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INCOME-TAX ACT, 2025

B.: Deductions in respect of certain payments

Section 131 - Deduction in respect of interest on loan taken for certain house property.

(1) An assessee, being an individual not eligible to claim deduction under section 130, shall be allowed a deduction of interest payable on loan taken by him from any financial institution for the purpose of acquisition of a residential house property, subject to a maximum limit of ₹150000 in a tax year and on fulfilment of conditions specified in sub-section (2), for the tax year beginning on the 1st April, 2019 and subsequent tax years.

(2) The conditions referred in sub-section (1) shall be the following:—

(a) the loan has been sanctioned by the financial institution during the period beginning on the 1st April, 2019 and ending on the 31st March, 2022;

(b) the stamp duty value of residential house property does not exceed forty-five lakh rupees; and

(c) the assessee does not own any residential house property on the date of sanction of loan.

(3) Where a deduction under this section is allowed for any interest referred to in sub-section (1), deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other tax year.

(4) For the purposes of this section, the expression “financial institution” shall have the meaning assigned to it in section 130(5)(a).

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