

Lec 1 26 May

Chapter = 8

Income from other (IOS) sources

Changing section 56

(Koi bhi income case karke and kisi bhi head mai nai gati toh IOS mai aa jaegi income.)

* Taxability of Dividends

- Dividend income xxx Taxable (L)
- (-) Int. expenditure (on loan taken for investment)

Actual (or) 20% of dividends
 Lower

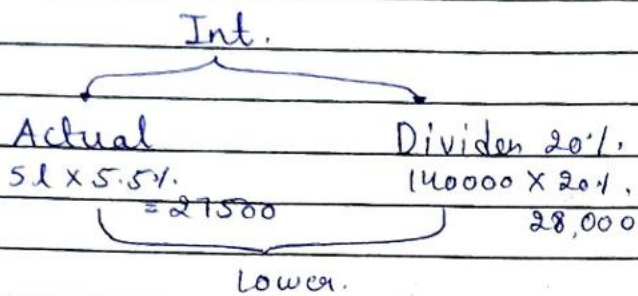
- (-) Any other expenses (Not allowed)

[Eg] • Dividend earned in PY 24-25 = ₹ 80,000
 • Loan taken for investment in shares
 1 lakh @ 18% p.a. int.
 Find taxable dividend income.

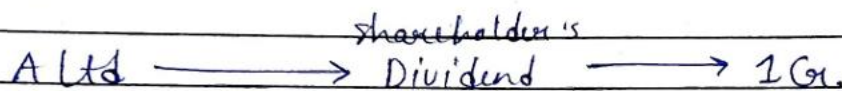
Dividend income	80,000	Actual	Divid
(-) Int exp.	16,000	2L x 18% (or)	20%
Taxable	<u>64,000</u>	= 18,000	80,000
			x 20%
			<u>16,000</u>
			Lower.

Qw Dividend income 140,000
 Loan taken for investment = ₹ 5 lakh
 @ 5.5% p.a.
 Find dividend income if Comm. paid is ₹ 7,000

Dividend income	140,000
(-) Int. exp.	<u>(27,500)</u>
Taxable	<u><u>112,500</u></u>



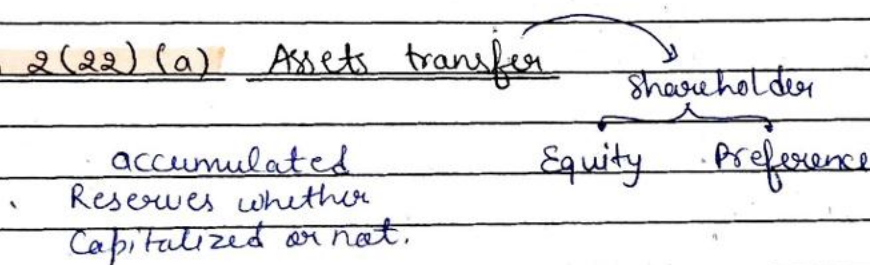
* Deemed dividend



D.D. Tan \longrightarrow 15% (Ab nai hai)
 (Dividend distribution) (tan shareholder pay karongi)

2(22) (a) (b) (c) (d) (e)

Section 2(22)(a) Assets transfer



Section 2(22)(b) & Dividends

Meaning of whether Capitalized or not

B/sheet	
Share Cap 10 lakh	Assets 15 lakh
R/s surplus 5 lakh	

Now out of 5 lakhs, 3 lakhs have been issued as Bonus shares.

New B/sheet

Share Cap (10+31)	13 lakh
R & S surplus (5-31)	2 lakh

It means 3 lakhs have been Capitalized.

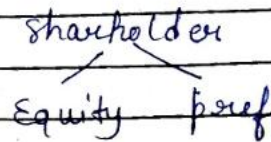
Meaning of whether Capitalized or not would be
3+2 lakh i.e. total 5 lakhs

Case ① Asset distributed of ₹ 6.5 lakhs so, deemed dividend would be
upto 5 lakhs only

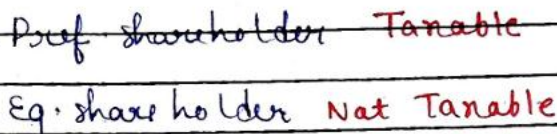
Case ② Assets distributed of ₹ 3,80,000 so, deemed dividend would be of ₹ 3,80,000

Section 2(22)(b) liabilities

• Debentures/
Bonds



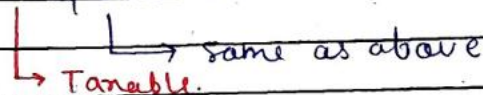
• Bonus share



Section 2(22)(c)

Co. in
Liquidation

Assets distribute to Eq. shareholder
before liquidation



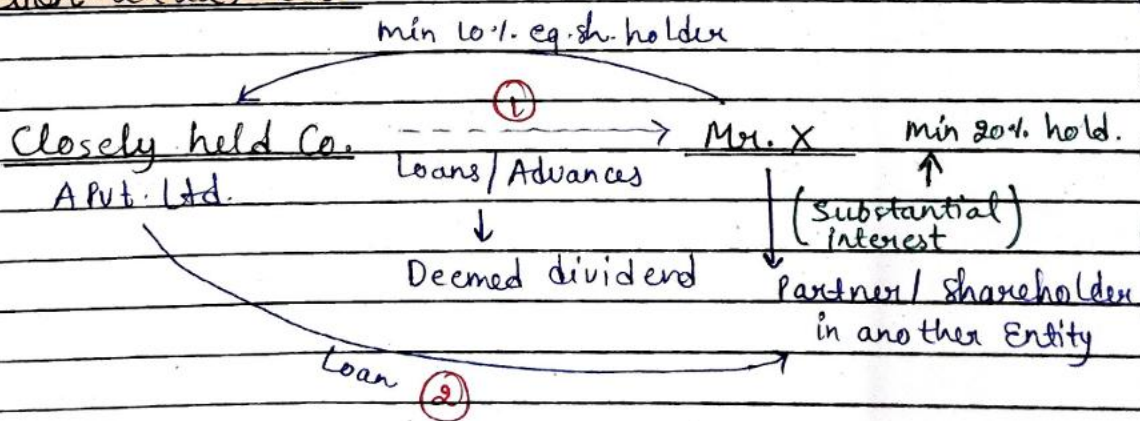
Section 2(22)(d)

Refund of share Capital
to Eq. shareholders

→ Taxable

Calculation same as
above.

Section 2(22)(e)



Date.....

Limit for 2(22)(c)

Taxable upto accumulated Reserves

whether ~~Cap.~~ (15%)
~~vat.~~

[Eg]

Sh. Capital	13 lakh
10L + 3L bonus	
R & Surplus	2 lakh

Loan given 240,000
Deemed div ??
2 lakh as div

accumulated
Reserves Cap. ~~or~~ not

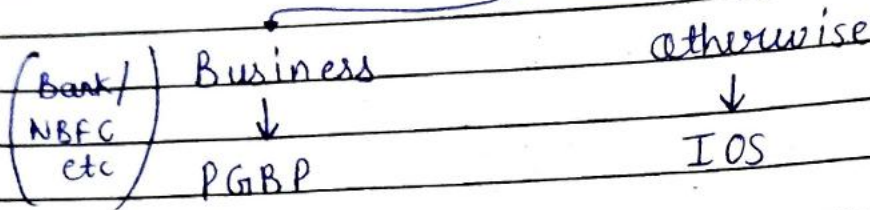
Any entity → Business of providing loans

2(22)(c) → Not applicable

- Bank
- NBFC
- Financial institution

* Covering Various Concepts(1) Interest amount receives

(Loans/Bonds Purchase)

(2) winnings from lotteries 56(2)(ib)

• Casual income = lottery, betting, gambling, reality shows.

• Taxable @ 30% flat

• No expense (-) Not allowed

[Eg] Lottery income 6 lakh
Tax liability

$$\begin{array}{r}
 6\text{L} \times 30\% = 180000 \\
 \text{+ } 7200 \text{ (+ 4\% Cess)} \\
 \hline
 \underline{187200}
 \end{array}$$

[Note] Lottery etc
TDS rate @ 30%

⊕

With Cess = 31.2%

Date.....

[Eg] Lottery received = 210000
Find lottery income.

$$\frac{210000}{70\%} = \underline{3 \text{ lakh}}$$

$$\begin{array}{l} 70\% = 210000 \\ 100\% = ?? \end{array}$$

[Eg] Lottery rec. = 490000
Find lottery income

$$\text{After} = \frac{\text{TDS}}{30\%} \rightarrow \begin{array}{l} 70\% = 490000 \\ 100\% = ?? \end{array}$$

\Rightarrow 7 lakh

[Eg] Lottery rec 550400
TDS deducted including cess
Find ~~to~~ lottery income

Lottery received = 550400
TDS rate = 30%
Cess 4% 1.2

$$\begin{array}{l} 31.2\% \\ 100\% - 31.2\% \text{ TDS cut} = \text{Remaining } 68.8\% \end{array}$$

$$\begin{array}{l} 68.8\% = 550400 \\ 100\% = ? \end{array}$$

$$\frac{550400}{68.8\%} = \underline{8 \text{ lakh}}$$

Generally 30% is as head.

[Eg] Lottery winning 12l
 Lottery ticket cost 2l

Find lottery income??

winning = 12l
 Any other exp
 (-) Not allowed
 Income 12 lakh

Q.42

P&L

Purchase 20l	Sales 50l
	Agri Income 5l
	Lottery rec 10,50,000
Profit 45,50,000	

Note 7 lakhs were paid in cash for purchase
 Find GT Income.

Ans PGBP

Given profit	45,50,000
less Agri Income (Exempt U/s 10(2))	(5,00,000)
less Lottery amt (Taxable under IOS)	(10,50,000)
Add Cash purchases [40A(3)]	7,00,000

• PGBP

37,00,000

Date.....

IOS Lottery income
Lottery rec.

$$\frac{10,50,000}{70\%} \oplus \rightarrow 15,00,000$$

GTI

52 lakh

Tax liability New Regime.

37L slab	→	0-3L	=	Nil
		7L	5%	= 20,000
		10L	10%	= 30,000
		12L	15%	30,000
		15L	20%	60,000
		22L	X 30% > 15	<u>6,60,000</u>

8,00,000

⊕ Lottery 15L x 30%
Tax 45,000

12,50,000

⊕ Surcharges @ 10% 1,25,000

13,75,000

⊕ 4% Cess

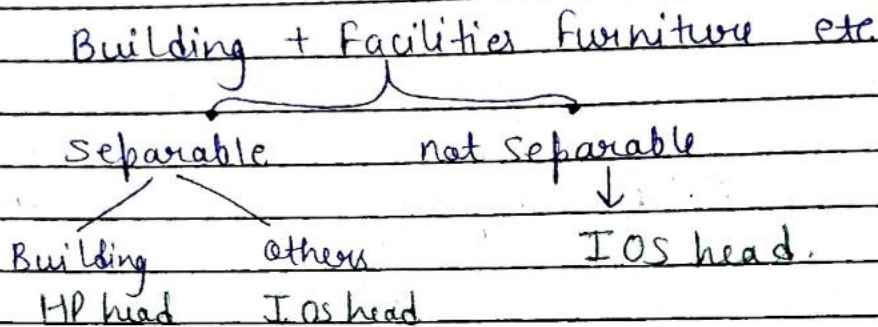
14,30,000

(-) TDS deducted
(15L x 30%)

(4,50,000)

9,80,000 pay

* 6

(3) Composite Rent

(Govt or Govt station but not ho gya)

(4) Interest on Compensation or Enhanced Compensation

- Taxable on Receipt basis
- IOS Taxable
- Standard dedⁿ = 50%
- No other exp. allowed.

[Eg] PY 22-23 Int. received of Current year 5 lakh
 Belonging to PY 18-19, int rec. 3 lakh
 Exp. on litigation 2 lakh
 Find IOS.

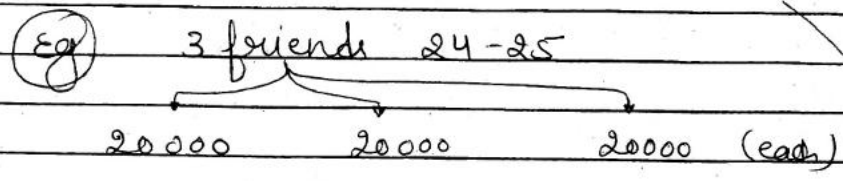
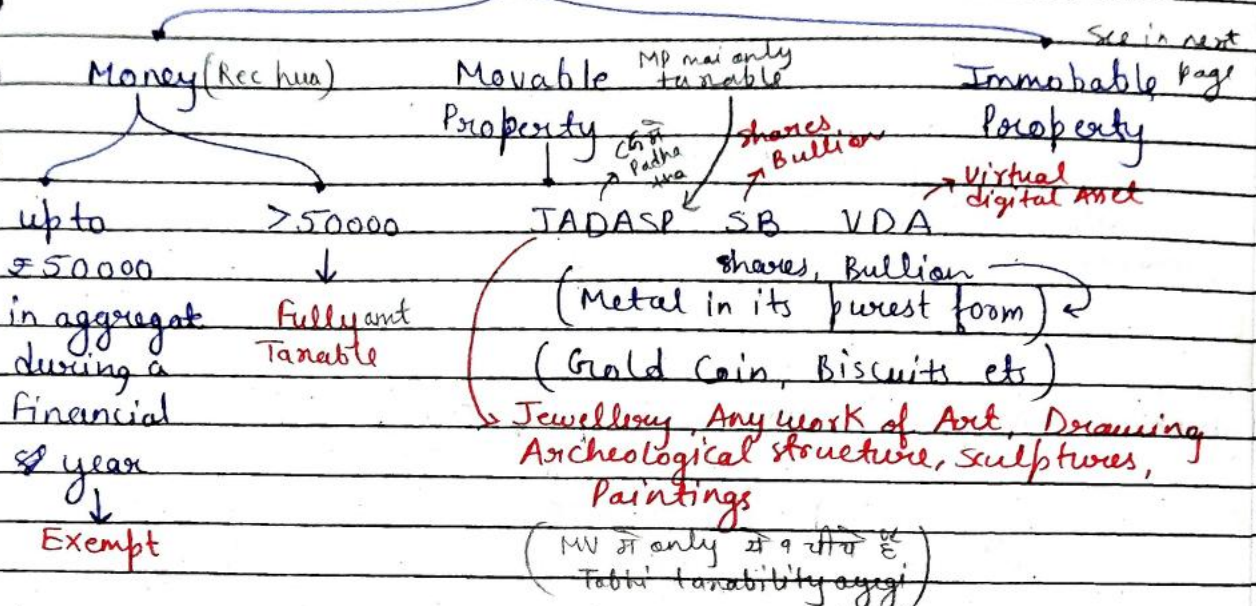
$$\text{rec} = 5\text{l} + 3\text{l} = 8\text{l}$$

(-) litigation exp (not allowed)

$$(-) \text{stand ded}^n 8\text{lakh} \times @ 50\% \Rightarrow 4\text{l}$$

IOS 4l

* Taxability of Gift :- 56(2)(x) 10



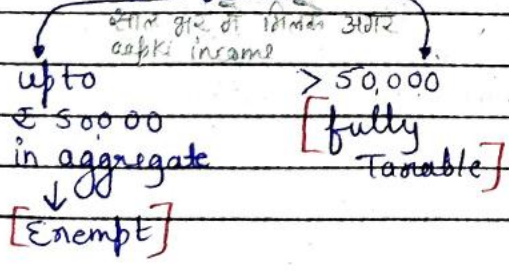
60,000 Gift Rec.

Taxability Yes full amt 60,000

Movable Property

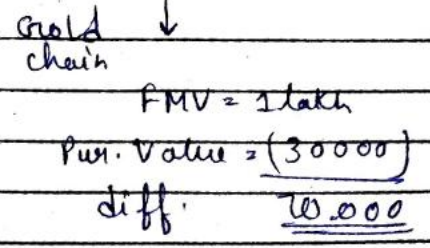
9 items

without Consideration Gift (free)

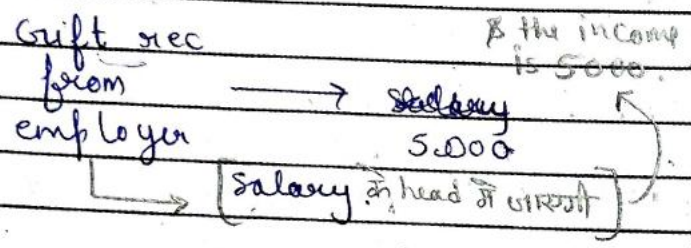
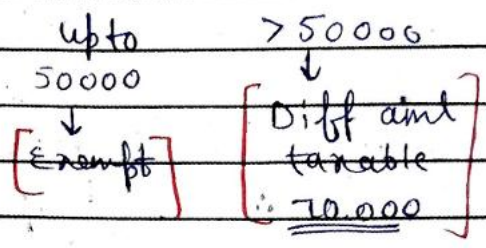


For inadequate Consideration

means $\frac{\text{संपत्ति का मूल्य}}{\text{संपत्ति का मूल्य}}$



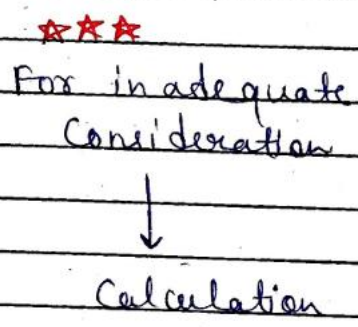
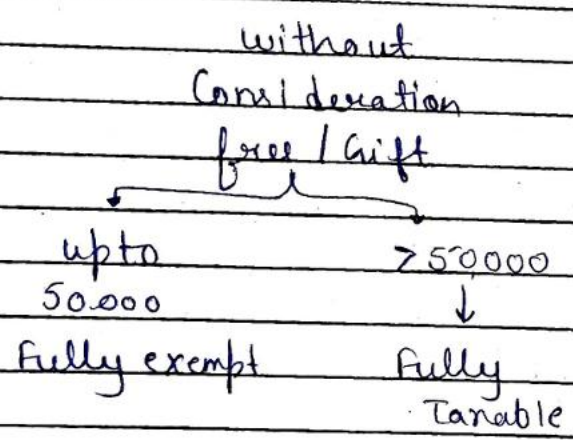
Date.....



Immovable property sec.

IP received in gift
Limit is 50k.

Limit = 50,000
Property wise



Inadequate Consideration

(I) L & B Gift / re. → Stamp duty Value SDV??

agreement ya use
kisi Banking
channel se pay
koi d'a tha to
agreement

Agreement
↓
Banking

Reg.
↓
otherwise
anything else
then reg.

Check whether your (less than)

(II) Pur. Value < SDV

↓
Yes.

(III) Actual diff. (Then check)

(IV) Diff. allowed ?? (then check)

Pur Value × 10% } higher
 @
 ₹ 50000

(V) Act. diff > Diff. allowed

Yes

Diff → Taxable → IOS head

If Act diff is more than > Diff allowed.

Yes → then Jitna bhi

Diff hai woh Taxable

hai uski IOS ki head hai

Case ① Land purchase = 30 lakh

SDV = 34 lakh

Find income taxable under IOS

30 lakh × 10% = 3 lakh
 @ → 5
 Allowed = 3 lakh

• Diff allowed

Pur × 10%

30 lakh × 10% = 3 lakh

@

50000

↑ 3 lakh

Allowed = 3 lakh

Step ① • SDV = 34 lakh.

② • Pur Value < SDV

check whether 30 lakh < 34 lakh

③ • Act diff 4 lakh
 (30 lakh - 34 lakh)

• Act diff > Diff allowed

4 lakh > 3 lakh

∴ 4 lakh Taxable

Case 2 Purchase Val = 4l
 SDV = 448000
 Find income under IOS

SDV = 448000
 Act diff, 48000
 Diff allowed

4l x 10% = 40000 } ↑
 (or) 50000 (or)

Actual diff > Diff allowed
 48000 > 50000

(No)

56(2)(a) Not applicable IOS (X)

Note

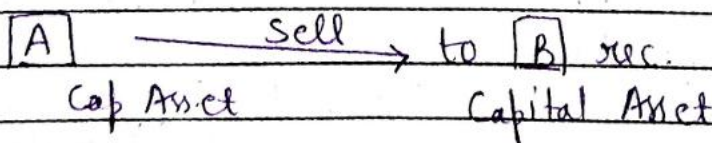
House purchase Covid 12 Nov 2020 - 30 June 2021

- Residential
- Primary sale
- upto 2 cr.

Note

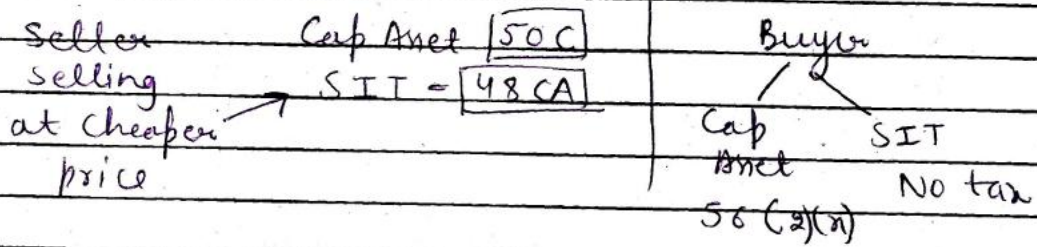
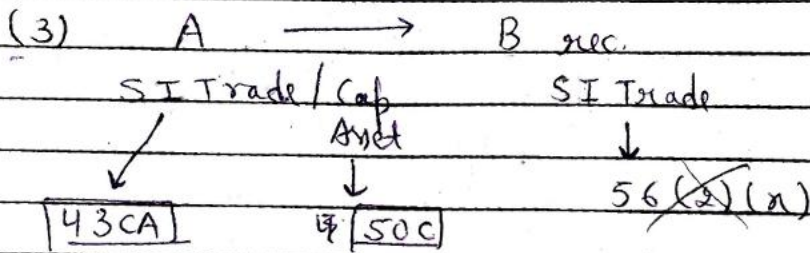
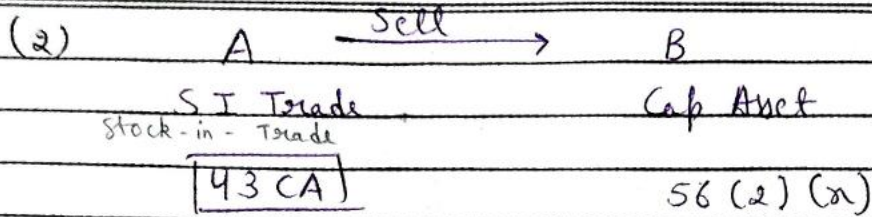
(1) Immovable property which is a gift received as stock-in-trade is not taxable under IOS.

Building CV = 80 lakh
 SDV = 1 cr.

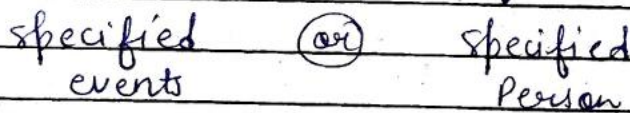


50C

50(2)(a)
 IOS Taxable



* Gift received from



Not Taxable

- M = Marriage
- R = Relative
- I = Inheritance
- D = Death
- L = Local authority
- U = University
- T = Trusts
- H = Hospitals

* Covid Related Points

Treatment
amt. rec.

Fully exempt

Death

Compensation rec.

From
Employer

fully
exempt

others
rec.

upto 1 lakh
exempt

over 1 lakh above
Taxable

And should be
rec. within 12 months
of death

* University / Trust / Hospitals etc. (Receiver point of view) Gift rec.

Generally
exempt

But if
Rec. from

Author/
founder

If Author/
founder etc
↓
is an HUF

Rec. from
Relative
of such
Author/
founder
etc.

Rec. from
a person
who has
made

substantial
Contributⁿ
> 500000
in such
Trust / univ
Spiral
-equity
etc.)

any
if Entity / substantial
ind.

Eg → Company
→ min 20%
Holding

Gift Rec. → Taxable

* Share premium in excess of FMV \rightarrow Rec. from Resident

(Kind of Pvt. Co.) Closely Held Co.

Issue price > Face Value

Yes

No

Check

This Sec. does not apply

IP > FMV

Yes

No

FMV -

Taxable

Issue price

Taxable

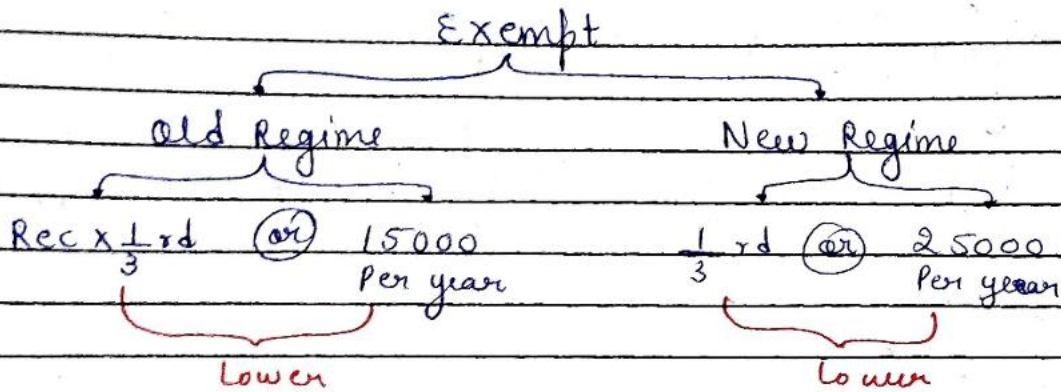
Example

Closely held Co. / Pvt. Co.

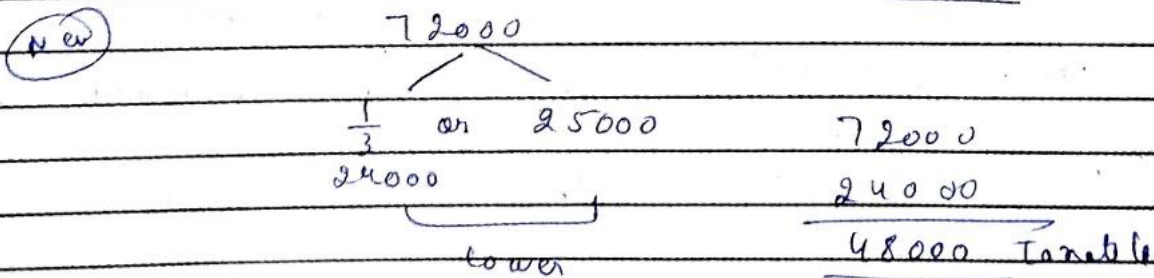
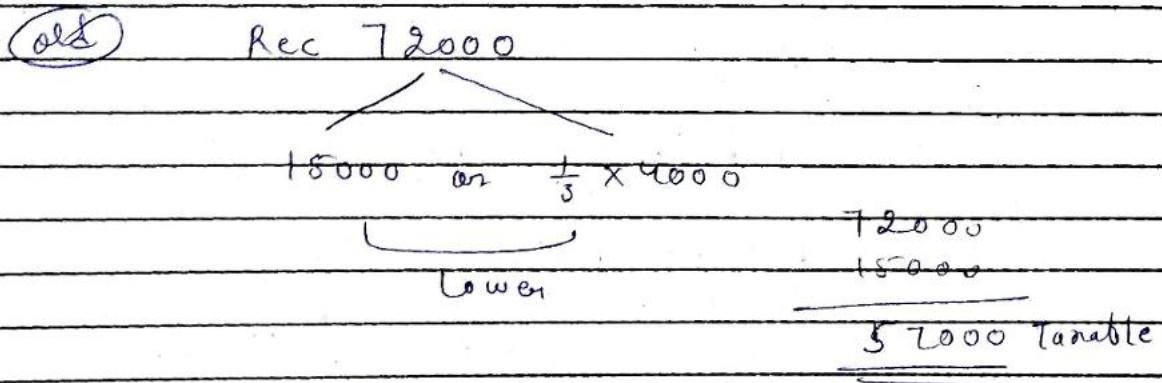
	Issue price	FV	FMV	Taxable
(I)	130	100 $\text{IP} > \text{FV}$ (Yes)	113 $\text{IP} > \text{FMV}$ (Yes)	Diff 130 - 113 IP FMV \rightarrow 17% Income
(II)	130	120 $\text{IP} > \text{FV}$ (Yes)	132 $\text{IP} > \text{FMV}$ (No)	No taxability
(III)	200	150 $\text{IP} > \text{FV}$ (Yes)	180 $\text{IP} > \text{FMV}$ (Yes)	20% Income
(IV)	300	320 $\text{IP} > \text{FV}$ (No)	200	Sec't not app <small>with 2nd condition is out</small>

[Note] The above provision is not applicable if the amt is received by a startup from a Venture Capitalist

* Income from Family Pension :-



Case ① F. Pension rec ₹ 72000
find taxable amt. old, New



Lees 28 Mar

Date.....

Case (2) FP Rec = 3000pm
Find taxable amt
old & New Regim.

$$\text{old } 3000 \text{ pm} \times 12 \text{ m} = 36000 \begin{cases} 15000 \\ \textcircled{25000} \\ 1/3 = 12000 \end{cases}$$

$$\begin{array}{r} 36000 \\ 12000 \\ \hline \underline{24000} \text{ Taxable} \end{array}$$

New

$$\begin{array}{r} 36000 \\ \swarrow \quad \searrow \\ \frac{1}{3} \textcircled{25000} \\ 12000 \\ \hline \text{Lower.} \end{array}$$

$$36000 - 12000 = \underline{24000}$$

* Section 115 BBJ Taxation on online Money gaming

Invest = 10,000
winning = 8000

sol Income = 8000
800 5000 (X) deduction
3000 (X) Expenses
unexhausted Basic Exemption Limit \rightarrow Not allowed (X)
So, $8000 \times 30\% = 2400$
+ 4% Cess

$$\begin{array}{r} 2400 \\ + 4\% \text{ Cess} \\ \hline 2496 \\ \hline \text{Round off} \\ 2883 \end{array} \quad \begin{array}{r} 2496 \\ \hline 2500 \end{array}$$

Spiral

* Section 115BBH Taxability of Virtual Digital Assets

Income = 30% tax rate

Purchase price (-) allowed

Other exps. Not allowed

Loss → other profit → set off (X)

Case (1) Bitcoin sell = 40l
 Purchase Value = 25l
 Comm paid on purchase = 3lakh
 Find tax liability

SV = 40 lakh

Pur Value = (25l)

Income 15l

rate 30%

450000

+ 4% Cess 18000

4,68,000

Case (2)

→ Gift to Currency

Ethereum

Loss 5l

Bitcoin

Profit 7l

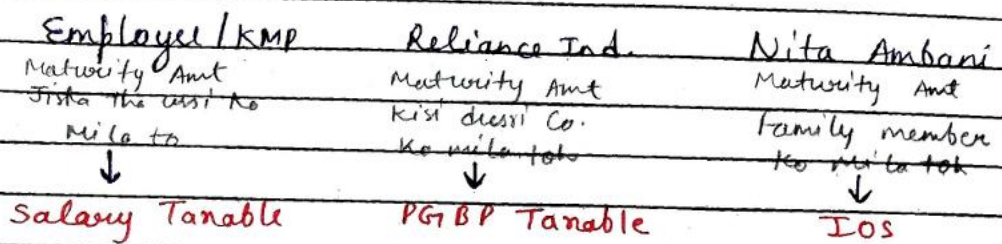
Any losses not allowed to be set off

* Keymen insurance policy

Key Personnel → MD / CEO / CS etc

Life insurance premium
→ allowed ✓

↓
Maturity Amt rec.



* Amount Received by unit Holders of Business Trust

इस MF Jo Real estate mai invest kartha hai

→ MF which invest in Real estate → Business Trust

→ Amt received by unit holders / Investors will be taxable under IOS

[Eg] Return Received till PY 23-24

(last year) = 2 lakhs

Returns Rec. in the Current year = 3 lakh

So total amt rec. is = ₹ 5L

Amt invested was ₹ 50,000.

∴ Taxable Amt.

Total return receive 'A' - Amt invested 'B' - Amt already taxed in Preceding year 'C'

5l - 50,000 - 2l
 → 25,000 taxable

Lec 6 28 Mar

* Tan Calculation & Surcharge

PGBP 3lakh

112A 5lakh 9 Nov 2024

lottery income 2lakh

Rent Rec 8lakh

(New Regime)

Salary Rec 11lakh

111A 7lakh 6 May 2024

Find tax liability 'R' Indi below

Slab

- PGBP 3,00,000
- Rent Rec 24(9) 56,000
8l = 30% dedⁿ
- Salary rec. 1,02,500
(11l - 75,000)

As per the slab. → 1,88,500

0 - 3l	0
7l	20,000
10l	30,000
12l	30,000
15l	60,000
> 15l	115,500
38,5000 X 30%	<u>2,55,500</u>

Date.....

• 112A (after Amend)

$$(52 - 125000) \times 12.5\% = 46875$$

(+)

• 111A (~~after~~ before Amend)

$$(72 \times 15\%) = 105000$$

(+)

$$22 \times 30\% \text{ Lottery} = 60000$$

467375

$$+ 4\% \text{ Cess HEC (+)} = 18695$$

Final tax liability 486070

Lec 7 29 May

Case ① Salary = 70 lakhs

IOS = 20 lakhs

112 = 5 May 2024 = 1 Cr.

112A = 5 May 2024 = 41 lakhs

111A = 5 May 2024 = 25 lakhs

Find tax liability (old Regime)

$$\text{Total income} = 70 + 20 + 1 \text{ Cr} + 41 + 25$$

$$= 2,56,00,000$$

Date.....

Max surcharge 15%

0-2 Cr 15%

112	112A	111A
2 Cr	4 Cr	2.5 Cr
20%	(1.25 Cr)	x 15%
2 Cr	39.75 Cr	3.75 Cr
	x 10%	
	397500	

Remaining 90 lakhs slab

10 Cr = 112500
 80 Cr x 30% = 24 Cr
2512500

27,72,500

(+) 15% Surcharge

(+) 15% Surcharge

5285000

+ Surcharge (15%) 792750

~~727920150~~ 6077750

+ 4%

~~36710~~

243110

6320860

Case (2)

PGBP 1.2 Cr.

Salary 60 Cr

HP 40 Cr

(old Regime)

112 LTCG 1.8 Cr. 17 June 2024

Find Tan lia.

Date.....

Total income

PGBP	1.2 Cr
Salary	60 l
HP	40 l
112 LTCG	1.8 Cr
	<u>4 Cr</u>

112 **Max. 15%**

1.8 Cr
X 20% Tax rate
<u>36 l</u>

Surcharge 15% 51,000
<u>4,14,000</u>

Remaining **Slab 25%**

2.2 Cr
slab
10 l = 1,12,500

2.1 Cr. X 30% <u>63 l</u>
6,41,250

(+) Surcharge 25%
<u>8,01,562.5</u>

+ 4% cess

12,64,185.0

Case 3

PGBP	3 Cr
Salary	1.5 Cr
HP	2 Cr
111A	4 Cr

21 July 2024

Find tax liability (Old Regim.)

→ Calculation of Total Income.

PGBP	3 Cr
Salary	1.5 Cr
HP	2 Cr
IIIA	4 Cr
T Income	<u>10,50,00,000</u>

→ Calculation of Tax

Tax on Sec IIIA @ 15%.

$$4 \text{ Cr} \times 15\% = 60 \text{ l}$$

⊕

Surcharge X 15% + 9 lakh

(max. allowed is 15%)

6900000

⊕

Tax on remaining Income as per the slab rate

PGBP	3 Cr	
Salary	1.5 Cr	
HP	2 Cr	= 6.5 Cr.

• Tax upto 2.5 l = Nil

on next 2.5 l @ 5% = 12500

on next 5 l X 20% = 100000

On remaining 6.4 Cr X 30% = 19200,000

Tax amt. 193,12,500

Sur @ 37% ⊕ 7145625

(As remaining amt TI is > 5 Cr)

26458125264,58,125Spiral

Date.....

(B) $\therefore A + B$

69.2 + 26458125 = 33358125

Add 4% Cess \oplus 1334325

₹

34692450

Case (4)

PGBP 1Cr

112 50 lakh

112A 3125000

Find tax liability old Regime.