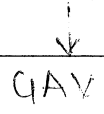


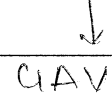
— Concept of vacancy

↑	ER	xx
	AR	xx
	<u>GAV</u>	<u>xx</u>

$$ER \leq AR + YR$$



$$ER > AR + YR$$



Ex 1

ER := 520000
 Rent pm := 50000 pm
 Vacancy := 3 months

AR = Rent Recd + Receivable
 — UR
 (50000 x 9)
 450000

$$ER \leq AR + YR$$

$$520000 \leq 450000 + 150000$$

↓
GAV

Ex 2:-

ER = 520000
 Rent pm := 20000 pm
 Vacancy := 2 months

$$ER > AR + YR$$

$$520000 > 200000 + 40000$$

↓
GAV

Ex 3:-

ER = 600000

Rent/pm = 50000

Vacancy = 2 months

$$ER < AR + VR$$

$$600000 < 450000 + 150000$$

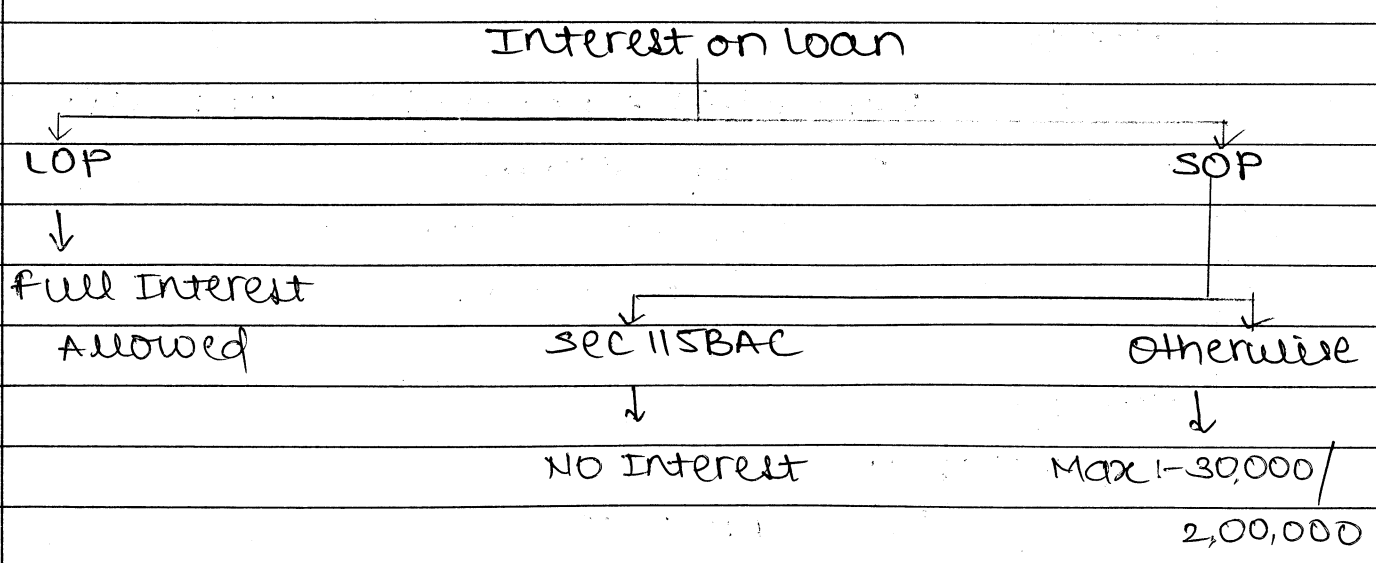
↓
GAV

— Partly let out property (Area wise)

If some area of HP is let out and remaining area is self occupied then let out portion is treated as LOP and the self occupied portion is treated as SOP.

In this case Municipal value, fair rent, standard rent, Municipal taxes, Interest on loan should be divided between SOP and LOP on area basis.

Actual rent will never be divided because it is always for LOP portion.



Q5 pg 52

Mr. Ganesh

PY 25-26 AY 26-27

Computation of Income from House Property "LOP"

Particulars	₹
↑ Municipal value	250000
↑ Fair rent	200000
↓ Whichever is higher	250000
↓ standard Rent	210000
↑ Expected Rent	210000
↑ Actual Rent (WNI)	180000
Gross Annual Value	180000
(-) Municipal Taxes paid	(20000)
Net Annual value	160000
(-) Deduction u/s 24	
a) standard deduction 30% of NAV	(48000)
b) Interest on loan	(65000)
IFHP	47000

Note 1:-

$$AR = \text{Rent rec'd} + \text{Receivable} - \text{unrealised rent}$$

$$20000 \text{ pm} \times 10 \text{ m}$$

$$200000 - 20000$$

$$= 180000$$

Note 2:-

$$ER \quad AR + XR$$

$$210000 \leq 180000 + 40000$$

↓
GAV

Note - Alternatively unrealised Rent can be reduced from GAV as per ITR form.

Q6
Pg 52

Ms Poorna

PY 25-26 AY 26-27

Computation of Income from House Property

Particulars	₹
Net Annual value	-
(-) (a) standard deduction 30% of NAV	-
(b) Interest on loan	(200000)
IFHP	(200000)
Pre construction period interest	
- Interest till 31/3/2021	$\frac{360000}{5 \text{ years}} = 72000$

IF it is allowed in 5 equal installments from PY 21-22

PY 21-22	72000	
PY 22-23	72000	
PY 23-24	72000	
PY 24-25	72000	
PY 25-26	72000	Total interest 252000

current year interest 180000
 for PY 25-26

Max interest Allowed in case of SOP is
 ₹ 200000

Q10 Mr. Prem PY 25-26 AY 26-27

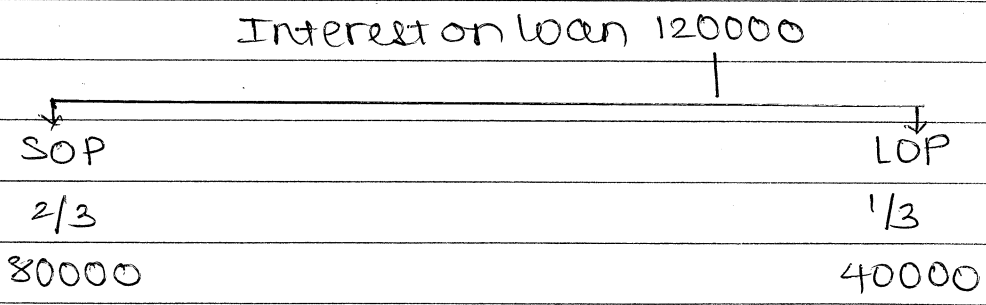
Pg 55

Part A - Assessee opt out from sec 115BAC

Computation of Income from House Property

Particulars	SOP(2/3)	LOP(1/3)
↑ Municipal value	-	100000
↑ Fair Rent	-	90000
↓ Whichever is Higher	-	100000
↓ Standard Rent	-	110000
↑ Expected Rent	-	100000
↑ Actual Rent (WNI) (8000 x 12m)	-	96000
Gross Annual Value	-	100000
(-) Municipal Taxes paid	-	(10000)
Net Annual value	-	90000
(-) Deduction u/s 24		
a) Standard deduction 30% of NAV	-	(27000)
b) Interest on loan	(80000)	(40000)
IFHP	(80000)	23000

Net IFHP = (57000)



Part B:- IF Assessee opt default Tax Regime u/s 115BAC then interest on loan in case of SOP is not allowed, so income from House Property shall be 23000.

Q15 Mr. Vikas PY 25-26 AY 26-27

pg 57 computation of Income from House Property

Particulars	SOP (2/3)	LOP (1/3)
↑ Municipal value	-	32000
↓ Fair Rent	-	42000
↓ Whichever is Higher	-	42000
↓ Standard Rent	-	36000
↑ Expected Rent	-	36000
Actual Rent (5000 pm x 12m)	-	60000
Gross Annual Value (GAV)	-	60000
(-) Municipal and Taxes paid	-	(3520)
Net Annual Value (NAV)	-	56480
(-) Deduction u/s 24		
i) standard Deduction 30% of NAV	-	(16944)
ii) Interest on loan	(12400)	(6200)
	(12400)	33336
		IFHP
		20936

WN 1+ Interest on loan

PY

18-19	$100000 \times 12\% \times 9/12 = 9000$	33000
19-20	$100000 \times 12\% = 12000$	5
20-21	= 12000	= 6600
21-22	= 12000 + 6600	
22-23	= 12000 + 6600	
23-24	= 12000 + 6600	
24-25	= 12000 + 6600	
25-26	= 12000 + 6600	

↓

18600

LOP (1/3)

6200

SOP (2/3)

12400

— Partly let out property (time-wise)

If property is let out some period of time and self occupied for remaining period of time then such property is treated as LOP. Even if the property is let out for single day then also it is treated as LOP.

SOP means property self occupied for Residential purpose throughout the year or unoccupied due to any reason.

Q7
Pg No 53

Ms Rajalakshmi

Computation of Income from House Property

Particulars	₹
↑ Municipal value	500000
↑ Fair Rent	420000
↓ Whichever is higher	500000
↓ Standard Rent	480000
↑ Expected Rent	480000
↓ Actual Rent (WNI)	350000
Gross Annual value	480000
↳ Municipal taxes paid	(60000)
Net Annual value	420000
↳ Deduction u/s 24	
a) Standard deduction 30% of NAV	(126000)
b) Interest on loan	(25000)
IFHP	269000

WNI :-

$$\text{Actual Rent} = \text{Rent Rec'd} + \text{Receivable} - \text{Unrealised Rent}$$

$$= 50000 \times 9 \text{ months} = 450000$$

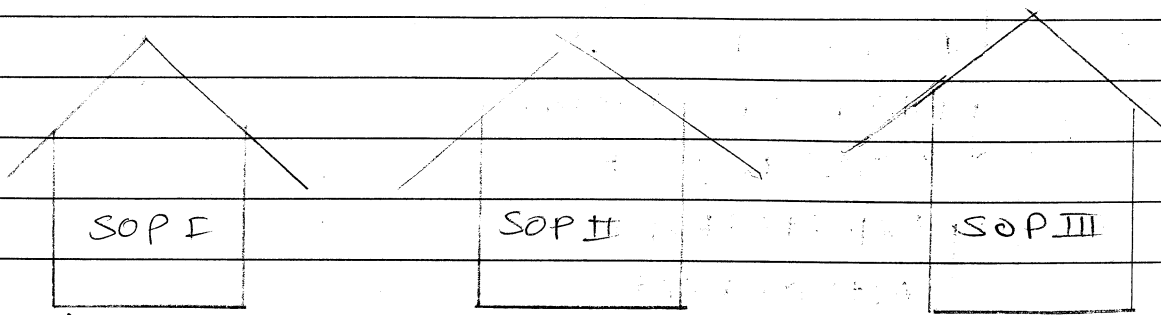
$$450000 - 100000$$

$$= 350000$$

Note :- In the present question, unrealised Rent is reduced while computing Actual Rent. As per ITR form alternatively we can reduce unrealised Rent from GAV.

If we reduce from GAV then Net income from HP will be ₹ 199000.

Assessee own more than 2 SOP



Options:-	ANDHERI	BANDRA	VASAH
A	SOP	SOP	DLOP
B	SOP	DLOP	SOP
C	DLOP	SOP	SOP

Note :- Assessee has to select option in which his Net Income from House Property is minimum / lower.

Q8
Pg 53

Mr Ganesh

PY 25-26 AY 26-27

Part A:- Assume Assessee opted out from sec 115BAC.

Option 1:- HP 1 and HP 2 treated as SOP and HP 3 as DLOP

Computation of Income from House Property.



Particulars	SOP	
	HP1 &	HP2 HP3 DLOP
↑ Municipal value	—	330000
↑ fair rent	—	380000
↓ Whichever is Higher	—	380000
↓ Standard Rent	—	375000
↑ Expected Rent	—	375000
Actual Rent	—	—
Gross Annual value	—	375000
(-) Municipal Taxes paid	—	(19800)
Net Annual value	—	355200
(-) Deduction U/S 24		
a) Standard Ded ⁿ @ 30% of NAV	—	(106560)
b) Interest on loan	(30000)	(175000)
	IFHP	(30000) 73640
		└──────────┘
	NET IFHP	43640