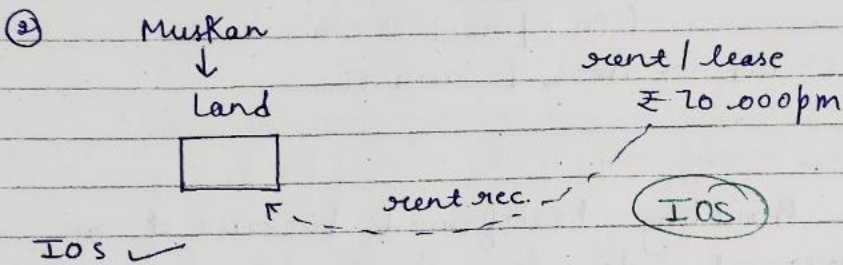
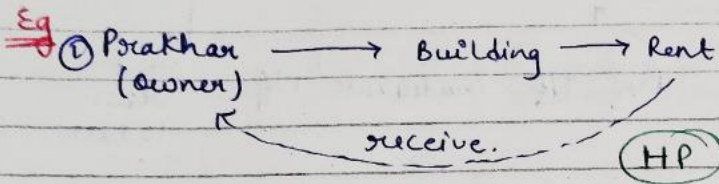


Lec1 24Feb

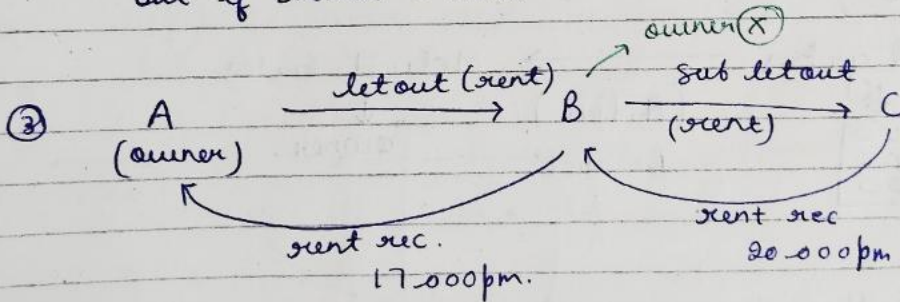
Chapter = 5
Income from House
Property

changing Section 22!

Superstructure (+) owner (+) own Business (X) No
(Building)



But if Business = PGBP



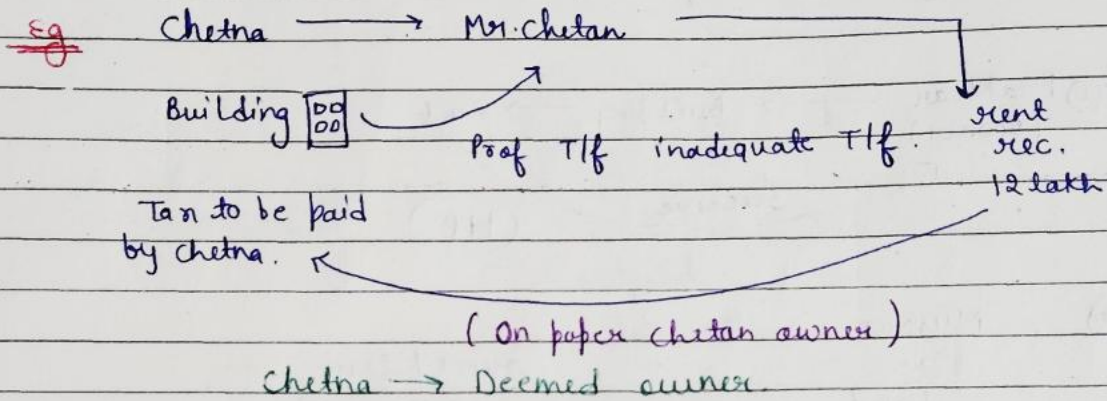
Mr. A (HP Head)
Mr. B (IOS)

↳ PGBP → rental income (XX)

(अपराधिता अथवा अपराधिता के रूप में)

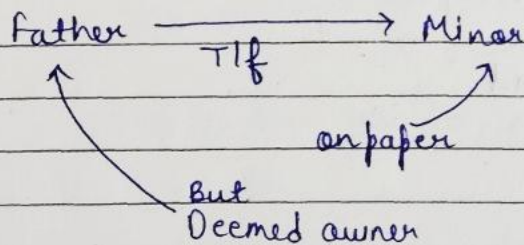
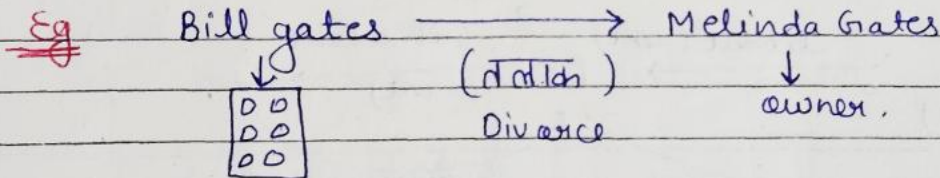
* Owner includes deemed owner as well

(i) H.P. transferred to spouse for ^(insufficient) inadequate Consideration (No money)

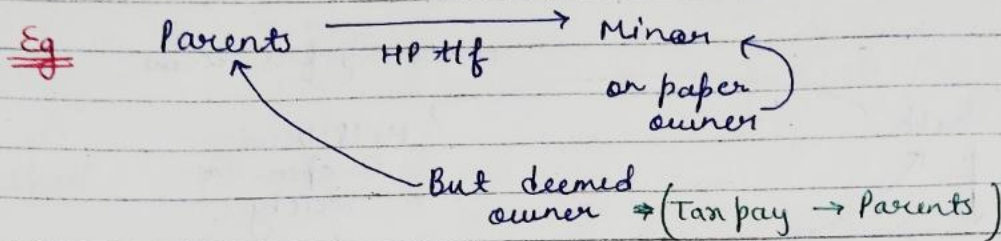


Exception:-

Building transferred because of an agreement to live apart.

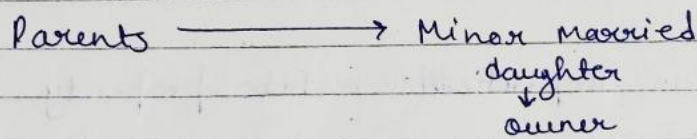


(ii) HP transferred to a minor, for inadequate consideration.

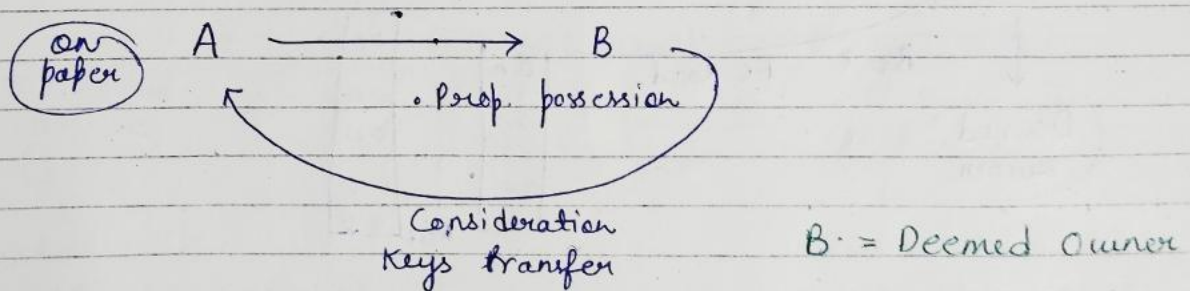


Exception :-

Property transferred to a minor Married daughter

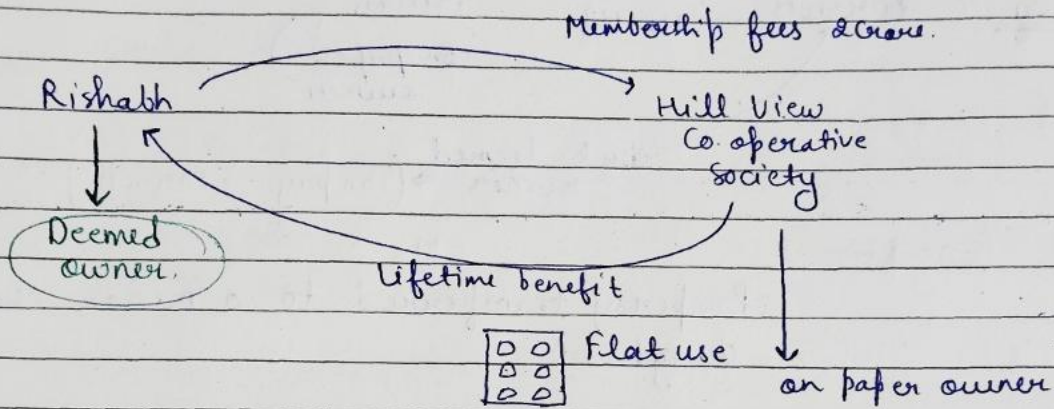


(iii) Property transferred as per the transfer of property Act. (TOPA)



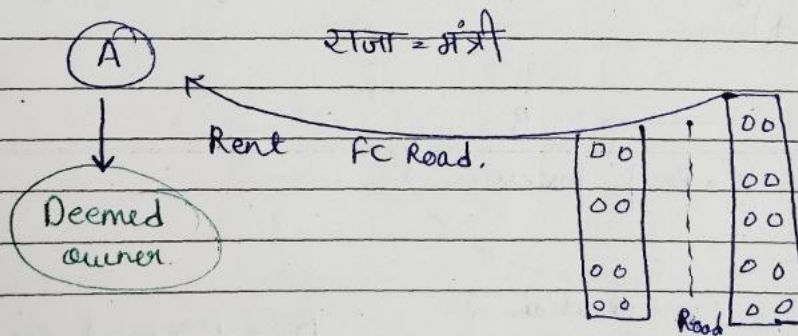
• only Registration is Pending

(iv) Property transferred by Co.'s / societies via membership fees / shares.



(v) Holder of an impartible estate property

• In this case, holder becomes the deemed owner.



(vi) Building given on lease

One time agreement

Multiple agreement (Renew)

min 12 years
↓
lessee ⇒ Deemed owner

each agreement > 1 year
⊕
aggregat min 12 year
↓
lessee ⇒ Deemed owner

A → B
lessor lessee

Eg ① 6 months X 24 agreements = Total 12 years

> 1 year ?? → Deemed owner (XX)

② 2 year X 6 agreement = 12 years
> 1 year (✓) Deemed owner

TYPES OF HOUSE PROPERTY

Self occupied Property (SOP)
↓
Value = 0
max. 2 SOP's allowed.

let out (Rent) Building/Property

Deemed to be let out Property
↓
Over & above 2 SOP's which have not been let out.

⇒ understanding few terms before calculation :-

(1) Municipal Value

(2) Fair Rent → Rent of similar property

(3) Standard Rent → Rent Control Act
(state)
Restriction

(4) Actual rent / Annual rent

Calculation

(HLH) (Higher
Lower
Higher)

	MV	FR	S. Rent	A. Rent
Yearly Amt	6 lakh	7 lakh	4 lakh	3 lakh
	higher 7 lakh		lower 4 lakh	higher ⇒ 4 lakh

4 lakh → Gross Annual Value

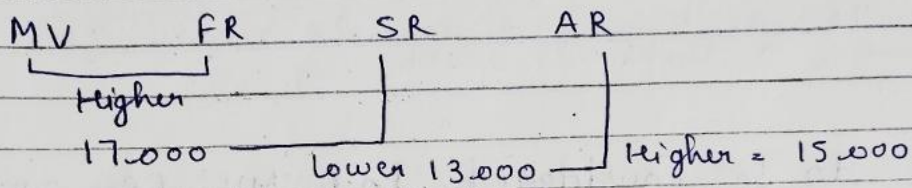
Que Find GIAV in the following case :-

$$MV = ₹ 9000 \text{ pm}$$

$$AR = ₹ 15000 \text{ pm}$$

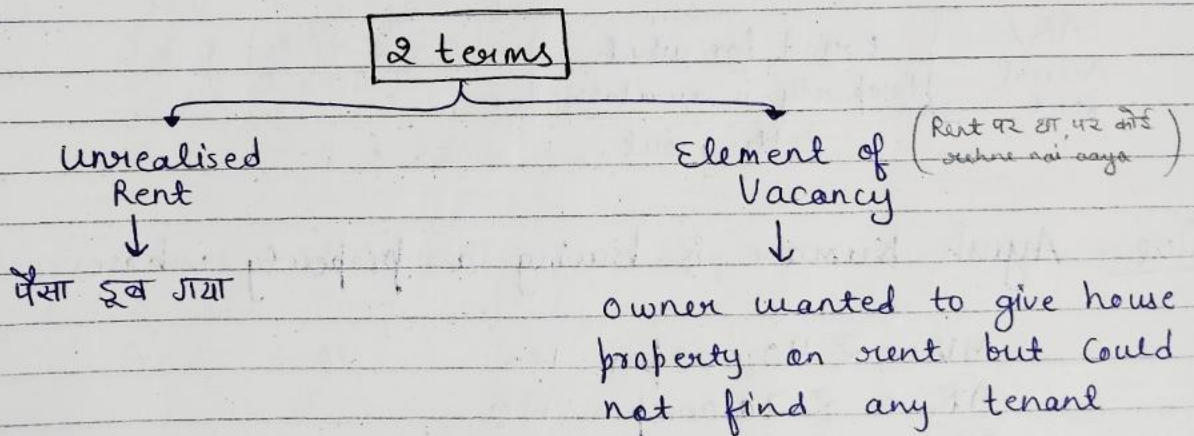
$$SR = ₹ 13000 \text{ pm}$$

$$FR = ₹ 17000 \text{ pm}$$



$$GIAV = 15,000 \times 12 \text{ m}$$

$$GIAV = 1,80,000$$



24 Feb evening

⇒ Expected Rent :-

2l 3l 4l 5l
MV FR SR AR

└──────────┘

Compare

Expected Rent

3l vs 4l

└──┘
lower

⇒ 3lakh vs 5lakh

* Period to be Considered for MV - FR - SR - AR.

MV }
FR } ownership
SR } Period

AR/
Annual } Period for which (जब से हमने Prop. Rent पे
Rent } Property is available for देना चाहते हैं)
letting out.

Que Ayush Kumar is having a property whose

MV = ₹ 40,000 pm 12m

AR = ₹ 70,000 pm 12m

SR = ₹ 50,000 pm 12m

FR = ₹ 60,000 pm 8m

It was SOP till 31 July 2024 then he tried to let it out but could find the tenant from 1 Nov 2024.

$$\begin{aligned}
 MV &= 40,000 \times 12m = 4,80,000 \\
 FR &= 60,000 \times 12m = 7,20,000 \quad \left. \begin{array}{l} \text{Higher} \\ \text{Lower} \end{array} \right\} \\
 SR &= 50,000 \times 12m = 6,00,000 \\
 AR &= 70,000 \times 8m = 5,60,000 \quad \left. \begin{array}{l} \text{Higher} \\ \text{Lower} \end{array} \right\}
 \end{aligned}$$

Amt before element vacancy 6,00,000

EOV

Aug, Sep, Oct (3m x 70,000) (2,10,000)

AR

GAV \rightarrow 3,90,000

Que

$$\begin{aligned}
 MV &= 1 \text{ lakh pm} \\
 AR &= 1.3 \text{ lakh pm} \\
 SR &= 1.2 \text{ lakh pm} \\
 FR &= 1.5 \text{ lakh pm}
 \end{aligned}$$

House was SOP till 31st Aug & then it was let out,

Find GAV

$$\begin{aligned}
 MV &= 1,00,000 \times 12m = 12l \\
 FR &= 1,30,000 \times 12m = 18l \\
 SR &= 1,20,000 \times 12m = 14,40,000 \\
 AR &= 1,50,000 \times 7m = 9,00,000
 \end{aligned}$$

Amt before element vacancy \Rightarrow 14,40,000

Que Find GAV in the given case :-

$$SR = 50,000 \text{ pm}$$

$$FR = 80,000 \text{ pm}$$

$$AR = 90,000 \text{ pm}$$

$$MV = 60,000 \text{ pm}$$

$$UR = 2 \text{ months (unrealised rent) (खुद गज्जा)}$$

$$EOV = 3 \text{ months}$$

(Element of Vacancy)

$$\textcircled{1} (AR - UR)$$

$$12m - 2m = 10m$$

$$\begin{array}{l} \textcircled{2} \quad MV = 50,000 \times 12m = 7,20,000 \\ \quad \quad FR = 80,000 \times 12m = 9,60,000 \\ \quad \quad SR = 50,000 \times 12m = 6,00,000 \\ \quad \quad AR = 90,000 \times 10m = 9,00,000 \end{array} \begin{array}{l} | \\ | \text{ High} \\ | \\ | \text{ Lower} \\ | \\ | \text{ High} \end{array}$$

$$\text{before Element of Vacancy} \quad \underline{9,00,000}$$

$$\text{less EOV} \quad (90,000 \times 3) \quad \underline{(2,70,000)}$$

$$\text{GAV} \longrightarrow \underline{\underline{6,30,000}}$$

Lec 3 25 Feb

* Format of solving

MV

FR

SR

AR - UR

xxx

xxx

(-) EOY

(xxx)

Gr A Value

xxx

(-) Municipal Tax

(xxx)

NAV

Net.

(-) 30% stand. dedn.

(-) Int. on loan.

Income under H.P

* Focusing on Municipal Tax

Gr. A. Value

xxx

(-) Municipal Tax

- advance Payment
↓
Not allowed.
- Payment basis
 - Paid / reimbursed by the owner
 - Outside India pay → allowed.

Nav XXX 7lakh
 24(a) stand. dedⁿ 30% of Nav (xxx) 2,10,000

24(b) Int. on Housing loan (xxx) (1.3 lakh)

Income / loss HP XX XX

Que

Case 1

MV 8lakh
 SR 6l
 FR 5l
 AR 10l
 M. Tax 1,30,000

Find income HP

6,09,000

Case 2

MV 10lakh
 SR 11lakh
 FR 12l
 AR 13l
 M. Tax 9% $10L \times 9\% = 90,000$

Find income HP.

MV 8lakh
 FR 5lakh
 SR 6lakh
 AR 10lakh
 GAV 10lakh
 (-) M. Tax (1,30,000)
 NAV 8,70,000
 x 30% (2,61,000)
 Income
 w/ H.P. 6,09,000

MV 10lakh
 FR 12lakh
 SR 11lakh
 AR 13lakh
 GAV 13lakh
 (-) M. Tax 9% (90,000)
 NAV ~~30~~ 12,10,000
 x 30% (3,63,000)
 Income
 under the head
 HP 8,47,000

* Calculation in Case of SOP :- (Indi / HUF)

Eg (For understanding)

NAV	0
(-) stand 30%	(0)
0 x 30%	
(-) int on loan (old Regime)	(1,00,000)
loss under HP	<u>(1,00,000)</u>

Lec 4 26 Feb

Question on SOP :-

MV = 30,000 p.m.
FV = 35,000 p.m.
SR = 28,000 p.m.
M.Tan = 11,000

} Ignore

Find income under the head HP.

Prov. say SOP of NAV = Nil.

NAV 0 since
(-) 30% (0)

[(-) int allowed (0) (Net given)]

Income HP 0

Que on deemed to be let out :-

MV = ₹40,000 p.m.
FR = 50,000 p.m.
SA = 60,000 p.m.
M.Tan = 11%

Find income under the head HP?

MV } Higher = 50,000
 FR }
 SR } Lower = 50,000

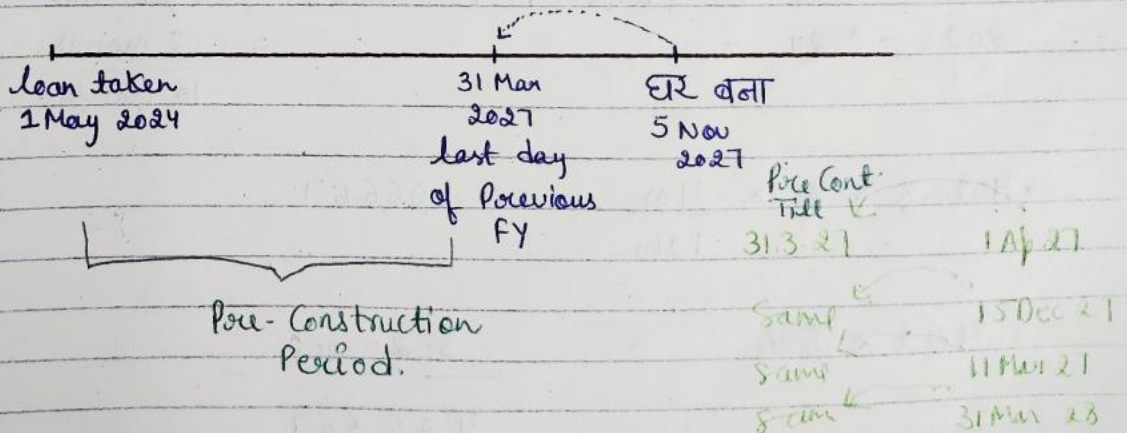
GAV = 50,000 X 12m = 6,00,000
 (-) Municipal Tax (52,800)
 (MV 11% X 4,80,000)
 NAV 5,47,200
 - 30% stand' dedⁿ (1,64,160)
 Income under the head HP 3,83,040

* Interest on Borrowed Capital :-

Pre-Construction
 Period interest

Current Year
 Interest

⇒ Pre-Construction Period interest (घर बनने से पहले का duration)



Treatment :-

Pre-Construction Period interest → Deduct ^(जिस से घर बनता है वही से 5 year)
 in 5 years equally starting from the year in which the house is Constructed / Completed
 (Completion Certificate) ^(जिस समय घर बनना + आगे के 4 year)

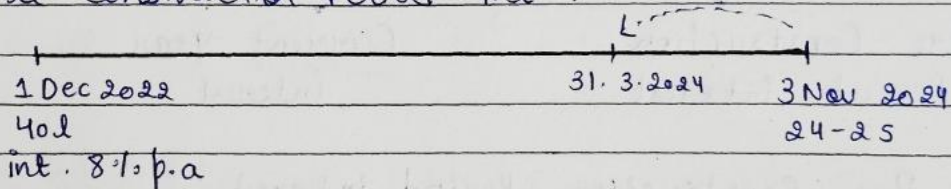
Eg for understanding :-

loan

1 Dec 2022 → 40l → int. 8% p.a.

House Complete → 3rd Nov 2024

Calculate Pre Construction Period int ?



2022-2023 = Dec 22 to Mar 23 = 4 months

2023-2024 = 12 months

16 Months

$$40l \times 8\% \times \frac{4m}{12m} = 1,06,667$$

$$40l \times 8\% = \frac{3,20,000}{12}$$

$$426,667$$

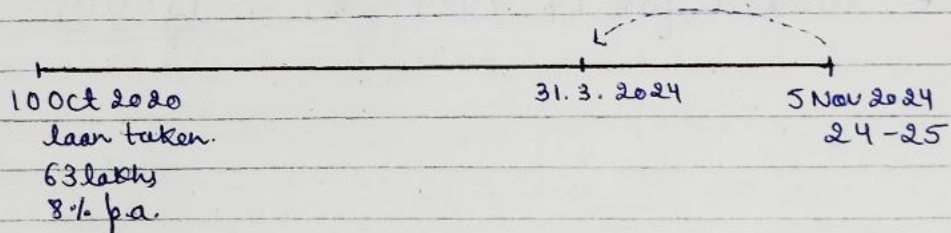
OR

$$40l \times 8\% \times \frac{16m}{12m} = \underline{\underline{426667}}$$

Divided into 5 years

24-25	25-26	26-27	27-28	28-29
$\frac{426667}{5}$				
85334	85334	85334	85334	85334

Que loan taken on 10 Oct 2020
 Amt 63 lakhs @ 8% p.a.
 House Constructed on 5th Nov 2024
 Find Pre-Constructed period interest.



2020 - 2021		
2022 - 2023	= Oct 20 to Mar	= 6m
2021 - 2020		12m
22 - 23	"	12m
23 - 24	"	12m
		<u>42 months</u>

$$63l \times 8\% \times \frac{42m}{12m} = \underline{\underline{1764000}}$$

$$\text{Divided into 5 year} = \frac{1764000}{5} \Rightarrow \underline{\underline{3,52,800}}$$

Que loan taken on 1st May 2020
Amt ₹ 60 lacs
Int. = 4% p.a
House Constructed on 20th Feb, 2025
Find int. allowed for PY 24-25.

$$60 \text{ lakhs} \times 4\% \times \frac{1}{12\text{m}} \times 47\text{m} = 9,40,000$$

$$\text{Divided 5 year} = 1,88,000$$

$$\text{Int. allowed for PY 2024-25} = \underline{\underline{1,88,000}}$$

* Example for identifying Pre-Construction Period.

Eg ①

Loan taken on
1 sept 2020

Loan
repay
5 Nov 2028.

Constructed on
11 June 2024
(24-25)

Pre-Construction = 1 sept 2020 --- 31 Mar 2024.

Current Period = 12 months.

24-25

Loan Continue

Eg ②

Loan taken
1 sep 2020

Loan repay
28 Feb 2023

House Constructed
11 May 2024

Pre-Con. period = 1 sep 2020 - 28 Feb 2023.

~~Current Period = 12 months~~

Eg ③

Loan taken
1 sep 2020

31.3.2024

ETR आना
8 DEC 2024.

(24-25)

loan repay
30 Nov 2024.

Pre-Const = 1 sep 2020 - 31 Mar 2024.

Current year. = 1. Apr 2024 - 30 Nov 2024 Repay.

⇒ loan taken
(start)



End.

House
Consted.

loan
repayment
date

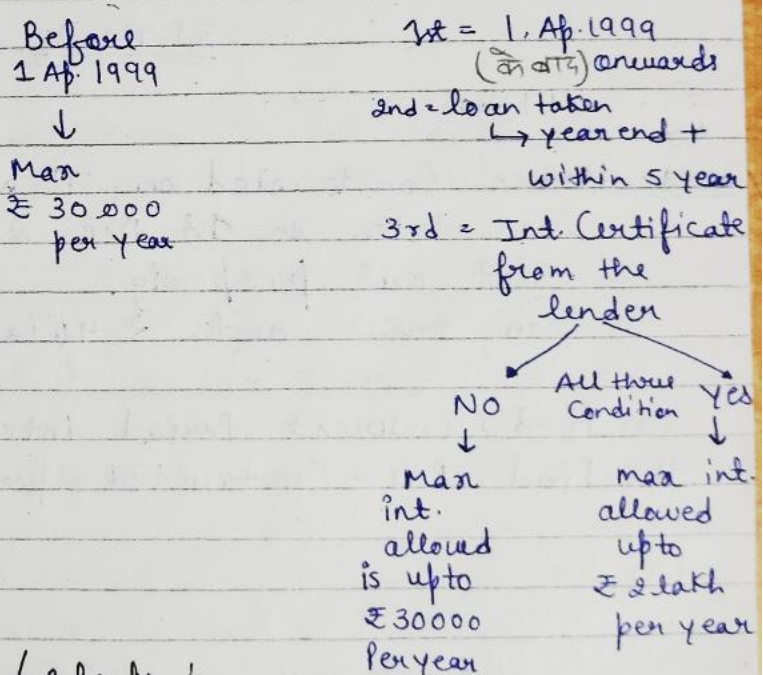
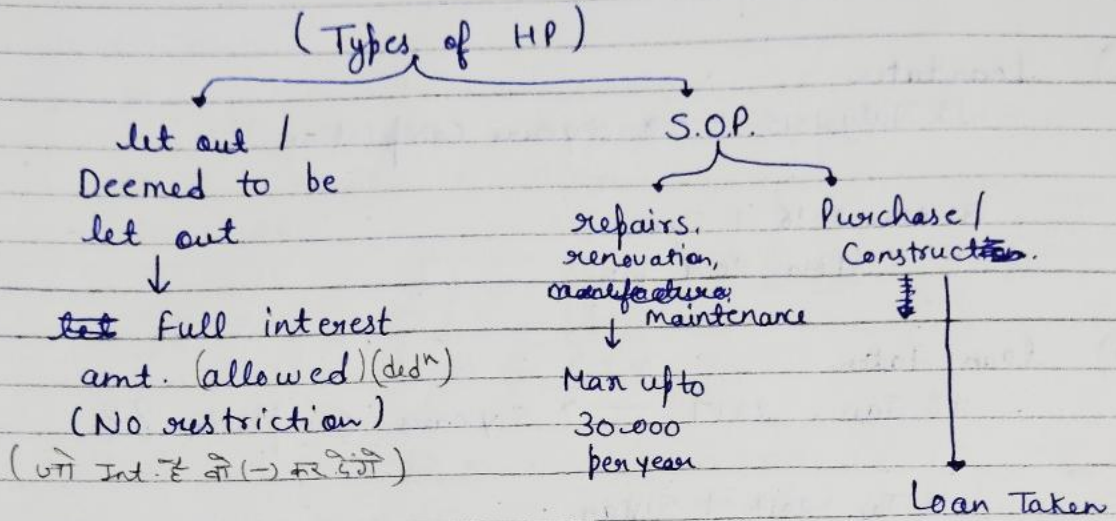
↓
Preceding
year

↓
Last date

ie 31 March
of the
last year.

Earlier.

⇒ Current Period Interest :-



Note: limit of 30,000 / 2lacks is for both (pre Const. & Current year Int.)

Eg for 5 years Completion.

① Loan taken

13 July 2015 → 5 years Completion??

Year ←
end of 31 Mar 2016 + 5 year
13 July 2015 → 31 Mar 2021 Tak.

② Loan taken

18 Jan. 2017 → 5 years Completion??

~~18 Jan 2017~~ + 5 year
31 Mar 2017

31 March 2022

Que House Constructed on 7th Nov 2024

loan taken on 1st Dec 2019 (Dec 19 to Mar 24)
(52 Months)

let out property.

loan taken amt ₹ 40 lakhs @ 9% p.a. $40l \times 9\%$
3.6 lakh

(a) Find Current Period interest (PY 24-25)

(b) Find Pre-Constructed period interest

(a)

$$40l \times 9\% = \underline{\underline{3.60.000}}$$

(b)

31. Mar. 2024 7 Nov 2024
1 Dec 2018 to. \rightarrow

Dec 19 to Mar 20 = 4 months.

20 19 - 20 21 = 12m

21 - 22 12m

22 - 23 12m

23 - 24 12m

52m

$$402 \times 9\% \times \frac{52m}{12m} = 15,60,000$$

$$\text{Divided by } 5 = 3,12,000$$

$$\therefore \text{Total Int.} = \text{Current year} + \text{Pre-Const. Int.}$$
$$3,60,000 + 3,12,000$$

$$= 6,72,000$$

* Focusing on Current period Interest

loan taken on 1 Feb 2023

Amt ₹ 60 lakh

Rate 3% p.a.

Home Constructed on 7 July 2024

loan repaid on 31 Jan 2025

let out

Find Current Period int. & pre Const. period int.

Pre Feb 23 - Mar 24 \rightarrow 14 mon.

Current 1 Apr 24 - 31 Mar 25 \rightarrow 10 mon.

$$\text{Current} \Rightarrow 60l \times 3\% \times \frac{10m}{12m} = \underline{\underline{150,000}}$$

$$\text{Pre-Const.} \Rightarrow 60l \times 3\% \times \frac{14m}{12m} = 210,000$$

$$\div 5 \Rightarrow \underline{\underline{42,000}}$$

Que Loan taken on 15 June, 2019

Amt 30 lakh @ 7% p.a

Find int for PY 24-25 if Current period int.

Case (a) loan repaid on 30 Nov 2024

(b) loan repaid on 31 July 2025 (next year here)

$$\text{(a) Current} \Rightarrow 30l \times 7\% \times \frac{8m}{12m} = \underline{\underline{140,000}}$$

(Apr 2024 to Nov 2024)

~~Pre-Const $\Rightarrow 30l \times 7\% \times \frac{12m}{12m}$~~

divided

$$\text{(b) Current} \Rightarrow 30l \times 7\% \times \frac{12m}{12m} = \underline{\underline{210,000}}$$

(1 Apr 2024 to 31 Mar 2025)

Que Loan taken on 1st July 2020.
 Loan amt ₹ 28 lakhs @ 11% p.a. 1 July 19
 House Constructed on 7th Dec 2024 to 31 Mar 2024
 Loan repaid on 31 Aug 2024 (45 Months)
 Let out property
 Find int. allowed in PY 24-25.

Pre Cent 24-25 :-

$$28 \text{ lakh} \times 11\% \times \frac{45 \text{m}}{12 \text{m}} = 115,000$$

$$\text{Divided 5 year} = \underline{\underline{231,000}}$$

Current Period :-

1 Apr 2024 to 31 Aug 2024 \Rightarrow 5 month

$$28 \text{ l} \times 11\% \times \frac{5}{12} = 128,333$$

$$\begin{aligned} \text{Total int.} &= 231,000 + 128,333 \\ &= 3,59,333 \text{ (full exempt (-))} \end{aligned}$$

Que Loan taken on 1st Sep 2017
 Amt ₹ 19 lakhs @ 6% p.a.
 House Constructed on 2nd May 2018
 SOP.
 Find to the Int allowed for PY 24-25.

SOP → Int. allowed ← Old Regime (✓)
New Regime (X)

$$\text{Current year} = 19l \times 6\% = 1,14,000$$

24-25

Pre Const = 31 Mar 2018 → May 2018
(18-19)

NO pre-const. (Max 5 year)
(Start 18-19 → end 23-24)

Because 5 years elapsed. from the year of
Construction of house.

Lec 6 26 Feb evening

$$\begin{aligned} \text{So, NAV} &= 0 \\ (-) \text{Int} &= (1,14,000) \\ \text{Loss under HP} &= \underline{\underline{1,14,000}} \end{aligned}$$

Que Loan taken on 1st Dec 2016
Amt ₹ 22 lacs @ 8% p.a.
House Constructed on 4th July 2023
Loan repaid on 31st Dec, 2024
SOP

(1 Dec 2016 - 31 Mar 2017
(+ 5 months) 31 Mar 2022. (1st)

Find int. allow for PY 24-25
old regime. PY 23-24

Cons. late., max. int. 30,000

Current year. 14.24. 31. Dec. 24 loan repay

$$22l \times 8\% \times \frac{9m}{12m} = 1,32,000$$

since int is > ₹ 30,000, max int allowed will be ₹ 30,000.

Nav	0
Int. C Y	-
132000	
Man. allowed upto	<u>(30,000)</u>
Loss H.P.	<u><u>30,000</u></u>

Que loan taken on 1st June 2020
 Amt 35 lacs @ 9% p.a
 loan repaid on 30 Sep. 2022
 House Cons. on 3 Nov 2024
 Find int. for PY 24-25
 let out property.

June 20 - Mar 21	10m
Apr 21 - Mar 22	12m
Apr 22 - Sep 22	6m
	<u>28m</u>

$$35 \text{ l} \times 9\% \times \frac{28 \text{ m}}{12 \text{ m}} = \underline{\underline{735000}}$$

$$\text{Divide 5} = \underline{\underline{147,000}}$$

Homework

Que For 24-25 ~~to be calculated~~

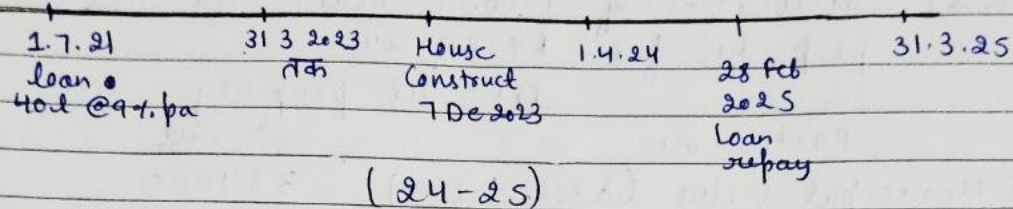
Particulars	Case I	Case II	Case III
MV	32000 pm	80,000 pm	1,10,000 pm
AR	39000 pm	-	-
SR	40,000 pm	74,000 pm	1,30,000 pm
FR	50,000 pm	66,000 pm	80,000 pm
Type of HP	let out	SOP	DTO (Deemed to be let out)
M. Tan	8%	51,000	7%
loan taken on	1.7.2021	1 Dec 2022	1 Sep 2020
Amt & Int.	40l @ 9% pa	30l @ 13% pa	70l @ 8% pa
loan repaid on	28 Feb 2025	-	31 Jan 2025
House Const on	7 Dec 2023	11 Jan 2025	1 April 24

Homework Solution

Case(I) Calculation of income under the head house property for RY 23-24.
let out property.

Particulars	₹ Amt	₹ Amt
(a) Municipal Value (32000 x 12m)	384000	
(b) FRent (50,000 x 12m)	<u>6,00,000</u>	
(c) Higher of a & b	<u>6,00,000</u>	
(d) stand. Rent 40,000 x 12 12m	<u>4,80,000</u>	
(e) Lower of c & d	<u>4,80,000</u>	
(f) Actual Rent 39,000 x 12m	<u>4,68,000</u>	
(g) Higher of e & f	<u>4,80,000</u>	
(h) Gross Annual		4,80,000
(i) less Municipal tax paid MV x 8%	384000 x 8%	<u>(30,720)</u>
(j) Net Annual Value		4,49,280
less ded ⁿ u/s 24.		
• 24(a) 30% of NAV	4,49,280 x 30%	(1,34,784)
• 24(b) Int. on borrowed Capital (WN1)		(4,56,000)
loss under H.P.		<u><u>1,41,504</u></u>

WN(1) Calculation of Interest



Pre-Const. Period int.

Period is taken till last day of the preceeding year relating to the year in which house is Constructed or repayment of loan, whichever is earlier

∴ Pre Const. Period.

1 July 2020 to 31 Mar 2022

Int. Calculation ⇒

July 21	to	Mar 22	9m
April 22	to	Mar 23	12m
			<u>21m</u>

$$40l \times 9\% \times \frac{21m}{12m} = 6,30,000$$

Pre-Cons. period int. is allowed equally in 5 years

$$\frac{6,30,000}{5} \Rightarrow \boxed{1,26,000}$$

Current Period Int. → 1 Apr 24 to 28 Feb 25 = 11 mon.

$$40l \times \frac{11m \times 9\%}{12m} = 3,30,000$$

$$\text{Total int} = 1,26,000 + 3,30,000 = \boxed{4,56,000}$$

Case (II) SOP.

$$\begin{array}{r} \text{NAV} = \text{Nil} \\ (-) \text{int. (max)} \quad \underline{(2,00,000)} \end{array}$$

(₹ 4,94,000 but max up to 2 lacs)

Loss under HP (2,00,000)

WN (1) Pre-Const. Period Int.

1 Dec 22 - 31 Mar 2024

$$22 - 23 = 4m$$

$$23 - 24 = \underline{12m}$$

$$\underline{16m}$$

$$30l \times 13\% \times \frac{16m}{12m} = 5,20,000$$

$$\text{divided by } 5 = 1,04,000$$

Add Current year int. 390,000
 30d x 13%.

4,94,000

Case (III) Deemed to be let out

M.V. $110000 \times 12m = 13,20,000$
 FR $80000 \times 12m = 9,60,000$
 SA $13,00,000 \times 12m = 15,60,000$
 AR —

GAV 13,20,000

(-) M. Tan.

7% of 13,20,000

(9,24,000)

NAV

12,27,600

(-) 24(a) 30%

(3,68,280)

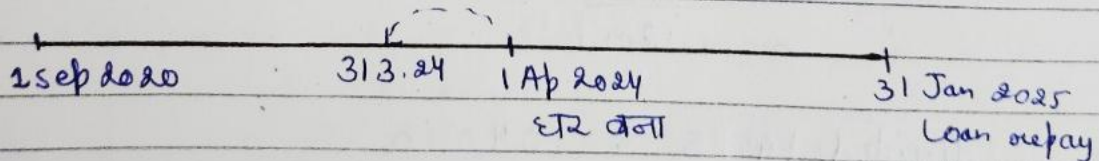
(-) Int. (WN 1)

(86,800)

Loss under HP

(86,800)

WN (1) 70d x 8%.



19-20	20-21	= 7m
20-21	21-22	= 12m
2	22-23	= 12m
	23-24	= 12m
		<u>43m</u>

$$702 \times 8\% \times \frac{43m}{12m} = 20,06,667$$

$$\text{Divided by 5} = 4,01,333.33$$

(+) Current year int.

31 Jan repay. 4,66,667

$$702 \times 8\% \times \frac{10m}{12m}$$

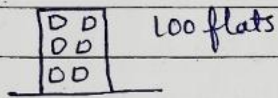
8,68,000

MV	10L	} Higher	} 11L	} lower
FR	11L			
SR	12L	} Higher	} 11L	} 11L
AR	9L			

GAV	11L
(-) M. Tan	(11,00,00)
(-) M. Tan	(65,000)
NAV	<u>9,25,000</u>

* Property held on stock in Trade

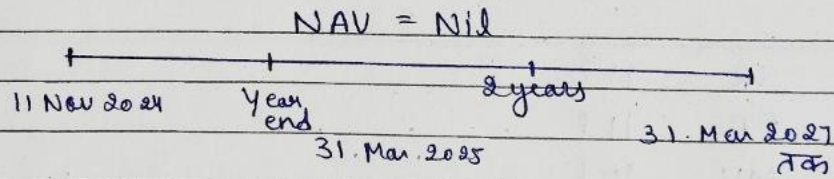
Builder → SOP max 2



100 flats

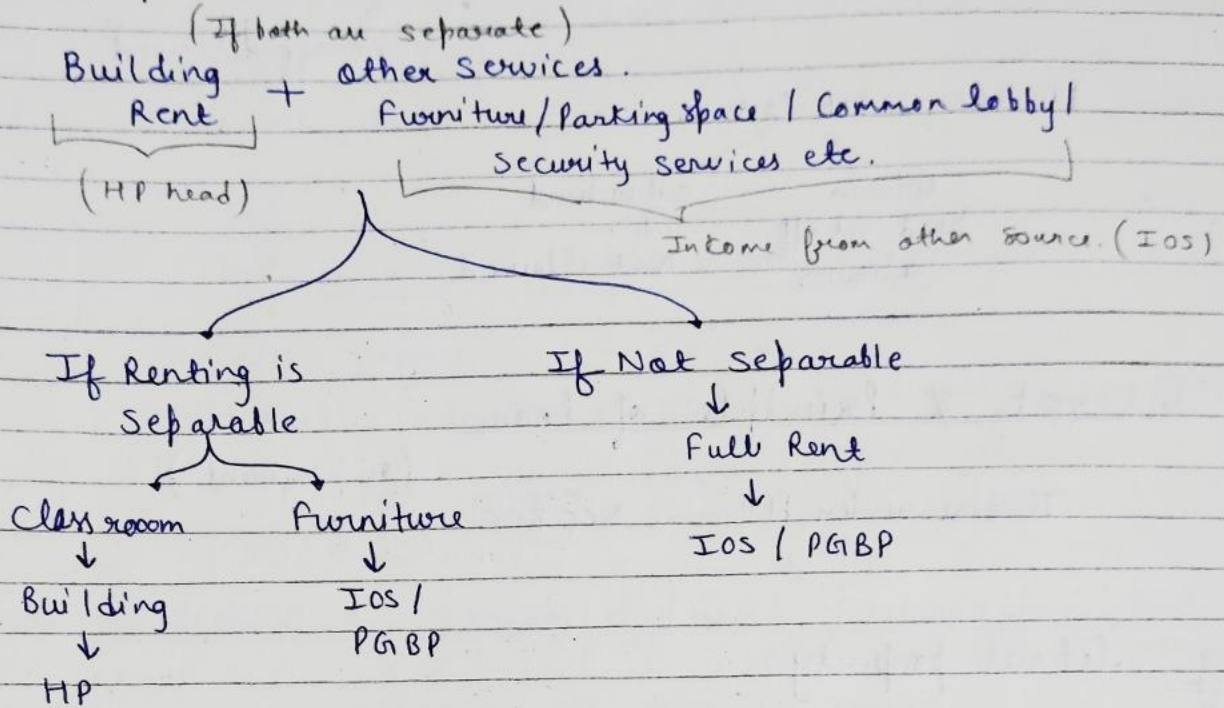
शॉर्ट → Completion Certificate.

11 Nov 2024

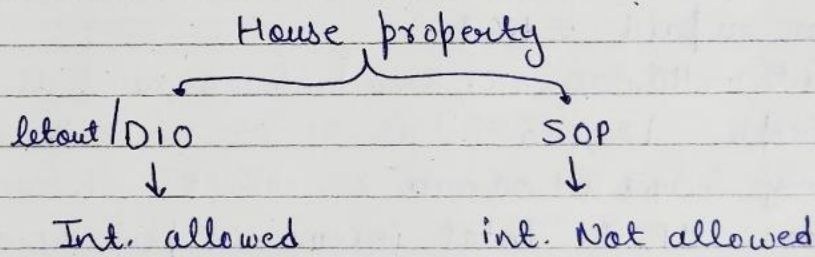


then Remaining Deemed to be let out
after 2 yrs को शॉर्ट विक्रे को →

* Composite Rent :-



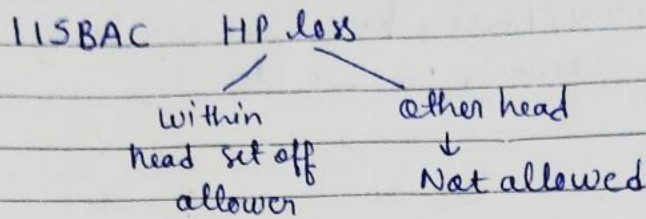
* Effect of section 115BAC (IA) on House property ^{(New) (default Regime)}



• If loss under HP
 ↓
 you cannot set off loss with

• NAV 0
 int. 300/200
 0

means old Regime \rightarrow HP loss \rightarrow PGBP / salary / others Income
 \downarrow
 set off allowed.



* Interest & Principle of loan

(repayment)

Income under HP

Sec 80C

\rightarrow (deduction. in sec. 80C)

Eg let out property

Expected Rent $\text{₹} 12l$.

Actual Rent $\text{₹} 13l$

Municipal Tax $\text{₹} 5l$

loan repaid $\text{₹} 1.6l$.

Int = 40,000

Principle 12,000

Salary income 4,00,000

Find income HP & Total income as per the old Regime.

Sol

Expected Rent	12l	} H.P. \rightarrow (Given)
A.R.	13l	
	<hr/>	
GIAV	13l	
(-) M. Tan paid	(5l)	
	<hr/>	
NAV	8la	

- 30%	<u>(2,40,000)</u>
	5,60,000
- int.	<u>(40,000)</u>
Income HP	<u>5,20,000</u>

HP	5,20,000
Salary	<u>4,00,000</u>

G. Total income	9,20,000
(-) Principle under 80C	<u>(1,20,000)</u>
Total income	<u>8,00,000</u>

* Section 25A: ^{Recovery of} Arrears of Rent / Unrealised Rent _{Received}

Rent increased Retrospectively.

Amt rec → Taxable
standard deduction 30%.

Eg 4 lakh unrealised rent
relating to PY 19-20 (इका था)
rec. in PY 24-25 Taxable amount??

Rec. PY 23 - PY 24-25	4 lakh
stand 30% ded.	<u>(1,20,000)</u>
Taxable	<u>2,80,000</u>

HW Illu 1 & 2 (try) 4, 7, 9
Pg 5.1 5102

Lec 8 27 Feb afternoon

Que MV = 60,000 pm
SR = 80,000 pm
AR = 1 lakh pm
FR = 1.4 lakh pm
M. Tax is ₹ 60,000

(out of 60,000 ₹ 25,000 belongs to PY 19-20)

Int = ₹ 2,31,000

Arrears of rent rec. / unreal rent rec. belonging to year PY 17-18 ₹ 80,000 is received in PY 24-25

MV = 60,000 x 12m = 7,20,000
FR = 1,40,000 x 12m = 16,80,000
SR = 80,000 x 12m = 9,60,000
AR = 1,00,000 x 12m = 12,00,000
GRAV → 12,00,000

(-) M. Tax (Payment basis) (60,000)

N. A Value 11,40,000

(-) 30% (3,42,000)

(-) int (2,31,000)

5,67,000

⊕ unreal rent recover 80,000

(-) 30% (24,000)

(+) 56,000

6,23,000 Income under HP.

Que GAV of House is ₹ 9L.
 M. Tax paid is ₹ 3L
 (40% paid by the tenant)
 Find Income HP.

GAV	9,00,000
(-) M. Tax	(1,80,000)
3L x 60% of owner	1,20,000
NAV	7,20,000
(-) 30%	(2,16,000)
HP	5,04,000

Summary

(1) SOP

NAV = Nil
 (-) Int. (-)
 (2L / 30000)

(2) let out Normal Calculation

No restriction } Income Tax (-) ✓
 } Int. (-) ✓
 ↓
 accrual basis

(3) Deemed to be let out

MV ✓

FR ✓

SR ✓

MA

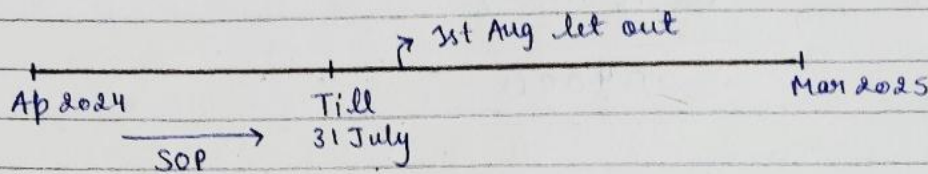
Titno chabe (-) AR X

No Restriction M. Tax ✓

Int ✓

(Kuch Mon let out, kuch SOP)

(4) H.P. Partially let out & partially SOP [Period / Month wise]



(-) M. Tax Fully deduct

Proportionate (X)

(-) Int. Fully deduct

Proportionate (X)

Que MV = ₹ 30,000 pm

FR = ₹ 27,000 pm

AR = ₹ 23,000 pm

SR = ₹ 28,000 pm

For ownership period. M. Tax = ₹ 11,000

Int. on HP = 74,000 for ownership period.

The property was purchased on 1st May 2024 and it was SOP till 31st Oct 2024 then it was let out.

ETR Purchase 1 May 2024 - 31 Oct 2024
11 Month.

MV	$30,000 \times 11m$	3,30,000
FR	$27,000 \times 11m$	2,97,000
SR	$28,000 \times 11m$	3,08,000
AR	$23,000 \times 5m$	1,15,000
(avail for rent)		<hr/>

GrAV 3,08,000

(-) M. Tax	(11,000)
(-) 30%	(89,100)
(-) int.	(74,000)
	<hr/>

Income H.P. 1,33,900

lec 9 27 Feb

(5) House property, Partially let out & Partially
SOP SOP
(Area wise)

Consider it as 2 diff house &
Calculate separately.

- M. Tax proportionate ✓
- Int proportionate ✓

~~12m~~

Que MV = 50,000 pm x 12m ~~6l~~ 6l
 SR = 60,000 pm x 12m 480 720K
 AR = 70,000 pm x 12m ~~720~~ 840K
 FR = 40,000 pm x 12m ~~840~~ 480K
 M. Tax = 24,000
 Int = 5 lacs.

House is 40% SOP & 60% let out
 Find income under the head HP (old Regime).

Particulars	SOP (40%)	let out (60%)
(a) MV 50,000 x 12m = 6l.	2.4l -	3.6l
(b) FR	-	98,800
(c) SR	-	4,32,000
(d) AR	-	8,40,000
GAU	-	8,40,000
M. Tax.	-	(24,000 x 60%) (14,400)
NAV	-	8,25,600
30%	-	(2,47,680)
int. 60%	(40%) 2l	(3l.) (60%)
5 lacs.	(40%)	(60%)
loss./profit	<u>(2 lacs)</u>	<u>2,77,920</u>

set off = 2l 77,920

(6) Co-ownership

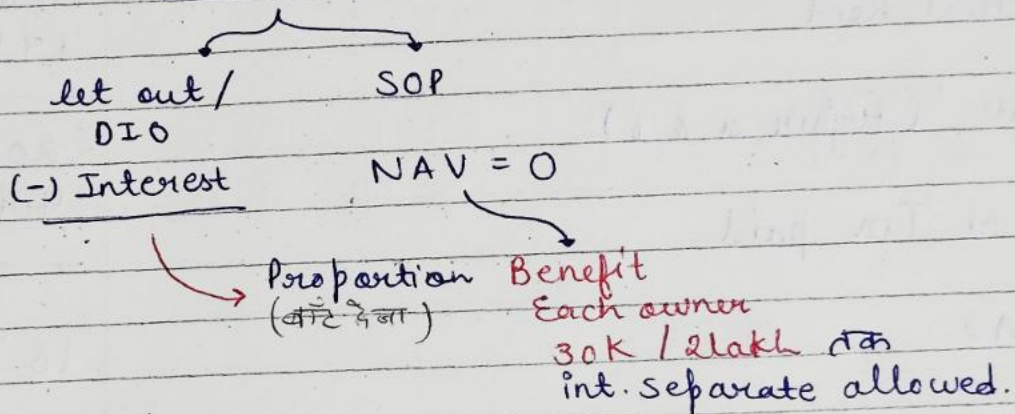
MV
FR
SR
AR

GAV

} (as is it calcn)

(-) M Tan ()

NAV
(-) 30% ()



Eg SOP → Int 440000

50% 50% (Assume)

220,000 220,000

'A' 'B'

(2lakh) (2lakh)

Que House is Co-owned by A & B 70% & 30% respectively :-

Expected Rent	20l.
Actual Rent	17l
M. Tax	4l
Int.	6l.

Find income under the head HP for both A & B.

Particulars	Amt. (₹)
(a) Expected Rent	20l.
(b) Actual Rent	17l
(c) GAU (Higher a & b)	20l
	40(4l)
less M. Tax paid	
(d) NAV	16,00,000
less 30% of NAV	(4,80,000)
less Int.	(6l)
Income HP	<u>5,20,000</u>

∴ For A = 70% of 5,20,000 = 3,64,000
 For B = 30% of = 1,56,000

Que what if in the above case the proportionate was SOP & old Regime is followed :-

Particulars	A (70%)	B (30%)
NAV	-	-
(-) Int. 6,00,000		
70% 4,20,000	(2,00,000)	(1,80,000)
30% 1,80,000	But max allow ed.	
Loss	<u>(2,00,000)</u>	<u>(1,80,000)</u>

1000 12000

Homework Solutions

Illustration 1 Pg 5.1

→ Calculation of GAV of each House owned by Jayshree :-

Particulars	I	II	III	IV	V
(a) Municipal Value	80,000	55,000	65,000	24,000	80,000
(b) Fair Rent	90,000	60,000	65,000	25,000	75,000
(c) Higher (a) & (b)	90,000	60,000	65,000	25,000	80,000
(d) Standard Rent	N.A	75,000	58,000	NA	78,000
(e) Lower (c) & (d)	90,000	60,000	58,000	25,000	78,000
(f) Actual Rent	72,000	72,000	60,000	30,000	72,000
Higher (e) & (f)	90,000	72,000	60,000	30,000	78,000
GAV	<u>90,000</u>	<u>72,000</u>	<u>60,000</u>	<u>30,000</u>	<u>78,000</u>

(I) (II) (III) (IV) (V)
GAV ⇒ 90,000 72,000 60,000 30,000 78,000

Illustration 2 Pg 5.1

Rajesh → Resident, ROR, own house

let out = \$10,000 pm

Municipal tax paid = \$8,000

Dollar Value = 95 in India rupee

→ Calculation of Net Annual Value of Mr. Rajesh AY 2025-26

Particulars	₹
GAV = 10,000 pm × 12m × 95/-	1,14,00,000
(-) Municipal taxes paid (\$8,000 × 95/-)	(76,00,000)
Net Annual Value	<u>1,06,40,000</u>

Net Annual Value = 1,06,40,000

Illustration 4 Pg 5.2

→ Calculation of income from house property of Mr. Anisudh for AY 2025-26.

Particulars	Amt (₹)	Amt (₹)
MV (a) Municipal Value	1,30,000	
(b) Fair Rent	<u>1,10,000</u>	
(c) Higher (a) & (b)		1,30,000
(d) Standard Rent	<u>1,20,000</u>	
(e) Lower		1,20,000
(f) Actual Rent	<u>1,21,000</u>	
(g) Higher		<u>1,21,000</u>
(-) Municipal Tax (1,30,000 × 10%)		(13,000)
NAV		<u>1,08,000</u>
(-) Deduction u/s 24(a) (30% of NAV)		(32,400)
(-) u/s 24(b) Interest on loan		(40,000)
Income under the head HP		<u><u>35,600</u></u>

Income under the head House property = 35,600

Illustration 7 Pg 5.4

→ Calculation of income from house property of Smt. Rajalakshmi for AY 2025-26.

Particulars		Amt (₹)
(a) MR	5,00,000	
(b) FR	4,20,000	
(c) SR Higher (a) & (b)	5,00,000	
(d) SR	4,80,000	
(e) Lower of (c) & (d)	4,80,000	
(f) AR	3,50,000	
unrealized Rent	$\frac{50000 \times 1}{9} - \left(\frac{50,000}{12} \times 2 \right)$	
(g) Higher (e) & (f) (NAV) = 4,50,000 - 12	3,00,000 → 3,50,000	4,80,000 3,00,000
(-) Municipal Tax (12% of SL) (Paid by owner)		(60,000)
NAV NAV		4,20,000
(-) Deduction 30%		(1,26,000)
(-) Int. amt		(25,000)
Income under the head House property		<u>2,69,000</u>

Illustration 9 Pg 5.6

→ Calculation of Income from HP of Mx. Prem for
AY 2025-26.

Particulars	2/3 rd Amt. (₹)	1/3 rd Amt (₹)
MV $300,000 \times 1/3$	-	1,00,000
FR $270,000 \times 1/3$	-	90,000
Higher		<u>1,00,000</u>
SR $3,30,000 \times 1/3$	-	1,10,000
Lower		<u>1,00,000</u>
AR $8,000 \times 12$	-	96,000
Higher		<u>1,00,000</u>
GAU		1,00,000
(-) M. Tax $32 \times 10\%$	-	(10,000)
RAAR $30,000 \times 1/3$		<u>(10,000)</u>
NAV		90,000
(-) deduction @ 30%		(27,000)
Int. $1,20,000 \times 1/3$	(80,000)	(40,000)
Income under the head HP	<u>(80,000)</u>	<u>23,000</u>
Chp	$\frac{23,000}{(80,000)}$	
	<u>(57,000)</u> Net loss.	

Net loss = (57,000)