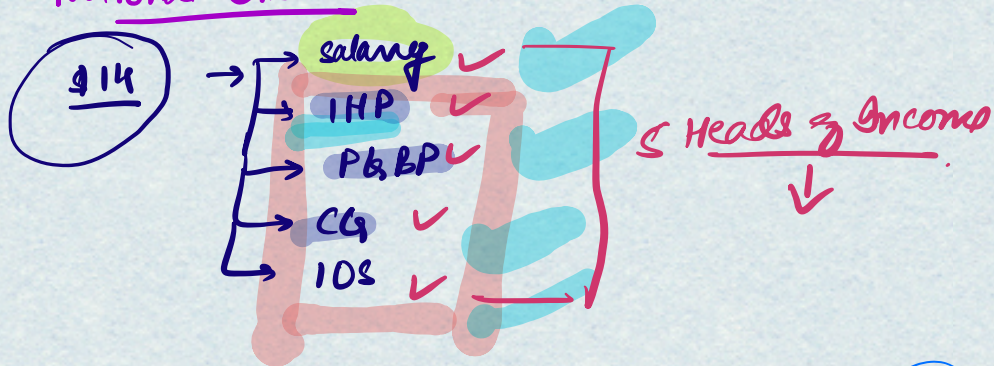


## Rental Income

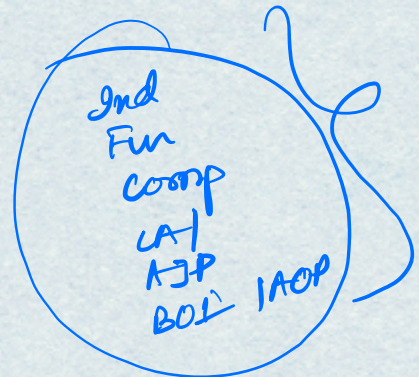
### Notional Income



IHP

→ Rental Income

let out → Rent  
 ✓



$\text{\pounds}22 - \text{\pounds}7$  →

$\text{\pounds}22$  →

Annual Value

→ National Income

- Property

Building & land appertenant thereto

- Assessee is an owner

- IHP

-  $\text{\pounds}24$  - deduct

→ "Deemed Owner"

$\text{\pounds}27$

23 → AV →

24 - deductions → ✓

25 → Amount of Rent / URR

26 - Co-owners

27 - Deemed owners



Q23 - GAV

① Gross Annual Value  $\rightarrow$  (223)

(-) Municipal Tax

② - Actual payment  
③ - Paid by the ass. L

---

Net Annual Value

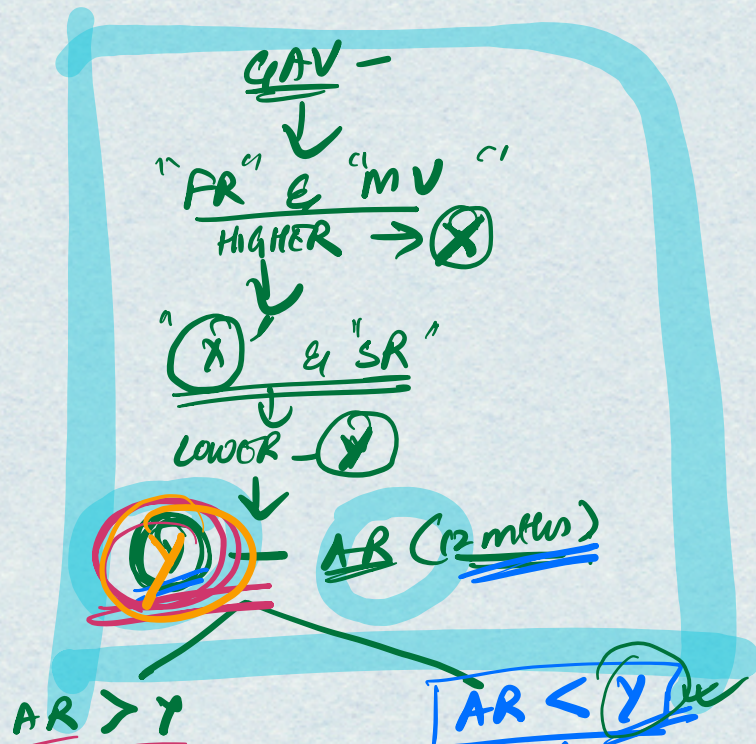
(-) Deductions u/s 24

④ 24(a) - Std. dedn.  
⑤ 24(b) - Int on borrowed capital

---

IHP

- Actual Rent (AR)  $\rightarrow$   $\rightarrow$  6mths
- Fair Rent (FR)  $\rightarrow$
- Municipal value (MV)  $\rightarrow$  Annual Basis 12mths
- Standard Rent (SR)  $\rightarrow$





$$\boxed{GAV = AR}$$

AR exists  
due to vacancy

$$\boxed{GAV = AR}$$

Any other  
reason

$$\boxed{GAV = Y}$$

Rent  $\rightarrow$  10K/pro  $\rightarrow$  1,20,000 AR

$\hookrightarrow$  7 mths  $\rightarrow$  70,000 AR

vacant 5 mths  $\rightarrow$  50K.  $\Rightarrow$  120,000

Y  $\Rightarrow$  1,00,000  $\rightarrow$   
1,50,000

AR  $\rightarrow$  70K

GAV = 70K  $\Rightarrow$

$Y = 1.5$  lakhs to AR  $\rightarrow$  70K.

GAV = Y  $\rightarrow$  1.5 lakhs 70K

|                                                           |
|-----------------------------------------------------------|
| GAV                                                       |
| - MT                                                      |
| NAV                                                       |
| - 24(a) $\rightarrow$ std. deduc $\rightarrow$ 30% of NAV |
| - 24(b) $\rightarrow$ Int on borrowed capital             |
| IHP                                                       |

Prop  $\left\{ \begin{array}{l} \text{let out} \rightarrow \text{Rent} = \text{earned claim deduc.} \\ \text{SOP} \rightarrow \text{AR} = 0. \end{array} \right.$

$\boxed{GAV = 0} \Rightarrow$

24(b).



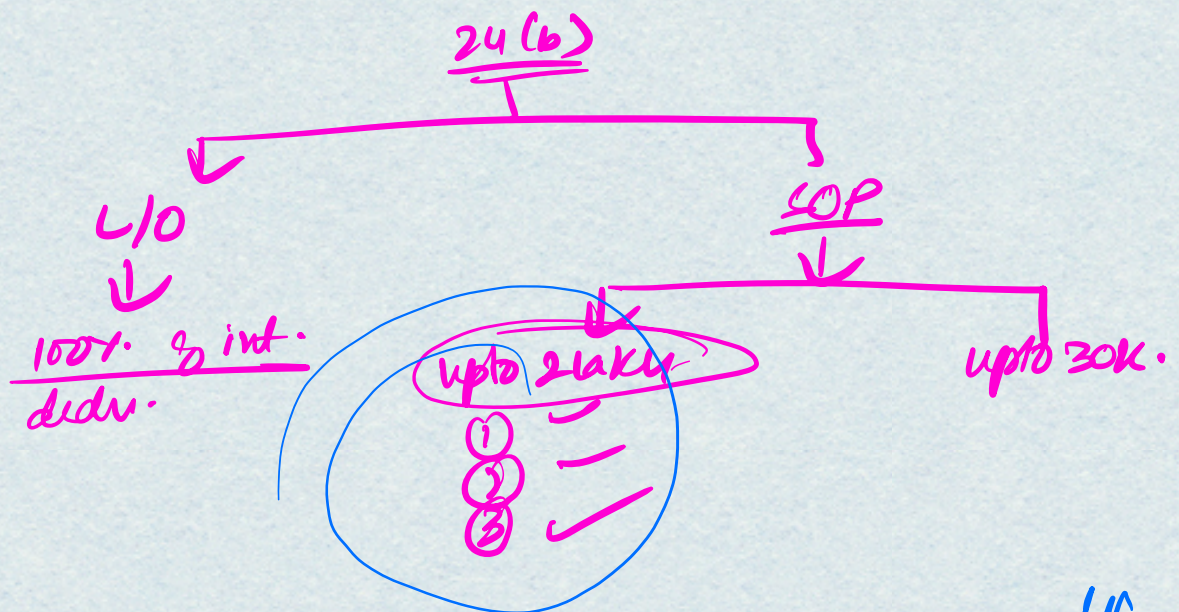
upto 2 lakh / Actual  
enter

upto 30k.

Highly

- ① ✓ loan on or after 1-4-1999 ✓
- ② ✓ " construction / req. ✓
- ③ ✓ completed within 5 yrs. ✗

AND



$$GAV = \underline{SOP} = 0$$

3 Properties  
Deemed L/O

5 properties

→ 2 Properties

✓

$$\underline{SOP} = GAV = 0$$

|     |   |   |
|-----|---|---|
| GAV | = | 0 |
| MT  | = | ✓ |
| NAU | = | 0 |



- 2nd level - 0  
 - int. on car → 30K / 210K ✓  
 1 HP

# INP

→ dedyn Ltd.  $\begin{cases} 24(a) \\ 24(b) \end{cases}$

→ 170 → intra head  
addr.

→ 171 →

571B - 22

PGBP ✓

→ Actual expenses -  
deduct.

- depreciable.

- net pay National Ant

→ 400

Corporate → stock-in-trade

## Composite Revt

separable.

Bldg  
↳  
HP

## Facilities

P4BP / 105.

inseparable

↓  
u PGP P → u  
105



# East India Housing & Land Devt. Trust  
Ltd v CIT

→ IHP

CO

# Chennai Properties & Investments Ltd v CIT

AO - IHP

C - PGBP

ITAT - PGBP

HC - IHP

SC -

PGBP → IHP

# Karanpura Development Co. Ltd. v CIT

acquire & digw of coal mining.

Deciding factor → NOT the ownership of land  
or lease but it is

the nature & activity of the assessee.  
& nature of operations in rel to them.

# Rajala Corp Ltd v Asst CIT

New Delhi Hotels Ltd v. ACIT

Unsold flats - stock-in-trade -

Rented out

PGBP - IHP

IHP



## some salient principles :-

- ① Intent of the taxpayer → it
- ② Active ownership of property -
- ③ Regular use or occasional use -