



FAQ'S - INHERITANCE OF PROPERTY

- Q :** Immediately after purchasing an ownership flat, my father expired. He had taken HDFC loan and was well aware of the tax provisions. My mother and myself are staying in the flat. I have been paying the Equated Monthly Instalments (EMI) which consist of part interest and part loan repayment. I have been receiving conflicting opinions regarding the deductibility of the interest element and the rebate on loan repayment. Can you give your opinion ?
- A :**

It is not you but your father who had borrowed the funds from HDFC. The rebates and deductions are not available to those who have not borrowed the funds directly and these facilities are not available to the successor to the property. This was the view taken by the Gujarat High Court in respect of CIT v Rajkot Seeds Oil & Bullion Merchant Association Ltd. (1975) 101ITR748. This is indeed very sad. I do not think that it was the intention of the legislation to deprive the inheritor of the property of these concessions.