

Summary Diagram of Set off and carry forward of Losses

Remarks	HEADS OF INCOME	SET-OFF OF LOSSES	CARRY FORWARD AND S.OFF OF LOSSES	ASSESSMENT YEAR
1.	SALARY	Not Applicable	Not Applicable	Not Applicable
2.	HOUSE PROPERTY	<ul style="list-style-type: none"> • Same Head → No Limit • Other Head → Upto ₹ 2 Lakhs 	Same Head (i.e. House Property) Head	* 8 Years
3.	CAPITAL GAIN/ LOSS * LTCL * STCL	LTCG STCG LTCG	LTCG STCG LTCG	* 8 Years * 8 Years
4.	PGBP → Owning and Maintenance of horse races	Owning and maintenance of horse races.	Owning and maintenance of horse races.	* 4 Years

				<p>4*Years</p>	
	<p>speculative Business</p>	<p>Income from any business specified u/s 35AD</p>	<p>Income from any business specified u/s 35AD</p>	<p>Indeterminate</p>	
	<p>speculative Business</p>	<p>Income from any business specified u/s 35AD Any Head, any Income except salary.</p>	<p>Income from any business specified u/s 35AD Any Head, any Income except salary.</p>	<p>8*Years</p>	
<p>Remarks</p>	<p>→ speculative Business → Loss from business specified u/s 35AD → Other Business (Non - specified business)</p>	<p>→ speculative Business → Loss from business specified u/s 35AD → Other Business (Non - specified business)</p>	<p>→ speculative Business → Loss from business specified u/s 35AD → Other Business (Non - specified business)</p>	<p>Not Applicable Not Applicable</p>	<p>* Year means Assessment Year</p>
<p>5. OTHER SOURCE</p>	<p>→ Casual Loss → Other Loss</p>	<p>→ Casual Loss → Other Loss</p>	<p>→ Casual Loss → Other Loss</p>	<p>Not Applicable Not Applicable</p>	

FOCUS AREA

1. Whenever income is exempt then losses does not have any tax treatment means it should be ignored.
2. Loss from any lottery, card games, races etc are not eligible for set off and c/f and losses cannot be set off against the income referred u/s 115BB. i.e lottery income, crossword puzzles, incomes in TV shows etc.
3. B/f Losses from a business can be set off even if such business is Not Continued.
4. If there is income under any head and eligible losses under any other head, such loss shall be first set off against the income before set off and c/f of losses.
5. Set off of losses not permissible against unexplained income, investment, money etc chargeable u/s 68/69/69A/69B/69C/69D [Sec. 115BBE]

➤ Treatment of Losses in case of Amalgamation/ Succession (Sec. 72A).

	Case	Accumulated Business Losses	Can be c/f by	Time Limit
1:	Amalgamation Sec. 2(1B)	Amalgamating Company	Amalgamated Company	Fresh period of 8A.Y
2:	Demerger Sec. 2(19AA)	Demerged Company	Resulting Company	Remaining period of 8A.Y

Remarks

3.	Conversion of Firm/Proprietary into Co. <i>Sec. 47(xiii) / (xiv)</i>	Firm/ Proprietary concern	Successor Company	Fresh period of 8 A.Y
4.	Unlisted Co. into LLP <i>(Sec. 47(xiiib))</i>	Unlisted Company	LLP	Fresh period of 8 A.Y

NOTE :

1. Unabsorbed depreciation can be **carried forward** by Amalgamated Co. / Resulting Co. / Successor Co. LLP for unlimited Period.
 2. Only business losses **except** speculative business loss can be c/f by successor.
- Section 79: Carry Forward and Set off of Losses in the case of certain companies.

~~In case of a closely held company, where a change in shareholding has taken place in a P.Y then **no** loss incurred in any year prior to such P.Y shall be carried forward and set off against the income of the P.Y **unless** on the last day of the P.Y and on the last day of the year in which loss was incurred, the shares of the company carrying **not less than** *51% of the voting power were beneficially~~

Remarks

(Refer Book)

CHAPTER-11

DEDUCTIONS FROM GROSS TOTAL INCOME

Section - 80C to 80U

→ Background

Deductions under section 80C to 80U are allowed from gross total income to compute total income

EXCEPT :

- As per section 112/112A such deductions are not allowed from long term capital gains.
- As per section 58(4), such deductions are not allowed from casual income.
- As per section 111A, such deduction are not allowed from short term capital gains on the sale of equity shares or units of equity oriented mutual funds provided securities transaction tax has been paid.

Example: Computation of Total Income after giving the effect of deduction

- Income from Salary = 150000
- LTCG u/s 112 = 100000
- Casual Income = 100000
- Deduction u/s 80C = 150000
- Deduction u/s 80D = 20,000

Solution : Deduction allowed max. ₹ 150000 since, no deduction from LTCG and casual income.

Total Income = 2 Lakh [100000 + 100000]

SUMMARY DIAGRAM OF DEDUCTION CHAPTER

S.No	SECTION	ELIGIBLE ASSESSEE	NATURE OF EXP / INVESTMENT	LIMIT	Remarks
1.	80C (Amendment Pg. No.)	Individual / HUF [Resident / Non-Resd.]	<ul style="list-style-type: none"> • NSC* • PPF* • RPF • SPF • FD ≥ 5 Year • Repayment of house Loan. (Pur Const) * LIC Premium <ul style="list-style-type: none"> → Before = 20% of sum assured 1/4/12 → 1/4/12 = 10% of sum assured 31/3/13 → 1/4/13 = 10% of sum assured (15% of sum assured) (Handicapped) til date 	<p># Stamp duty & Registration fees or LSO</p> <p>Maximum ₹ 150000</p>	<ul style="list-style-type: none"> * Self, Spouse, Children [For Individual] • Any member of HUF (For HUF) • Tuition Fees [Max 2 Child & Edu in India] • Superannuation Fund • Bonus of NABARD

IF INSC claim received then such portion will deduct

8.	80U	Individual	Independent Handicapped	Handicapped < 80% = 75000 ≥ 80% = 125000
9.	80DDB	<ul style="list-style-type: none"> Resident Individual Resident HUF 	Medical treatment on specified disease	Maximum Age < 60 = 40,000 Age ≥ 60 = 100000
10.	80E	Individual (Self - spouse - child)	Deduction for payment of int. on loan taken for higher education	100% upto 8 years
11.	80EE	Individual	Interest on loan for acquisition of SOH, Conditions	Maximum ₹ 50,000

- V0H ≤ 50 Lakh
- Loan ≤ 35 Lakh
- Not own any residential house

12.	80G	All assessee	Donation to specified trust, foundation, fund etc. (Maximum 2000 in cash)	100% / 50% as the case may be.
13.	80GG	Individual * CTR(-) All deduction Except death U/S 80GG	Deduction of payment of rent	Least of the following: → Rent Paid *ATI - 10% of → ₹ 5000 pm → 25% of ATI
14.	80GGA	Any assessee except business profession	* If Donation more than ₹ 2000 then should be other than Cash Deduction for research	100%
15.	80GGB	Company (No deduction in Cash)	Donation to Political Parties	100%

Remarks