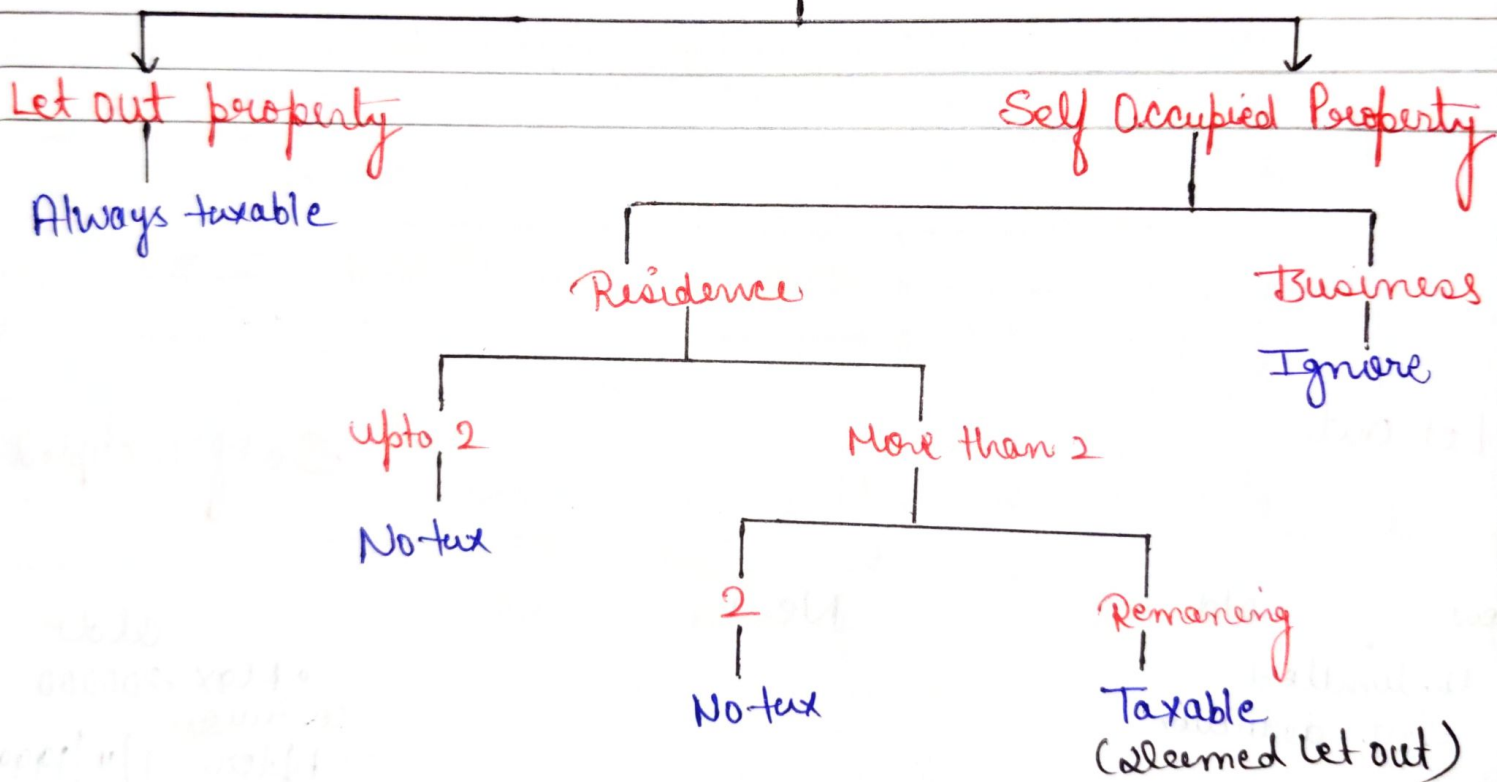


Income From House Property Chapter - 4

⇒ Rental Income (Annual Value) of house property is taxable :

- (i) House property (Commercial / Residential building)
- (ii) Assessee → owner of house property

"HOUSE PROPERTIES"



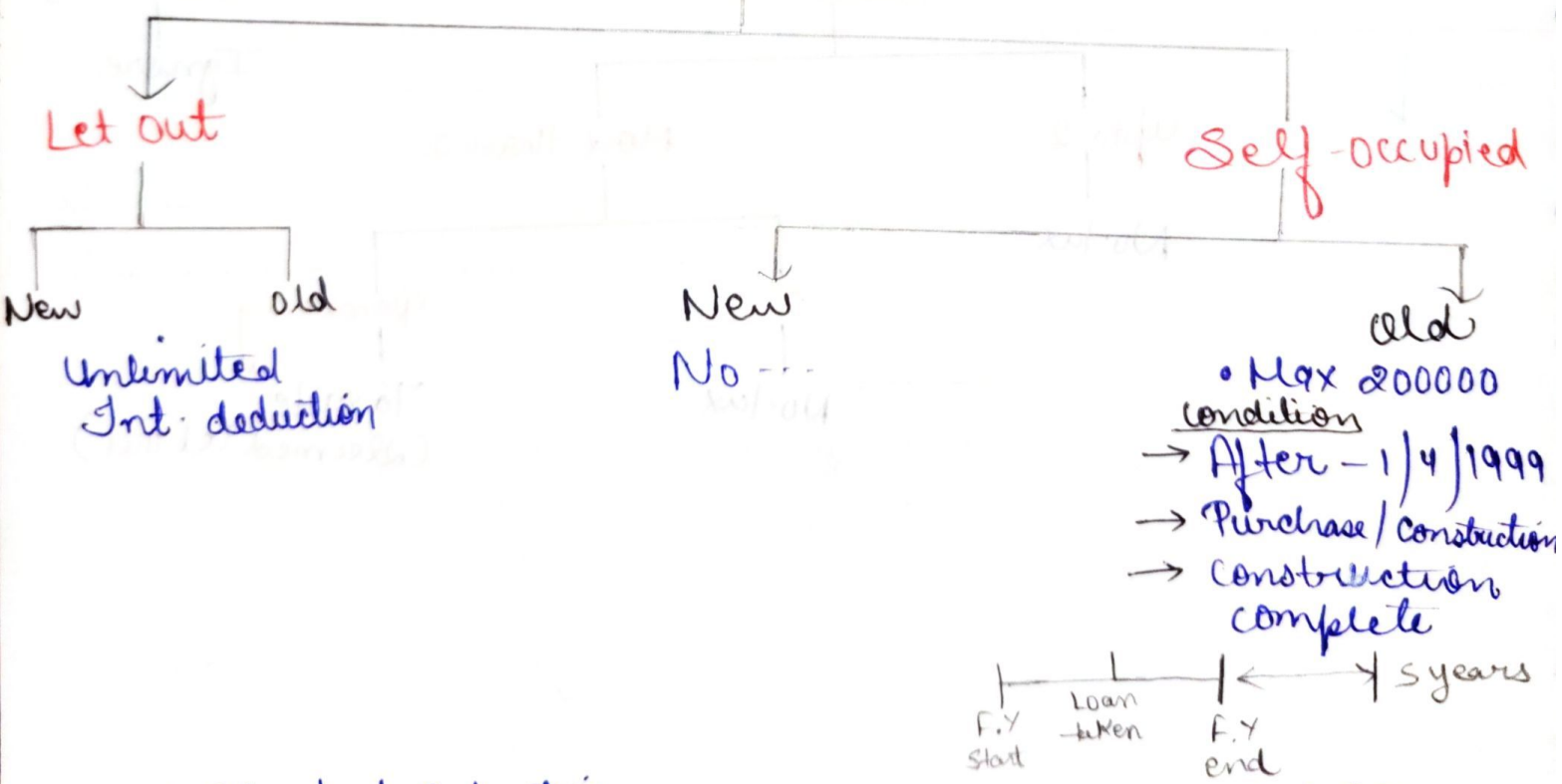
① Deduction u/s 24

U/s 24 (a) → Standard Deduction @ 30% of NAV.
 U/s 24 (b) → Interest on loan

- Anyone gives loan.
- Purchase, Construction, Repair, Renovation
- It allow for due basis - C.I Int. $\frac{1}{4}$ 1/4/1999 → Deduction ✓
- Penal Int. (Penalty) - no deduction allowed
- Loan from outside India - allow
 ⇒ Interest
 (-) TDS

xxx → से Amt पर deduction

Deduction for Interest on loan [Old and New scheme]



★ 30% Standard Deduction
 खर्चो मिलावा but
 SOP में NAV 0 होती है तो
 30% of NAV भी 0 होगा तो
 SOP पर not.

ITR:
 • दीने SOP मिला पर
 Max 200000 होगा.

Computation of Income from House Property

Particulars		₹
(i) Municipal Value		XXX
(ii) Fair Rent (आस पास कितना है)	H	XXX
(iii) Higher of (i) and (ii)		XXX
(iv) Standard Rent (Law में कितना fix किया)	L	XXX
(v) Expected Rent [Lower of (iii) and (iv)]		XXX
(vi) Actual Rent Received/Receivable (W.N. 1)		XXX
GAV [Higher of (v) and (vi)]	H	XXX
Less: Municipal Taxes (Calculate % on Municipal Value)		XXX
NAV		XXX
Less: Deductions u/s 24		
30% of NAV		XXX
Interest on Loan		XXX
Income from House Property		XXX

WNI

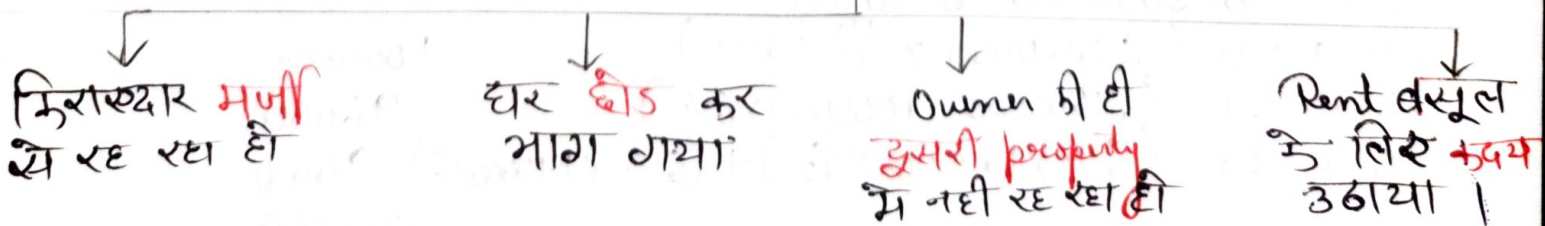
Rent Received		xxx
Add - Rent Receivable		xxx
Less - Unrealised Rent		xxx
Actual Rent Received / Receivable		xxx

• Municipal Tax -

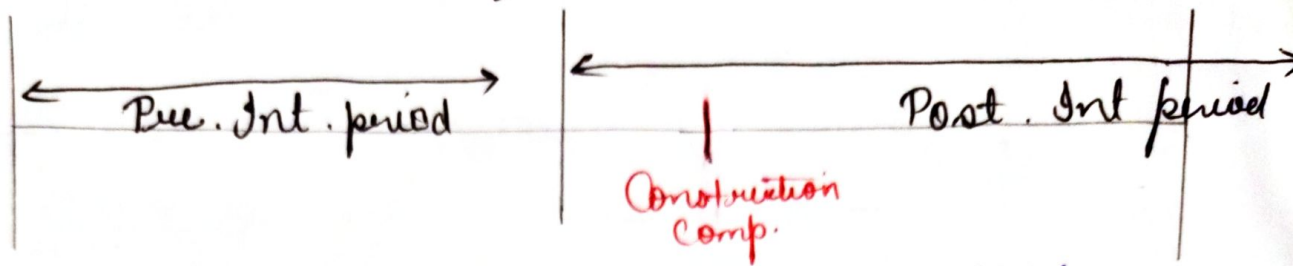
- Deduction of Municipal tax allow if paid by owner.
- Not allow if paid by tenant.

• Unrealized Rent -

- When tenant does not pay Rent & धोस गया कर।
- It allow only when condition of Rule 4 satisfy



Pre Construction / Acquisition Period Interest.



⇒ Entire pre Int. period Interest allowed in 5 equal instalments from the years in which construction completed.

Ex- Pre-Interest = 100000
 Const comp. = 1/6/23
 Int. of 23-24 = 50000

So, 23-24 is construction complete & 21st at 22-23 is pre and 23-24 is 21st is post

$$\Rightarrow \frac{100000}{5} = 20000$$

$$\Rightarrow \text{Interest to be allowed 23-24} = 50000 + 20000 = 70000$$

Question

Mr. Tai has taken a loan from SBI on 1-6-19 for Rs 2000000 @ 6%. Following Repayments:

01-04-20	400000
01-10-21	200000
01-12-22	150000
01-04-23	250000

Construction complete
 ⇒ 14-02-23

Pre-Construction Interest	
2019-20 $(2000000 \times \frac{10}{12} \times 6\%)$	100000
2020-21 $(2000000 - 400000) \times 6\%$	96000
2021-22 $(6\% \times 1600000 \times \frac{6}{12}) + (6\% \times 1400000 \times \frac{6}{12})$	90000
	286000
Pre-Construction allowed every year $(286000 \div 5)$	57200
Add- Interest of P.Y 23-24 $(6\% \text{ of } 1000000)$	60000
Int. to be allowed in P.Y 23-24	117200

Concept of Vacancy

Actual Rent + Vacant Rent अगर Expected Rent से ज्यादा या बराबर है तो मानव अपेक्षित मान में पारी नहीं है।
तो Actual Rent ही Gross Annual Value होगी।

Actual + Vacant Rent \geq Expected Rent \rightarrow Actual = hAV

Actual + Vacant Rent $<$ Expected Rent \rightarrow Expected = hAV

Example - Expected Rent = 3,00,000, Rent p.m = 30000
Vacancy = 3 months. Find hAV.

Actual Rent $(3000 \times 9) = 270000$

Vacancy $= (30000 \times 3) = \frac{90000}{-360000}$

Here, Actual Rent + Vacant \geq Expected

$270000 + 90000 \geq 300000$ (मान में पारी नहीं है)

hAV = Actual Rent
 $= 270000$

- SHUBHAM JAIN

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<https://t.me/CAINTERBYSHU>

Partly let out (Area wise)

Area proportion में \rightarrow Municipal value, Fair Rent, Standard Rent, tax, Int. on loan

* Actual Rent considered नहीं होता (अर्थात् VO मिल ही LOP पर है)

Refer Pg - 153
Q 13, 14

Partly let out (Time wise)

अगर property 1 दिन भी let out है तो उसे let out मान लिया जाएगा।

- बांध में भी SOP हो गया तो vacant का तोह नहीं सबाल नहीं होगा। अर्थात् खुद रह रहे हैं।

TTR - Rent calculation में month (जितने दिन let out) \times Amt.

Own more than 2 SOP

- 2 SOP exempt & 2 or 4 in deemed let out.
- Permutation & combinations

Ex H_1, H_2, H_3

Case 1 - $H_1, H_2 \rightarrow$ SOP
 $H_3 \rightarrow$ let out

Case 2 - $H_1, H_3 \rightarrow$ SOP
 $H_2 \rightarrow$ let out

Case - 3 - $H_3, H_2 \rightarrow$ SOP
 $H_1 \rightarrow$ let out

\Rightarrow The case in which Income \rightarrow minimum

Joint Ownership

Income from house property calculate \rightarrow as normally
and divided in \rightarrow ownership ratio.

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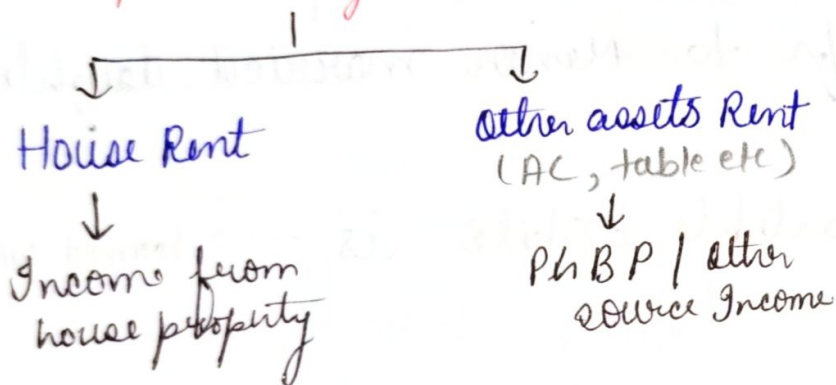
[-https://t.me/CAINTERBYSHU](https://t.me/CAINTERBYSHU)

* Arrears of Rent → Rent under dispute / Unrealized

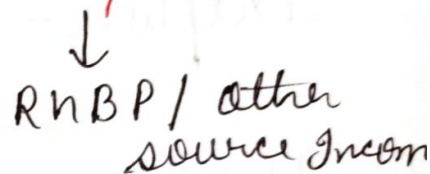
- Taxable → recovered year में
- जब Rent मिले owner हो या ना हो उस House में
- 30% standard deduction मिलेगा

Composite Rent

Separate Agreement



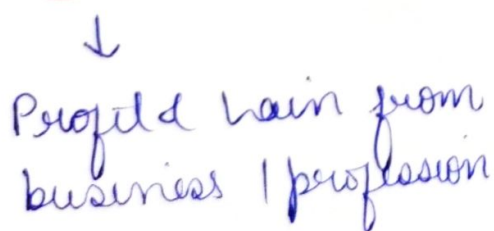
NOT Separate



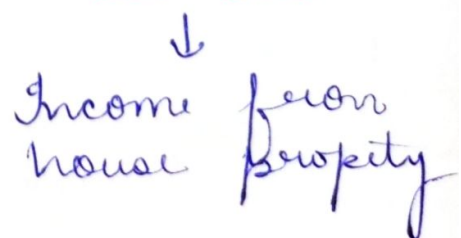
Note - property बिना other assets के मिला पर नही दी भा करनी में agreement separate हो या नही (workspace)
↓
PhBP / other source Income

Property as Stock for builder

Sale



Let-out



No Sale, No Let-out → 2 साल तक (stock में ही पसी है)

↓
deemed let-out → after 2 year, (FY के end से)

Deemed Ownership → जो transfer करे

① ^{deemed} Individual → Spouse → without consideration, inadequate consideration

Exception - अलग रहने या divorce तो → deemed नहीं होगा
(ता जिसने दी वो deemed owner नहीं होगा)

② ^{deemed} Individual → Minor Child → without consideration, Inadequate consideration

Exception - transfer to Minor married daughter.

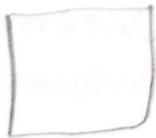
③ Holder of Impartible Estate is → deemed owner
[property which is not legally divisible]

④ Member of Co-operative Society is → deemed owner

⑤ In case of Immovable property, if possession is acquired in part performance of contract, Assessee → deemed owner
(for the date he obtained possession)

Concept -

Nishant's house



No ownership →
← 5 Lakh

Rajiv

take possession and give house on rent then, he is deemed owner.

⑥ If any house is acquired under long term lease [12 year or more] Acquire → deemed Owner