



OVERVIEW OF OTHER INCOME IN INCOME TAX ACT

01

The head of income that includes all receipts which cannot be classified under any of the other heads of income.

It includes

- Dividends
- Dividend from an Indian company
- Dividend from a foreign company
- One - time income
- Interest on compensation
- Gifts




02

Tax in India

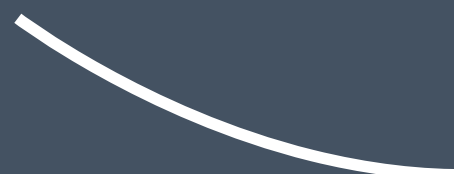


Conditions to be satisfied for a receipt to come under the 'income from other sources' head

1. You have an income
 2. Such income is not tax-exempt under any other Sections of the Income Tax Act 1961
 3. Such income cannot be categorized as salary, profits, and gains from business or profession, income from house property, or capital gains
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NO NEGLIGENCE

- The income tax department is more observant of mistakes or negligence which may even be categorized under tax evasion and lead to penalties.
 - Heavy penalties are charged if under-report or misreport of income occurs.
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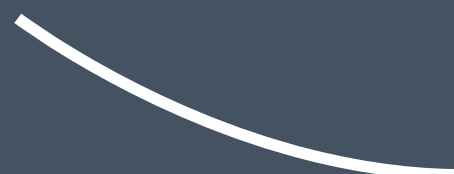


04

Misreporting

Any form of wrong information.

Maybe failure of updates on records or a false claim on deduction of allowances, etc






05

Under - reporting

Cause of occurrence due to ignorance.

Loss of memory on certain forms of income may be considered as an attempt to provide wrong information or no information.

Immediate rectification is positive, else a 50% penalty is charged.



**IT IS MANDATORY TO
PAY KEEN ATTENTION
TO THE "OTHER
INCOME" HEAD OF
INCOME, TO AVOID
CHAOS ON GROUNDS
OF TAX EVASION.**

