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**92. INCOME FROM OTHER SOURCES.**

**92(1): Scope of “Income from Other Sources”**

**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 of the heads specified in section 13(a) to (d).**

**92(2): Specific Incomes Chargeable under “Income from Other Sources”**

**In particular, and without prejudice to the generality of the provisions of sub-section (1), the following incomes shall be**

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**chargeable to income-tax under the head “Income from other sources”:**—

**(a) any dividend;**

**(b) any winning 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;**

**(c) any sum received by the assessee from employees as contributions to any provident fund, superannuation fund, any fund set up under the Employees’ State Insurance Act, 1948, or any other fund for the welfare of such employees, if the income is not chargeable to income-tax under the head “Profits and gains of business or profession”;**

**(d) any sum received under a Keyman insurance policy, as defined in Schedule II (Note 1) including the bonus allocated on such policy, if such income is not chargeable to income-tax under the head “Profits and gains of business or profession” or under the head “Salaries”;**

**(e) any income by way of interest on securities, if the income is not chargeable to income-tax under the head “Profits and gains of business or profession”;**

**(f) any income from machinery, plant or furniture belonging to the assessee and let on hire, if the income is not chargeable to income-tax under the head “Profits and gains of business or profession”;**

**(g) any income from letting on hire of machinery, plant or furniture, belonging to the assessee and also buildings, where the letting of the buildings is inseparable from the letting of such machinery, plant or furniture, if the income is not**

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**chargeable to income-tax under the head “Profits and gains of business or profession”;**

**(h) any sum of money received as an advance or otherwise during negotiations for the transfer of a capital asset, if—**

**(i) such sum is forfeited; and**

**(ii) the negotiations do not result in transfer of such capital asset;**

**(i) any income by way of interest received on compensation or on enhanced compensation referred to in section 278(1);**

**(j) any compensation or other payment, due to or received by any person, by whatever name called, in connection with the termination of his employment, or the modification of its terms and conditions;**

**(k) any specified sum received by a unit holder from a business trust during the tax year with respect to a unit held by him at any time during such tax year, the computation of which shall be—**

**specified sum = A-B-C (which shall be deemed to be zero, if the sum of B and C is greater than A), where—**

**A = aggregate of the sum distributed by the business trust with respect to such unit, during the tax year or during any earlier tax year or years, to such unit holder, who holds such unit on the date of distribution of sum or to any other unit holder who held such unit at any time prior to the date of such distribution, which is—**

**(a) not in the nature of income referred to in Schedule V (Table: Sl. No. 3 or 4); and**

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**(I) ₹ 50000; or**

**(II) 10% of the consideration;**

**(iii) any property, other than immovable property,—**

**(A) without consideration, the aggregate fair market value of which exceeds ₹ 50000, the whole of the aggregate fair market value of such property;**

**(B) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding ₹ 50000, the aggregate fair market value of such property as exceeds such consideration.**

**92(3): Exceptions to Tax on Gifts and Transfers Without Consideration**

**The provisions of sub-section (2)(m) shall not apply to any sum of money or any property received—**

**(a) from any relative; or**

**(b) on the occasion of marriage of the individual; or**

**(c) under a will or by way of inheritance; or**

**(d) in contemplation of death of the payer or donor; or**

**(e) from any local authority as defined in Schedule III (Note 6); or**

**(f) from or by any registered non-profit organisation as defined in section 355(g), except when received by any person referred to in section 355(h); or**

**(g) by way of a transaction not regarded as transfer under section 70(1)(a), (c), (d), (e), (f), (g), (i), (j), (k), (l), (n), (o), (t), (u), (v) or (w); or**

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- (h) from an individual by a trust created or established solely for the benefit of relative of the individual; or
- (i) from such class of persons and subject to such conditions, as may be prescribed.

**92(4): Valuation Rules for Immovable Property (for Gifts and Under-Valued Transfers)**

For the purposes of sub-section (2)(m)(ii),—

- (a) if the date of agreement fixing the amount of consideration for the transfer of immovable property and the date of registration are not the same, the stamp duty value on the date of agreement shall apply, provided the consideration, in whole or in part, has been paid in specified banking or online mode as defined in section 66(32) on or before the date of agreement for transfer of such immovable property;
- (b) if the stamp duty value of immovable property is disputed by the assessee on the grounds mentioned in section 78(2), the Assessing Officer may refer the valuation of such property to a Valuation Officer, and the provisions of sections 78(2) and 288(1) (Table: Sl. No. 8) shall, as far as may be, apply to the stamp duty value of such property as they apply for valuation of capital asset under those sections.

**92(5): Definitions for “Income from Other Sources”**

For the purposes of this section,—

- (a) “assessable” shall have the meaning assigned to it in section 2(105);

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**(b) “card game and other game of any sort” includes any game show, an entertainment programme on television or electronic mode, where people compete to win prizes or any similar game;**

**(c) “fair market value” of a property, other than an immovable property, means the value determined by such method as may be prescribed;**

**(d) “jewellery” shall have the meaning assigned to it in section 2(22);**

**(e) “lottery” includes winnings from prizes awarded by draw of lots, by chance, or in any other manner under any scheme or arrangement by whatever named called;**

**(f) “property” means the following capital asset of the assessee:—**

**(i) immovable property being land or building or both;**

**(ii) shares and securities;**

**(iii) jewellery;**

**(iv) archaeological collections;**

**(v) drawings;**

**(vi) paintings;**

**(vii) sculptures;**

**(viii) any work of art;**

**(ix) bullion; or**

**(x) virtual digital asset;**

**(g) “relative” means—**

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**(i) in case of an individual—**

**(A) spouse;**

**(B) brother or sister;**

**(C) brother or sister of the spouse;**

**(D) brother or sister of either of the parents;**

**(E) any lineal ascendant (maternal as well as paternal) or descendant;**

**(F) any lineal ascendant (maternal as well as paternal) or descendant of the spouse;**

**(G) spouse of the person referred to in items (B) to (F); and**

**(ii) for a Hindu undivided family, any member thereof;**

**(h) “unit linked insurance policy” shall have the meaning assigned to it in Schedule II (Note 1).**

**93. DEDUCTIONS.**

**93(1): Deductions Allowed from “Income from Other Sources”**

The income chargeable under the head “Income from other sources” shall be computed after making the following deductions: —

**(a) for dividends excluding those referred to in section 2(40)(f) or interest on securities, any reasonable sum paid as commission or remuneration to a banker or any other person for the purpose of realising such dividend or interest on behalf of the assessee;**

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**(b) for income of the nature referred to in section 92(2)(c), so far as may be, an amount as per section 29(1)(e);**

**(c) for income of the nature referred to in section 92(2)(f) and (g), so far as may be, an amount as per section 28(1)(a), (b), (d), section 33, and subject to the provisions of section 28(2);**

**(d) for income in the nature of family pension (a regular monthly amount payable by the employer to a family member of an employee upon the death of such employee),—**

**(i) an amount equal to one-third of such income or ₹ 25000, whichever is less, where income-tax is computed under section 202(1); and**

**(ii) an amount equal to one-third of such income or ₹ 15000, whichever is less, in any other case;**

**(e) any other expenditure (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for making or earning such income;**

**(f) for income of the nature referred to in section 92(2)(i), an amount equal to 50% of such income and no other deduction shall be allowed under this section;**

**(g) for income in the nature of commutation of pension received from a fund as specified in Schedule VII (Table: Sl. No. 3), the entire amount;**

**(h) for income in the nature of gratuity as referred in section 19(2)(g), received on the death of the employee, the entire amount.**

**93(2): Deduction limits for dividend and mutual fund income**

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**In respect of—**

**(a) dividend income of the nature referred to in section 2(40)(f), no deduction shall be allowed;**

**(b) any other dividend income [other than in clause (a)], or income from units of a Mutual Fund specified under Schedule VII (Table: Sl. No. 20 or 21) or income from units of a specified company as referred to in section 2(h) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, only deduction allowed shall be interest expense which, for any tax year, shall be limited to 20% of such income (included in the total income for that year, without deduction under this section).**

#### **94. AMOUNTS NOT DEDUCTIBLE.**

##### **94(1): Amounts Not Deductible under “Income from Other Sources”**

**Irrespective of anything contained in section 93, the following amounts shall not be deductible in computing the income of any assessee chargeable under the head “Income from other sources”:**—

**(a) any personal expenses of the assessee; or**

**(b) any interest chargeable under this Act, payable outside India, on which tax has not been paid or deducted under Chapter XIX-B; or**

**(c) any payment chargeable under the head “Salaries”, if it is payable outside India, unless tax has been paid or deducted under Chapter XIX-B.**

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**94(2): Application of Business Computation Provisions to “Other Sources”**

The provisions of sections 29, 35(b)(i), and 36 shall 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”.

**94(3): Applicability of Section 59 to Foreign Companies**

For an assessee, being a foreign company, the provisions of section 59 shall 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”.

**94(4): No Deduction Allowed for Winnings from Games or Gambling**

In computing the income from 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, no deduction for any expenditure or allowance related to such income shall be allowed under this Act.

**94(5): Exception for Owners of Race Horses**

Sub-section (4) shall not apply in computing the income of an assessee, being the owner of horses maintained for running in horse races, from the activity of owning and maintaining such horses.

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94(6): Meaning of “Horse Race”

For the purposes of this section, the expression “horse race” means a horse race upon which wagering or betting may be lawfully made.

95. PROFITS CHARGEABLE TO TAX.

95: Profits Chargeable to Tax

The provision of section 38(1), (2), (3) and (4) shall apply in computing the income of an assessee under section 92, as they apply in computing the income of an assessee under the head “Profits and gains of business or profession”

