

NO OF SOURCES	INCOME FROM SALARY	INCOME FROM HOUSE PROPERTY	PROFITS AND GAINS FROM BUSINESS AND PROFESSION	INCOME FROM CAPITAL GAINS	INCOME FROM OTHER SOURCES
1	salary from full time job	income from let out property	profits from non speculative business	long term capital gains	income from activity of owning & maintaining race horses
2	salary from part time job	loss from let out property	profits from speculative business	short term capital gains	income from any other sources ◇◇
3	retirement benefits treated under salary	loss from self occupied or unoccupied property ##	profits from specified business	long term capital loss	loss from activity of owning & maintaining race horses
4			loss from non speculative business	short term capital loss	income/loss from casual income u/s 56(2)
5			loss from speculative business		
6			loss from specified business		

INTER HEAD SET OFF OR ADJUSTMENT (settlement of loss only)(section 71)

<i>NET FIGURE AFTER INTER SOURCE SET OFF (positive)</i>	<i>NET FIGURE AFTER INTER SOURCE SET OFF (negative)</i>	<i>INCOME FROM SALARY</i>	<i>INCOME FROM HOUSE PROPERTY</i>	<i>PROFITS OR GAINS FROM BUSINESS OR PROFESSION</i>	<i>INCOME FROM CAPITAL GAINS</i>	<i>INCOME FROM OTHER SOURCES ◇◇</i>
<i>INCOME FROM SALARY</i>		N.A	allowed	disallowed	X	allowed

<i>INCOME FROM HOUSE PROPERTY</i>		N.A	N.A	allowed	X	allowed
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<i>PROFITS OR GAINS FROM BUSINESS OR PROFESSION</i>		N.A	allowed	X	X	allowed
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<i>INCOME FROM CAPITAL GAINS</i>		N.A	allowed	allowed	X	allowed
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<i>INCOME FROM OTHER SOURCES ##</i>		N.A	allowed	allowed	X	X
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CARRY FORWARD

SUMMARY OF CARRY FORWARD OF LOSSES

NATURE OF LOSSES	SOURCES AGAINST WHICH SET OFF CAN BE MADE	MAXIMUM PERIOD ALLOWED. ##	SUBMISSION OF RETURN OF LOSS IN TIME [U/S 139(1)]
<u>1) loss from house property</u>	income from house property	8 years	NO
<u>2) loss from Business or Profession</u>			
(a) speculation loss	speculation profit	4 years	YES
(b) loss from specified business u/s 35AD	profit from specified business u/s 35AD.	NO LIMIT	YES
(c) other non-speculative business loss.	any business Profit	8 years	YES
(d) businesses loss in the form of unabsorbed depreciation or capital expenditure on scientific research.	any income except income from salary & casual incomes.	NO LIMIT	NO
<u>3) loss from Capital Gains</u>			
STCG	any capital gain.	8 years	YES
LTCG	long term capital gain only		
<u>4) income from other sources</u>			
loss from the activity of owning & maintaining race horse	income from the activity of owning & maintaining race horse	4 years	YES

1/2



POINTS TO BE KEPT IN MIND

- 1) if loss from current year and brought forward loss both are to be absorbed in a year then sequence will be as follows (a) loss of current year be adjusted at first. (b) brought forward loss be adjusted next to that.**

- 2) non speculative business losses be adjusted in the following order -**
 - a) current year's depreciation**
 - b) brought forward business losses**
 - c) unabsorbed depreciation**
 - d) unabsorbed scientific research capital expenditure**
 - e) unabsorbed development allowance**
 - f) unabsorbed investment allowance**

- 3) unabsorbed business loss of re-established businesses will be allowed for 8 years. it will be treated as loss of the year of re establishment. such business be re established within 3 years from the end of previous year in which such loss took place.**

- 4) only in case of income from other source related loss stated above continuation of the source is required.**

- 5) ## it means back to back no of years just after the financial year in which such loss was first computed.**