

Covid19 Alert : Keep Social distance and utilize your time by joining CA CS CMA online classes at 30% disc Coupon: SAFE30 Call : 1800-3000-0505

Home / Forum / Income Tax

## Compensation towards the court case settlement

Follow

8 Replies

Start a discussion

Unanswered



anup (trainee) 17 January 2020

Hello

I have a query. The court matter I'm fighting for years is going to be settled in a couple of days. I will receive compensation amt of 29lks. My question is

1. If I receive the amt by DD, and make an FD in bank, what tax, if any, will be applicable to me on the principle amt ie 29lk.
2. The said amount will be deposited in the account of my mother who is a housewife, senior citizen who has a PAN but hasn't filed her IT return yet. What if she doesn't file her return after depositing the amount in FD in her name?
3. If tax is applicable on the principle amount, what methods I can follow to minimise it?

Thanks in advance

Search Forum

Search

### Popular Discussion

- 1 Live Updates and discussion on Union Budget 2020
- 2 Share your CA Nov 19 result
- 3 80G PM CARES - deduction 50%/100%
- 4 Section 44AE
- 5 Certain doubt about investment
- 6 Tax Benefit Savings
- 7 Tax savings 80 C

[view more »](#)

••• [sabyasachi mukherjee](#) 🕒 17 January 2020

@ anup

only interest is taxable.

that too also calculate if it exceeds the threshold limit then it is taxable.

since she is a senior citizen.

sec 80ttb is applicable.



1 Like



••• [anup](#) (trainee) 🕒 17 January 2020

But in the agreement of settlement, there is nowhere mentioned about the amount paid to us. We will be receiving it by DD separately after settlement. What will happen when I file itr



••• [rama krishnan](#) 🕒 18 January 2020

What is the relationship between you and the person who's paying the settlement amount? if that person doesn't fall in the definition of relatives, these 29 lakhs will be charged to tax under the head income from other sources



1 Like



••• [anup](#) (trainee) 🕒 18 January 2020

Actually it goes like this. My opposing party in the dispute is due for settlement (let's name it A) is my relative but not close one. He has another land dispute going on with my wife's brother (let's say B). My opposing party pressurised my wife's brother to pressurise me to settle the my dispute (A) with him. Only then he will end the dispute with wife's brother (B)

Now my compensation amount will be paid by my wife's brother by DD from his own bank account. There will be nothing that I will receive directly from the opposing party. This means whatever I will receive will be paid to me by my wife's brother.

Stay updated with latest Discussion!

Subscribe

## CCI Online Courses



[GST certification](#)

Professional Course



[Online Excel Course](#)

Professional Course



[GST Annual Return](#)

Professional Course

What rule says that receiving money from relative isn't taxable? (section number, just for my knowledge)

 1 Like



••• [RAMAKRISHNAN R](#) (INCOME TAX OFFICER) [🕒 18 January 2020](#)

Refer section 56(2)(x) and definition to relatives

 1 Like



••• [anup](#) (trainee) [🕒 18 January 2020](#)

Is it necessary to make a gift deed for the amount to be received? Should it be compulsorily registered before sub registrar?



••• [Mangal Singh Khinchi](#) (Kota) [🕒 18 January 2020](#)

you should make gift deed for entire amount of rs. 29 lakhs & take this amount by dd/cheque/neft/rtgs. you also take this amount in your own account. & show this amount under the exempt income in income tax return form.

 1 Like



••• [anup](#) (trainee) [🕒 18 January 2020](#)

Is it compulsory to register it before sub registrar? Or just executing it is enough?



Leave a reply

## Browse by Category

Income Tax

Audit

Students

Accounts

Custom

VAT

Career

Service Tax

Corporate Law

Info Technology

Excise

Shares & Stock

Exams

LAW

You are not logged in . Please login to post replies

[Click here to Login / Register](#)

Professional Resource

Others

Taxpayers

GST

[← Previous Thread](#)

[Next Thread →](#)

## Recent Topics

- ▶ 2A & 3B mismatch
- ▶ What is Bitcoin Era
- ▶ Request Suggestion on Tax related issue from one T
- ▶ Books & R1
- ▶ Transition Credit
- ▶ 2A mismatched with auto populate
- ▶ Capital Gain on sale of house property
- ▶ The best news you will hear today
- ▶ Related to Supply of Building materials
- ▶ Tax for March 2020 and 31st March 2020

## Related Threads



[Articles](#)

[News](#)

[GST](#)

[Trainee Corner](#)

[Forum](#)

[Experts](#)

[Scorecard](#)

[Notification](#)

[Career](#)

[Budget](#)

[CCI Online Learning](#)

[Featured](#)

[Jobs](#)

[Feed](#)

[Share Files](#)

[Poll](#)

[Video](#)

[Top Members](#)

[Bookmarks](#)

[Coaching Institutes](#)

[Income Tax](#)

[Rewards](#)

[Events](#)

[CA Online Classes](#)

**Member Strength 30,84,298 and growing..**

**Get latest updates**

 

**Download CCI APP**



**Our Network Sites**

