
PROBLEM 9

Dr. K. K. Bansal owns a house property in Pune which is let out for ₹ 8,000 p.m. Its municipal valuation and municipal taxes are respectively ₹ 80,000 and 30%. Dr. Bansal paid municipal taxes of past 4 years alongwith for the current previous year. Other expenses relating to property are following :

- (i) Repair and insurance premium ₹ 7,000;
- (ii) Interest for purchase of house ₹ 42,000.

The house was vacant for 3 months in the year.

Compute income of house property for the Assessment Year 2019-20.

Q9. Sol.

Computation of Income from House property (for the Assessment year 2019-20)

Particulars	Amount (₹)
Gross Annual Value (G.A.V) See. WN-1.	72,000
Less:- Municipal Tax paid past 4 years along @ with current P.Y. ($80,000 \times \frac{30}{100} = 24,000$) C.Y. P.Y. $24,000 + 24,000 \times 4 = 24,000 + 96,000$	(1,20,000)
NET Annual Value	-48,000
Less:- Standard deduction 4/15 2A: → 30% of NAV → Interest	Nil (42,000)
Loss from house property.	<u>9,000</u>

W.N.1

By-Akhilesh Kumar

Calculation of Gross Annual Value.

Step I M.V. 80,000
Fair Rent Nil } Consider whichever is higher

Step II Answer of Step I - 80,000
Standard Rent - Nil } Consider whichever is lower

Step III Answer of Step II - Nil
Actual Rent Received - 72,000
(8000 X 9 months) } Consider whichever is higher

So G.A.V. will be 72,000