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## Income From Other Sources

## Extra provisions for detailed and comprehensive study

**Note in respect of undisclosed income**

In the following additional cases also, special provisions are made to bring undisclosed sources of income within the tax net.

Provision	Situation covered	How is income assessed?
Cash credits [S. 68]	Where any sum is found <b>credited</b> in the books of an assessee maintained for any PY, and the assessee offers <i>no or unsatisfactory explanation</i> about its nature and source [Note 1]	The sum so <b>credited</b> <i>may</i> be charged to tax as the income of the assessee of that PY.
Unexplained expenditure, etc. [S. 69C]	Where in any FY, an assessee has incurred any <b>expenditure</b> and he offers <i>no or unsatisfactory explanation</i> about the source of such expenditure or part thereof.	The <b>amount</b> covered by such expenditure (or part thereof), <i>may</i> be <i>deemed</i> to be the income of the assessee for such FY. Such unexplained expenditure is <b>not allowed as deduction</b> under any head of income.
Amount borrowed or repaid on Hundi [S. 69D]	Where any amount is <b>borrowed</b> on a <i>hundi</i> from, or any amount due thereon is <b>repaid</b> to (including interest paid), any person <b>otherwise</b> than through an <b>A/c payee cheque</b> drawn on a bank.	The <b>amount</b> <i>shall</i> be <i>deemed</i> to be the income of the person borrowing or repaying, for the PY in which the amount was <i>borrowed or repaid</i> [Note 2]

*Note 1:* Where the sum credited consists of **loan** or **borrowing** or any such amount, by whatever name called, any explanation offered by the assessee is deemed to be **not** satisfactory, unless the person in whose name such credit is recorded in the books of the assessee **also** offers a satisfactory explanation about the nature and source of such sum so credited. A similar treatment applies where the assessee is a closely held company (see para 168.2 for meaning) and the sum credited consists of share application money, share capital, share premium or any such amount by whatever name called. In such case also, any explanation offered by such assessee-company is deemed to be **not** satisfactory, unless the person, being a resident in whose name such credit is recorded in the books of the company **also** offers a satisfactory explanation about the nature and source of such sum so credited.

*Note 2:* If the amount borrowed is deemed to be the income of the person, such person is **not again** taxable in respect of such amount on its repayment. This is to avoid double taxation of the same amount.

