

Income from House property

① Building: Direct Income \rightarrow Sold of Assets (i time I)
 \downarrow
Annual Income. Sale proceed \rightarrow CG
 \downarrow
Let out Rental \rightarrow H/P.

(ii) Indirect Income \rightarrow used official/ Godown/ Factory
 \downarrow
used for stock in trade \rightarrow Sale \rightarrow PGBP
 \downarrow
Let out \rightarrow H/P.

② Condition:- AV = (in building (rental income))

(ii) person who earning a income is a owner (or) deemed owner.

(iii) person not used for owner purposes of H/P.
Business/Prof'n.

③ H/P O/S India:- ROR \rightarrow Taxable in India O/S.
whether such income is brought in India or not.
NR / RNR \rightarrow O/S India taxable only received in India.

④ Annual value :- GAV xxx
(-) mTP. [owner] . xxx
NAV xxx

(-) Ded O/S 24 .
Std 30% NAV xxx
Int on borrowed capital xxx
AV xxx

⑤ Actual Rent Adjustments (i) if AR is mt + ER.
GAV = AR.

(ii) if $AR > ER$ (a) $AR < ER$ b/c of vacancy
 $GAV = AR$.

(b) $AR < ER$ b/c of not due to vacancy
 $GAV = ER$ (Higher)

(iii) if GAV is higher of ER & AR when the H/P is partly let out & partly self-occupied.

⑥ Self occupied property

(i) maximum 2 H/P can be used for SOP.

(ii) from the 3rd H/P & onwards can be treated as deemed LOP.

(iii) there is no scheme new in SOP. only old scheme.

⑦ Int on Borrowed capital for SOP.

(i) loan is taken on or after 01/04/1999.

(ii) The H/P has been purchased with in 5 yrs which loan is taken.

(iii) Int on loan is maximum 30000.

⑧ loan taken for renovation, alteration, repairs & maintenance 30000.

⑨ pre construction period Interest.
It is allowed only in 5 installments starting the year in construction is completed.