lec = 10

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Partly Let Out Property (Area wise)

- If some area of house property is let out and remaining Area is self occupied then let out Portion is treated as LOP and self occupied Portion is treated as SOP.

In this case municipal value, fair rent, Standard rent, municipal taxes, intrest on loan should be divide between SOP and LOP on area basis. Actual Rent will never be divided because it is always for LOP Portion

$\boxed{\text{Intrest on loan}}$

LOP
↓
full Intrest Allowed

SOP
↓
Sec 115 BAC
↓
NO intrest

Otherwise
↓
Max. int 200000 / 300000 P.a

Q 9) Page. No. 45.

→ MR. Prem (PY. 24-25 AY 25-26)

Part A : Assessee opt out from sec 115BAC

Computation of Tax liability

Particulars	SOP	LOP
Municipal value	-	100,000
Fair rent	-	90000
whichever is higher	-	100000
Standard rent	-	110000
Expected rent	-	100000
Actual rent	-	96000
Gross Annual value	-	100,000
- municipal taxes paid	-	10000
NAV	-	90000
(-) Deduction u/s 24		
i) 24(a) 30% of NAV		27000
ii) 24(b) Int on loan (WN-1)	(80000)	(40000)
In HP	(80000)	23000
	In HP	(57000)

Working Note 1

Int on loan

SOP 2/3 → (80000)

LOP 1/3 → (40000)

Date:

Part B :

Note :-

If assessee pay tax as per default taxation regim U/S 115BAC then Int on loan in case of SPO is not allowed Hence,

Net Income from House property = ₹ 23000

Q 13)
→

Particulars	SOP (50%)	LOP (50%)
Municipal value	-	95000
Fair rent	-	92500
which ever is higher	-	95000
Standard Rent	-	81000
Expected rent	-	81000
Actual rent (8000x10)	-	80000
GAV	-	80000
(-) M Taxes	-	(14250)
NAV		65750
Deduction U/S 24		
i) 24(a) 30% of NAV	-	~~(20025)~~ 19725
ii) Int on loan	(9000)	(9000)
	(9000)	~~30725~~ 37025

In HP = ~~28725~~ ~~27725~~ → 28025

working Note

WN : 1 Intrest on 10m (1500pm x 12 m) 18000

SOP 9000 | LOP 9000

WN 2

ER ≤ AR + VR

81000 ≤ 80000 + 16000

↓

GAV

Note:- light and watee charges, lease money, Insurance charges, repairs Not allowed as deduction while Computing Income from House property

Q14

Particulars	SOP 2/3	LOP 1/3.
Municipal Value		32000
Fair rent		42000
which ever is higher		42000
Standard rent		36000
		36000
Expected rent		60000
Actual rent		60000
GAV		
(-) MT		(3520)
NAV		56480
(-) Reduction U/S 24		
i) 24(a) 30% NAV		(16944)
ii) 24(b) Int on loan	(12400)	(6200)
	(12400)	33336
	Net In HP	20936

(WN-1)

Calculation of Interest on loan.

2017-2018	9000	Pre-CO Int
18-19	~~90~~12000	$\frac{33000}{5} = 6600$
19-20	12000	
✗ 20-21	12000	
21-22	12000	
22-23	12000	
23-24	12000	
24-25	12000 + 6600	
	= 18600	
	SOP 12400	LOP 6200

Partly let out property (Time wise)

- If property is let for some period of time and Self occupied for remaining period of time then Such property are treated as LOP only. even a property is let out for one day then also treated as LOP

- SOP means property is self occupied for residential purpose ~~or~~ throught out the year or unoccupied due to business or profession or employement at any other place.

Q1. Page No 43:

Smt. Rajalakshmi (PY 24-25 AY 25-26)

Computation of Income from HP

Particulars	LOP	
Municipal value	500,000	
fair rent	420000	
which ever is higher	500000	
Standard rent	480000	
Expected rent	480000	
Actual rent (WN-1)	350000	
GAV	480000	
(-) MT @ 12% on MV	(60000)	
NAV	420000	
deduction U/S 24		
i) 24(a) 30% NAV	(126000)	(420000 X 30%)
ii) 24(b) Intrest value	(25000)	
NIHP =	269000	

WN:-1

Actual rent = Rent recd + Rent rec - UR

$\underbrace{\text{Rent recd} + \text{Rent rec}}$ ↓ 2m

50000 x 9 m

450000 - 100,000

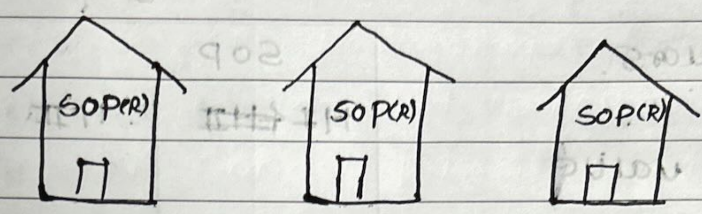
AR = 350000

<u>Note</u> :- In the present question unrealised rent is reduce while computing Actual rent. As per ITR form, alternatively, we can reduce unrealised rent from GAV. If we reduce from GAV, then answer will change and net income from House property will be ₹ 199000

ex

Assessee own more than 2 SOP.

MR BB



		Andheri	Bandra	Vasai
option	A	SOP	SOP	DLOP
	B	SOP	DLOP	SOP
	C	DLOP	SOP	SOP

Note Conclusion:- Assessee has to select option in which his net income from House property is minimum / lowest

Q 8. page 44

MR. Ganesh (PY - 24-25 AY 25-26)

Computation income from House property

Opt:1 House I & House II treated as SOP & House III are DLOP

Particulars	SOP		DLOP
	H I ~~H III~~	H II	H III
Municipal value			330,000
Fair rent			380000
whichever is higher			380000
Standard rent			375000
Expected rent			375000
Actual rent			-
			375000
GAV			
(-) MT @ 6% on MV			19800
NAV			355200
(-) Deduction U/S 24			
i) 24(a) 30% on NAV			(106560)
ii) 24(b) Int on loan		(30000)	(175000)
~~NIFHP~~			
		(30000)	73640
NIFHP.			43640

opt2:

Particulars	SOP (HP1 & HP3)	DIOP (HP2)
Municipal value	-	360000
Fair rent	-	275000
whichever is highest	-	360000
standard rent	-	870000
Expected rent		360000
Actual rent		-
		360000
GAV	-	
(-) MT @ 8% on MV		28800
NAV	-	331200
reduction u/s 24		
i) 24(a) 30% NAV	-	99360
ii) 24(b) Int on loan	(175000)	(55000)
	(175000)	176840

NIFHP = 1840

Page No.:
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opt 3:

Particulars	SOP HP2 & HP3	DLOP HP1
Municipal value	-	300,000
Fair rent	-	375000
which ever is higher		375000
standard rent		350000
		350000
Expected rent		-
Actual rent		
		350000
GAV	-	
(-) MT @ 12% on MV	-	36000
NAV		314000
(-) reduction U/S 24		
i) 24(a) @ 30% on NAV		94200
ii) 24(b) Int on loan (WN1)	(200000)	-
	(200000)	219800
	NIFHP =	19800

WN :- 1

H2 Int on loan for Repairs of property		55000
Max limit	(A)	30000
HP3 : Int on loan for purchase of HP		175000
Max limit		200000
Actual int	(B)	175000

Max int Allowed in case of SOP (A+B) is rest to ₹200000

Conclusion :

① Since Income from House Property is lower in opt 2 ie 1840 rupees so, Mr. Ganesh should opt House property ~~a~~ 1 & 3 as SOP & ~~H~~HP 2 as DLOP

Note :- ②

If assessee ~~paid tax~~ pay tax as per default tax regim U/S 115BAC.

In this case assessee is not eligible to claim intrest deduction in case of SOP so his income would be :

option 1 : 73640
option 2 : 176800
opt 3 : 219800.

In this case option 1 is benefical so, HP 1 & 2 treated as SOP and HP 3 is treated as DLOP.

HW Q 3 page No 42 , Q5, 17, 18, ~~20~~