Calculate Deduction u/s 80EE & 24B
if interest is not deductible u/s 24B (means loan has been taken but house property is not completed)

Assessee	Case No.	Date of Making Appliaction	Loan Sanctioned on	Amount of loan	Value of residential House property	Wheather Assessee owned Any Residential House	Interest Payaqble for previous year
Mr.x (Resident)	1	01/03/2013	10/04/2013	2,500,000.00	4,000,000.00	No	125000
Mr.x (Resident)	2	01/03/2013	10/04/2013	2,500,000.00	4,000,000.00	No	100000
Mr.x (Resident)	3	01/03/2013	10/04/2013	2,500,000.00	4,000,000.00	No	70000
Mr.x (Resident)	4	01/03/2013	10/04/2013	2,500,000.00	4,000,000.00	No	10000
Mr.x (Resident)	5	06/03/2014	10/04/2014	2,500,000.00	4,000,000.00	No	100000
Mr.x (Resident)	6	01/03/2013	10/04/2013	2,600,000.00	4,000,000.00	No	100000
Mr.x (Resident)	7	01/03/2013	10/04/2013	2,500,000.00	4,100,000.00	No	100000
Mr.x (Non Resident)	8	01/03/2013	10/04/2013	2,500,000.00	4,000,000.00	YES	100000
XYZ Ltd.	9	01/03/2013	10/04/2013	2,500,000.00	4,000,000.00	No	100000

Solution
Point need to keep in mind : -
1.Assessee is an individual wheather resident or nonresident
2.Loan has been taken for acquisition for residential house property
3.Loan has been taken from bank or housing finance company.
4.Loan has been sanctioned from 01/04/2013 to 31/03/2014
5.Loan Amount Doesn't exceed Rs.25,00,000
6.Value of property doesn't exceed Rs.40,00,000
7.Assessee doesn't own any residential house property on the date of sanctioned of loan.

Case No.	U/s 80EE	Ramarks
1	100000	80EE : Max 1,00,000
2	100000	
3*	70000	Next year u/s 80EE Rs.Max: 30,000 will be allowed
4	10000	Next year u/s 80EE Rs.Max: 90,000 will be allowed
5	0	Bacause above point 4 is not satisfying
6	0	Bacause above point 5 is not satisfying
7	0	Bacause above point 6 is not satisfying
8	0	Bacause above point 7 is not satisfying
9	0	Bacause above point 1 is not satisfying

* if next year interest will be 40,000 then max 30,000 u/s 80EE and deduction u/s 24B Rs.10,000 but if interest is less than 30,000 then whole amount will be allowed u/s 80EE and no deduction u/s 24B

P.Y	Interest	Allowed u/s 80EE	Allowed u/s 24B
2013-14	70000	70000	0
2014-15	20000	20000	0
2015-16	10000	0	10000

means if deduction of Rs.1,00,000 is not available in current year (2013-14) u/s 80EE due to lower interest amount then shortfall amount will be allowed as deduction in next year (2014-15) but agar 1,00,000 2014-15 me bhi nahi ho pata hai to deduction 2015-16 me nahi milega section 80EE me.

EXAMPLE

(House property is Self occupies and Interest is deductible in the year in which it's accrue)

x purchase a residential house property of Rs.35,00,000 by taking a loan fro bank of Rs.25,00,000.the loan is sanctioned and property is purchased during may 2013 . X has occupied the property for his own residential purpose and interets liability for the previous year 2013-14 is Rs.2.5lakhs (situation -1), Rs.2.7lakhs (situation - 2), Rs.1.6lakhs (situation -3) or Rs.95000 (situation -4). Find out the income of X for the assessment year 2014-15 and 2015-16 on the assumption that interest liability for the previous year 2013-14 and 2014-15 is same .

Rs.90,000 as contribution to PPF account.His annual income from other source is Rs.10,00,000.

Solutions

Particulars	**Situation 1 Rs.**	**Situation 2 Rs.**	**Situation 3 Rs.**	**Situation 4 Rs.**
Assessment year 2014-15				
Gross annual value	0	0	0	0
Less : Municipal Tax	0	0	0	0
Nett annual Value	0	0	0	0
Less : Deduction u/s 24				
- Standad Deduction (24A)	0	0	0	0
- Interest on loan (24B)	150000	150000	150000	95000
Income from House property	(150000.00)	(150000.00)	(150000.00)	(95000.00)
Income from other sources	1000000	1000000	1000000	1000000
Gross total income	850000.00	850000.00	850000.00	905000.00
Less : Deduction				
Under section 80C	90000	90000	90000	90000
Under section 80EE	100000	100000	10000	0
Nett income	660000.00	660000.00	750000.00	815000.00
Assessment year 2015-16				
Gross total income as computed earlier	850000.00	850000.00	850000.00	905000.00
Less Deduction				
Under section 80C	90000	90000	90000	90000
Under section 80EE	0	0	0	0
Nett income	760000.00	760000.00	760000.00	815000.00

Note : Deduction u/s 80EE is available for the previous year 2014-15 only if interest payable for the P.Y. 2013-104 is less than Rs.1lakhs. In situation 1,2,3 interest payable for the P.Y.2013-14 is more than Rs.1lakhs consequently no deduction u/s 80EE is available for the previous year 2014-15. in situation 4 interest payable for the previous year 2013-14 is less than Rs.1lakhs but no deduction is available u/s 80EE for the assessment year 2015-16 as interest is deductible u/s 24(b)

EXAMPLE
(House property is let out and Interest is deductible in the year in which it's accrue)

Suppose in above example , the residential property is a let out property and GAV is 6 lakhs ant
Municipal tax paid every year Rs.90,000
find out the income for the A.Y. 2014-15
Solutions

Particulars	Situation 1 Rs.	Situation 2 Rs.	Situation 3 Rs.	Situation 4 Rs.
Assessment year 2014-15				
Gross annual value	600000	600000	600000	600000
Less : Municipal Tax	90000	90000	90000	90000
Nett annual Value	510000	510000	510000	510000
Less : Deduction u/s 24				
- Standad Deduction (24A)	153000	153000	153000	153000
- Interest on loan (24B)	250000	270000	160000	95000
Income from House property	107000.00	87000.00	197000.00	262000.00
Income from other sources	1000000	1000000	1000000	1000000
Gross total income	1107000.00	1087000.00	1197000.00	1262000.00
Less : Deduction				
Under section 80C	90000	90000	90000	90000
Under section 80EE	0	0	0	0
Nett income	1017000.00	997000.00	1107000.00	1172000.00
Assessment year 2015-16				
Gross total income as computed earlier	1107000.00	1087000.00	1197000.00	1262000.00
Less Deduction				
Under section 80C	90000	90000	90000	90000
Under section 80EE	0	0	0	0
Nett income	1017000.00	997000.00	1107000.00	1172000.00