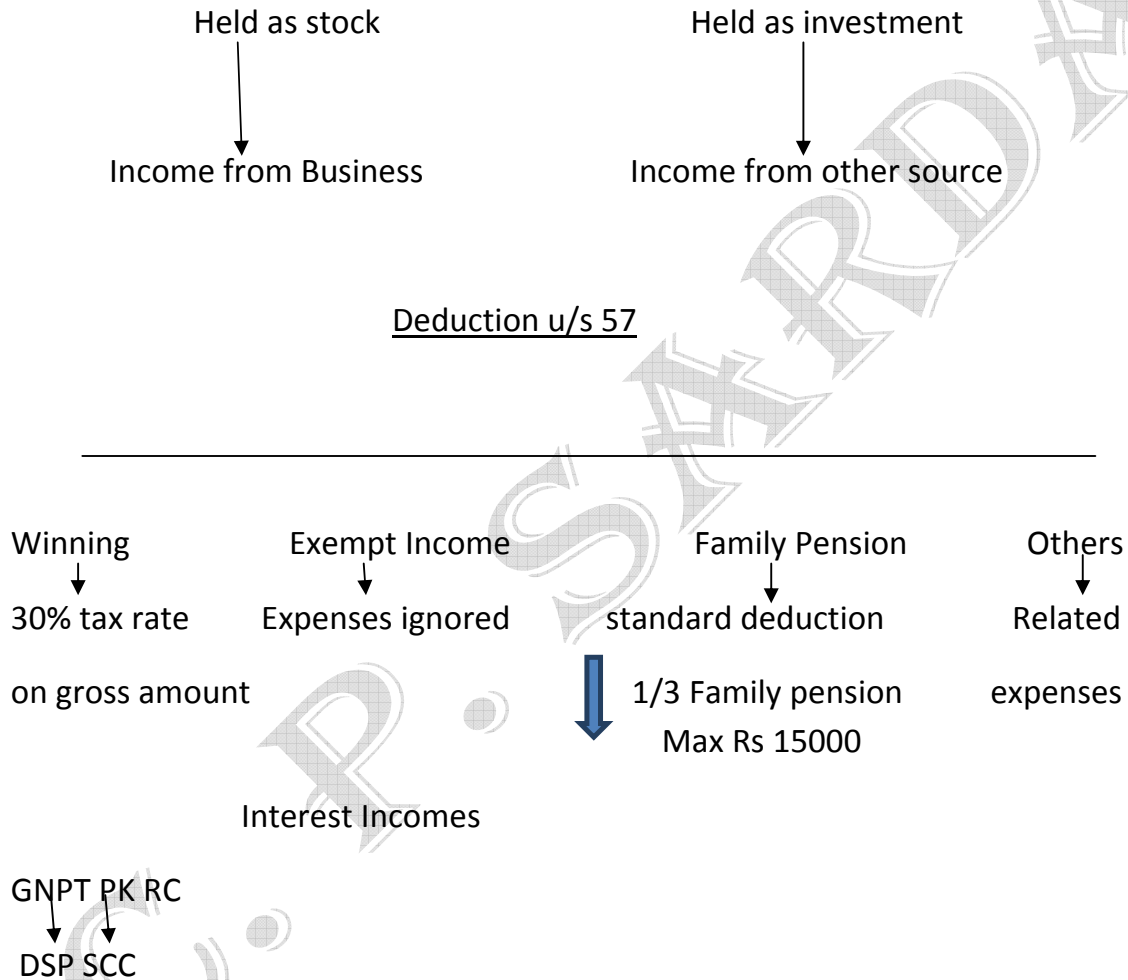
Income from other sources

Income from other sources is residual head of income .In order to find out the taxable income from other sources we have to prepare a statement from other sources.

D	D ividend on shares Indian Company (Exempt u/s 10 (34) Foreign Company/Cooperative Society	<u>XX</u>
W	W innings (Gambling, horse races, card games ,TV Games)	<u>XX</u>
R	R ent Income -Rent of assets other than building -Composite Rent -Rent from subletting	<u>XX</u>
A	A griculture Income Land in India exempt u/s 10(1) Foreign Land	<u>XX</u>
M	Income as M P , M LA, M LC -Salary -Daily allowance/consistency allowance exempt u/s 10(17)	<u>XX</u>
M	Income of M inor Child Exempt u/s 10(32) up to Rs. 1500 p.a per minor child	<u>XX</u>
U	Income from units of U TI & Mutual Funds exempt u/s 10(35)	<u>XX</u>
F	F ees received by director for attending board meeting	<u>XX</u>
F	F amily pension received by family members of a deceased employee(notes)	<u>XX</u>
A	A ward received from government in public interest exempt u/s 10(17 A)	<u>XX</u>
K	Amount received from K enymans Insurance Policy(Amt recd from life insurance policy will be exempt u/s 10 (10 D)	<u>XX</u>

I	Interest Income(notes)	<u>XX</u>
R	Royalty Income	<u>XX</u>
R	Remuneration from non employer	<u>XX</u>

Interest on Debenture



G	Gold Deposits Bonds/Shares
N	National
	D-Defence Gold Bonds
	S-Saving Ammunity Certificate
	P-Plan Certificate
P	Post Office
	S-Saving Bank A/C
	C- Cumulative Time Deposit A/C
	C-Cash Certificate
T	Treasury Saving Deposit
P	Public Provident Fund
K	Konkan Railway Cooperation Bonds
R	Relief Bonds(National/State/RBI)
C	Capital Investment Bonds

Interim Dividend:-It is treated as income of that year in which it is unconditionally made available to shareholder

Final Dividend: - It is treated as income of the year in which it is declared.

Less Tax securities: - It means any securities which is subject to TDS

Tax Free Securities:- It means that TDS will be paid by payer of Interest.

Section 2(22) Deemed Dividend

Section 2 (22 a)

Any Distribution made to the shareholder of the company on company assets, to the extent of accumulated profits of the company.

Section 2(22 b)

Any Distribution made to the shareholder of the company on debentures, deposit certificates & bonus shares to preference shares, to the extent of accumulated profits of the company.

Section 2(22c)

Any Distribution made to the shareholder of the company on liquidation of company, to the extent of accumulated profits of the company.

Section 2(22 d)

Any Distribution made to the shareholder of the company on reduction of capital, to the extent of accumulated profits of the co

Section 2 (22 e)

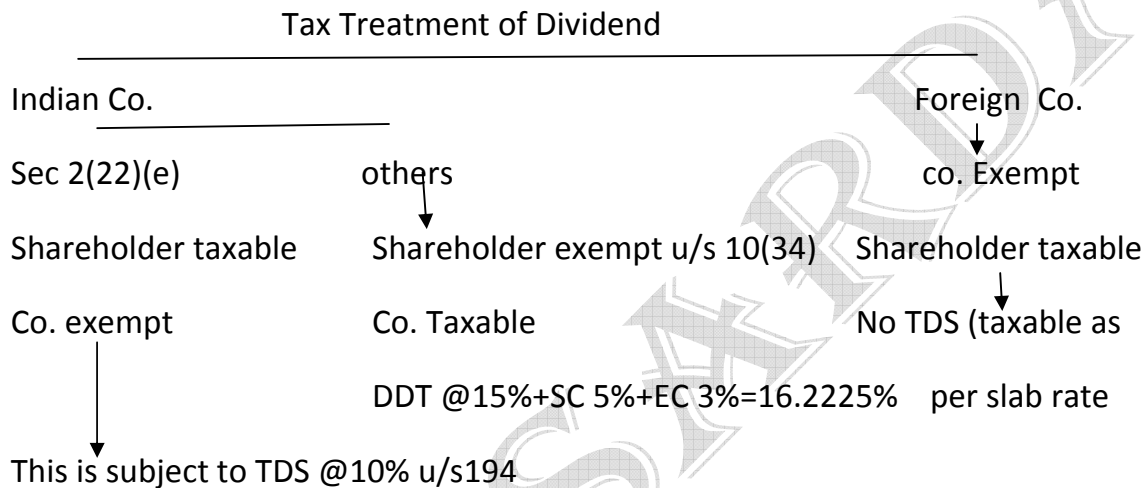
Advance or loans by closely held company to its shareholder-

1. Shareholders holding at least 10% or more equity share capital
2. To a third party for the benefit of such shareholder .
3. To a concern in which shareholder has 20% or more profit entitlement or voting power.

In the 2 & 3 cases the loan/advance is taxable in the hands of shareholder.

& In the 1st case the loan/advance is taxable in the hands of a concern.

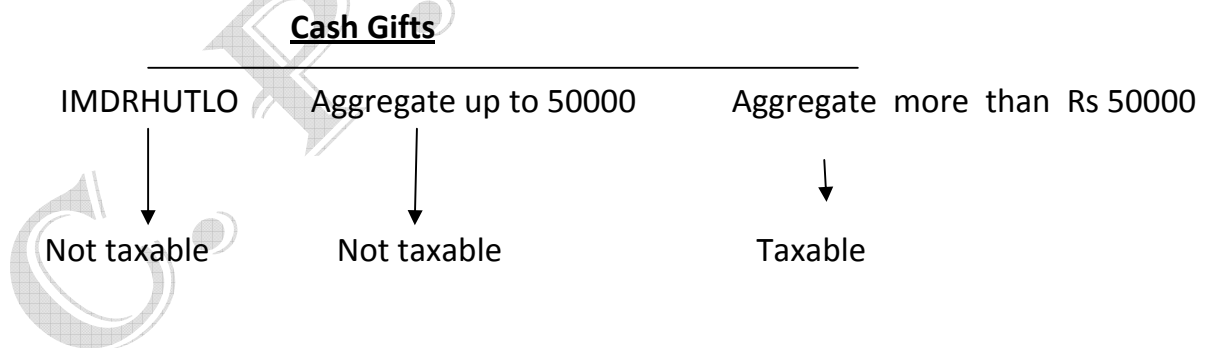
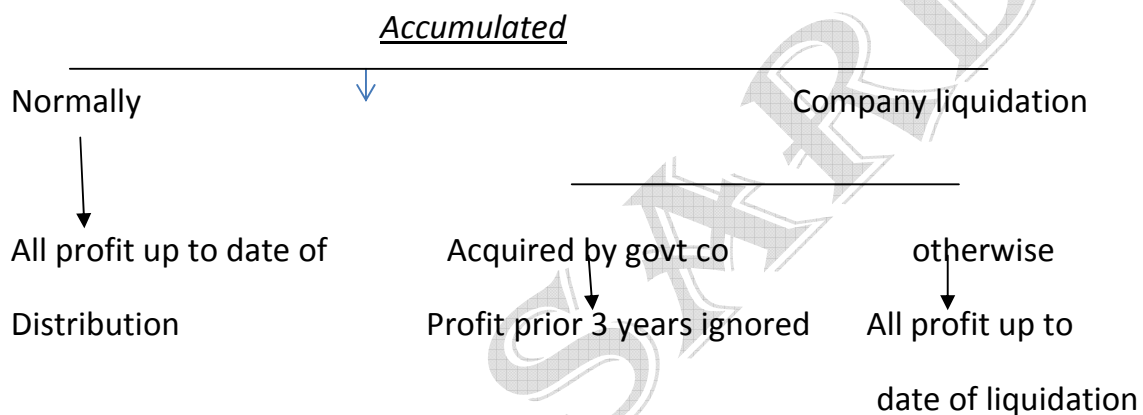
Notes :- Normally surcharge is payable by the company only if its income exceeds Rs 1 crores but in case ,if it pays dividend it has to pay surcharge irrespective of its income



Accumulated Profits.

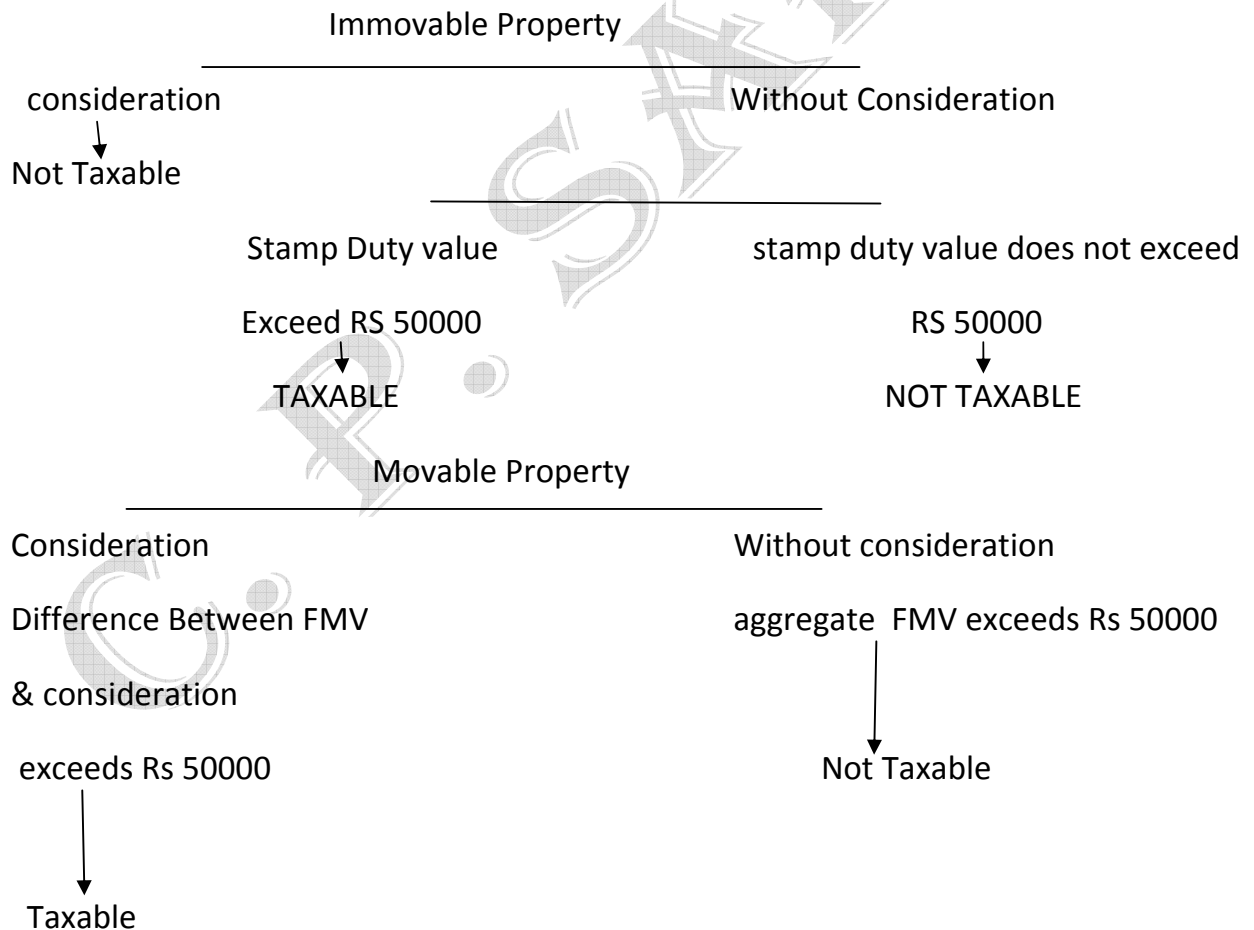
1. It should be based on commercial profits not on assessed income.
2. Current year profit should be included in accumulated profit.
3. Agriculture Income should be included in accumulated profit.
4. Any concealed income should be included.

5. Balancing charge u/s 41(2) of the act should not be included in accumulated profit because it is not a commercial profit but only a withdrawal of depreciation's



I	Inheritance/Will
M	Marriage
D	Death Contemplation
R	Relative
H	Hospital/Medical Institution
U	University/Educational Institution
T	Trust/Charitable
L O	Local Authority

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Movable Property means :-

1. Land and building
2. Shares and securities
3. Jewellery
4. Archaeological collection, drawings , sculptures ,or any work of art
5. Bullion

Shares of Closely held company shares(IMP) SEC 56(2)

