

#### BASIS OF CHARGE & COMPUTATION

**M4. Shane is a non-resident and national of Australia. Which of his following incomes from property owned .....**

Property is in India. Income accrues/arises in India and is taxable in India in case of NR.

**M5. Mr. Jain moved to Mumbai. He took a property on rent for his residential purpose. However, the .....**

Taxable as IFOS. Not taxable as PGBP since subletting is not the business of Mr. Jain.

**M8. Ravi carries on his profession in Chennai where he stays on rent. He owns a flat in Jodhpur in which .....**

Annual value for up to 2 SOP/UOP is Nil

**M9. Ruhi owns four houses which are self occupied during the year. However, one of the flats is let out on rent .....**

House let out for part of year is treated as LOP. Up to 2 SOP/UOP treated as SOP/UOP. 3<sup>rd</sup> treated as DLOP.

**M10. Fair rent of a let out flat is Rs. 2 lakh, municipal value is Rs. 1 lakh and Standard Rent is Rs. 1.5 lakh. ....**

Higher of FR or MV but not exceeding SR.

**M12. Rishi lets out his house @ 20,000 p.m. whose fair rent is Rs. 2 lakh p.a. and municipal value is .....**

GAV is higher of ER 2,00,000 or AR 1,80,000 (2,40,000 – 60,000). Rule 4 satisfied.

**M16. Gauri let out a shop for 10,000 p.m. whose fair rent was Rs. 1,00,000 p.a. and municipal value was .....**

AR 90K < ER 1L due to vacancy. Otherwise, AR 1.2L was ≥ ER 1L. GAV = AR.

**M18. Jay owns a building whose municipal value is Rs. 3,00,000 p.a. and gross annual value is Rs. 4,00,000. ....**

NAV = 4,00,000 – 5,000 = 3,95,000.

**M19. Mr. Hero owns a house whose gross annual value is Rs. 25,000 and municipal value is Rs. 3,00,000 p.a. ....**

IHP = 25,000 – 30,000 tax = (5,000). Standard deduction not allowable as NAV is negative.

**M24. Mr. Zero took a loan of Rs. 20 lakh from HDFC Bank on 1 June 2011 for constructing a house in which he .....**

Current year interest Nil. Prior period instalment = 1,00,000 (5,00,000/5). Construction complete after 5Y timeline, thus, deduction limit 30,000.

**M26. Mr. Buddu has taken loans @ 10% p.a. on 1.4.2021 of Rs. 5 lakh for repair of House I which is self .....**

H1 repair max 30,000 + H3 acquisition max 2L = Overall max 2L. H2 1L not deducted since house does not exist in PY 2021-22.

**M27. Jyoti purchased a house property costing Rs. 49 lakh on 1 May 2021. Property is used exclusively .....**

4.9L but up to max 2L

**M28. Ragini paid interest of Rs. 1,00,000 (includes pre-acquisition interest of Rs. 20,000) for a house used .....**

For SOP 1,00,000 + For SOP/LOP for part year 40,000 (treated LOP) + For repair of SOP 25,000 (prior period interest not allowed) = 1,65,000

**M30. Meera paid interest of Rs. 60,000 along with penal interest of Rs. 1,000 against interest liability of .....**

30,000 limit for reconstruction. Penal interest, brokerage, etc. not allowed.

### SPECIAL SITUATIONS

**M31. Raju owns a residential house, let out on a monthly rent of Rs. 15,000. Fair rental value for the let out .....**

LOP/SOP for part of year; treated as LOP. ER for whole year = 2,00,000. AR = 1,35,000. GAV/NAV = 2,00,000. IHP = 2,00,000 - SD 60,000 - Interest 40,000 = 1,00,000.

**M33. Sridevi owns three houses used for self occupation. For each house, expected rent is Rs. 1,00,000 p.a. ....**

H1/2 SOP: NAV Nil - 30,000 interest = 30,000 loss.

H3 DLOP: NAV 1,00,000 - 5,000 tax - 28,500 SD - 30,000 interest = 36,500.

IHP = 6,500

**M36. Mr. Z has a house property in Delhi whose municipal value is Rs. 1,00,000 and fair rental value is .....**

GAV = Higher of ER 1,08,000 or AR 80,000. NAV = 1,08,000 - 20,000 = 88,000.

**M39. Govind owns a residential house in Delhi. House is having two identical units. First unit is self occupied .....**

IHP of LOP = ER = 1,10,000. AR = 1,44,000 - 36,000 = 1,08,000. Vacancy allowance available. GAV = 1,08,000. NAV = 1,08,000 - 14,640 = 93,360. IHP = 93,360 - SD 28,008 - Interest 12,000 = 53,352.

IHP of SOP = Loss being interest of 12,000.

Total IHP = 53,352 - 12,000 = 41,352.

**M42. Sujal and his brother jointly own a bungalow. They had taken a housing loan to purchase the bungalow. ....**

IHP = Nil NAV - 2L interest = Loss of 2L

**M43. Jay and Viru are friends who co-own a shop having share in the income 60:40. The shop is let out on .....**

GAV is higher of 1,50,000 ER or 1,20,000 AR. NAV = 1,50,000 - 10,000 tax = 1,40,000. IHP = 1,40,000 - 42,000 SD - 40,000 interest = 58,000. Jay = 60%, i.e., 34,800

**M45. Reena received Rs. 30,000 as arrears of rent during PY 2021-22. Amount taxable u/s 25A would be.....**

21,000 less 30% deduction

**M46. Vijaya received Rs. 90,000 in May 2021 towards recovery of unrealized rent, which was deducted .....**

90,000 less 30%

**M47. Vijay sold his house on 1 March 2021 which was let out earlier to Jay who did not pay Rs. 50,000 rent .....**

50,000 less 30% taxable as IHP

**M49. Prem has rented his office space on Rs. 25,000 p.m. which includes Rs. 5,000 towards services of security.....**

Rent taxable under IHP. Service charges taxable under PGBP/IFOS. GAV = Higher of 2.4L or 2L. Taxes not deductible. IHP = 2.4L less 30% SD = 1,68,000.

**M50. Annual value of property held as stock-in-trade is taken as nil for a period of 2 years immediately .....**

Benefit also available for year of completion of construction.

**M51. Jagdamba Builders Ltd. has unsold stock of 10 flats lying vacant during the whole of PY 2021-22. ....**

Benefit of nil annual value for 4 flats till PY 2021-22 and for 6 flats till PY 2023-24. AV for all flats for PY 2021-22 is nil; no limit on interest.

**M52. In which of the following cases will income from house property be taxed in the hands of Raj.....**

Deemed owner u/s 27

**M53. Heera entered into an agreement in writing to buy a building from Beera on 1 March 2022. He paid .....**

Deemed owner u/s 27