carry forward + set off of losses

section	losses to be c/f	B/f losses set off against	Time limit	Return file on time
71B	losses from HP	Income from HP	8 years	No
72	Normal Business losses	Business income	8 years	Yes
73	Speculative Business losses	speculative Business losses	4 years	Yes
73A	specified Business losses	specified Business income	unlimited time	Yes
74	STCL	STCG / LTCG	8 years	Yes
	LTCL	LTCG	8 years	yes
74A	losses from owning + maintaining Race Horses	income from owning + maintaining Race Horses	4 years	yes
32	unabsorbed depreciation	Any income other than salary	unlimited time	No.

Notes –

1) losses from any lottery, card game, Horse races etc, not eligible to set off + carry forward + any other losses can not be set off against income from lottery, card game etc.

2) Any losses cannot be set off against deemed income U/s 68, 69, 69A; 69B, 69D, 69C [Undisclosed income].

3) # Brought forward losses from Business can be set off even if that business is discontinued.

4) order of setoff :

A] current year Depreciation xxx
B] B/F Business losses xxx
C] unabsorbed depreciation xxx

5) If there is income under any head & eligible loss under any other head then such losses shall be first set off against the income before setoff against brought forward losses.

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Q-12

Mr. Srivatsan PY 24-25 AY 25-26

Computation of total income

	₹	₹
Income from salary	220000	
(-) loss from House property	(190000)	
	30000	30000
Income from speculative Business	30000	
(-) loss from cloth Business	(30000)	
(240000 − 30000) = 210000	—	—
LTCG on sale of Urban land	250000	
(-) loss from cloth Business	210000	
	40000	40000

Income from Betting		45000
GTI		115000
(-) Deduction u/c VI-A		
80 C LIP prem. 45000		(30000)
NTI		85000

* losses to be c/f to Next A.Y. 26-27

① specified business losses u/s 35 AD. 20000

Notes :-

1) losses from card game is not allowed to setoff and carry forward.

2) Any losses not allowed to set off against betting income.

3) Deduction u/c VI-A not available against betting income & LTCG so deduction is restricted to salary income i.e. 30000.

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Q-7 Mr. Soohan PY 24-25 AY 25-26

computation of gross total income.

Income from salary	300000	
(-) loss from House property	(40000)	
	260000	260000
Income from sugar Business	50000	
(-) loss from Iron ore Business	(50000)	
(120000 - 50000) = 70000	—	—

LTCG	40000	
(-) STCL (60000 - 40000) = 20000	(40000)	
	-	-
Dividend	5000	
Income from lottery	50000	
card game income	6000	
Bank F.D. interest	5000	
		66000
GTI		326000

losses to be C/F to Next AY 26-27

1	loss from Iron ore Business	₹ 70000
2	STCL	₹ 20000
3	STCL u/s 111A	₹ 10000

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Q-8

Mr. Batra PY 24-25 AY 25-26

Computation of gross total income

Income from salary	100000	
(-) loss from House property	(40000)	
	60000	60000
Income from Textile Business	50000	
(-) loss from textile Business (60000 - 50000)	(50000)	
	-	-
Income from LTCG	30000	
(-) long term capital loss	(30000)	
Remaining (100000 - 30000) = 70000	-	-
Income from STCG	140000	

		140000
Income from owning and maintaining race horse	15000	
(-) loss from owning & maintaing race horses (PY 21-22)	(15000)	
	-	-
GTI		200000

• losses to be c/f to Next A.Y. (AY 26-27)

1) LTCL	70000	
2) loss from speculative business	60000	
3) loss from owning and maintaining Race Horses (25000 - 15000)		10000

• Note -

1) Business losses can be carry forward for max. 8 years. loss from textile business incurred in PY 16-17 (AY 17-18) can be carry forward & set off upto PY 24-25 (AY 25-26) & remaining losses of ₹ 10000 cannot be carry forward to AY 26-27.

2) losses from owning & maintaining race horses can be set only against income from owning & maintaining race horses so in this case ₹ 15000 is set off in current year & remaining 10000 carry forward to next year.

3) loss from speculative business can be set off only against income from speculative business. In the present case there is no speculative

business income so it has to be carry forward.

4) LTCL can be set off only against LTCG. In the present question LTCG is only ₹ 30000 so remaining 70000 shall be carry forward.

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MR. Aditya PY 24-25 AY 25-26

Computation of Total Income

Income from salary	300000	
(-) loss from House property [max 2L can be set off]	(200000)	100000
Income from speculative Business	5000	
less: loss from speculative Business	(5000)	—
Income from Trading Business	45000	
Less: loss from Trading Business AY 20-21	(5000)	40000
LTCG on sale of urban land	200000	
less: LTCL on sale of shares	(75000)	
LTCL on sale of listed shares	(102000)	23000
NTI / TI		163000

- losses to be C/F to next A.Y (PY 25-26 AY 26-27)

speculative business losses (25000 - 5000)	20000
specified business losses	20000
loss from House property (250000 - 200000)	50000
loss from owning & maintaining race Horses	2000

pg = MRP PY 24-25 AY 25-26

Q-15 Computation of total Income.

Income from salary	18000	18000
Income from House property		
Net Annual value 70000		
(-) std. deduction 30% of NAV (21000)	49000	49000
Income from Business	80000	
Less : C/Y depreciation	(8000)	
Less : unabsorbed depreciation	(9000)	63000
Income from speculative Business	12000	
less : loss from speculative Business	(12000)	—
LTCG on sale of land	15800	
less : STCL (AY 23-24)	(7800)	8000
GTI / NTI		138000

- Losses to be C/F to Next A.Y. (PY 25-26) [AY 26-27]

1. losses from owning & maintaining Race Horses 9000
2. loss from speculative Business. 4000

Note :

If assessee opted presumptive basis PGBP section 44AD, 44ADA, 44AE then unabsorbed depreciation can not be set off against presumptive income. because unabsorbed depreciation is governed by sec 32(2) and this presumptive section override section 28 to 43C.