SET OFF AND CARRY FORWARD

Heads of Income	Business Loss			House Property Loss	Other Sources			Capital Gain		Period for Carry forward & Set off Losses
	Speculation Loss	Specified Business Loss u/s 35AD	Non - Speculation Loss		owing & maintaining Race Horses	winning from Lotteries & Crossword Puzzle etc..	Other Losses	LTCL	STCL	
Business Income										
Speculation Business Income	✔									Carry forward and set off is permissible for 4 A.Y.'s immediately succeeding the A.Y. for which the loss was ascertained & Filing of return u/s 139(1) is mandatory
Specified Business Income u/s 35AD		✔								Carry forward and set off loss in a subsequent year
Non - Speculation Business Income			✔	✔			✔			Carry forward and set off is permissible for 8 A.Y.'s immediately succeeding the A.Y. for which the loss was ascertained & Filing of return u/s 139(1) is mandatory
Salary Income				✔			✔			……………………Not Applicable…………..
House Property			✔	✔			✔			Carry forward and set off loss upto 8 Assessment Years & Filing of return u/s 139(1)
Other Sources										
Owing & maintaining Race Horses			✔	✔	✔					Carry forward and set off is permissible for 4 A.Y.'s immediately succeeding the A.Y. for which the loss was ascertained & Filing of return u/s 139(1) is mandatory
Winning from Lotteries & Crossword Puzzle etc..			✔	✔		✔	✔			
Other Income			✔	✔			✔			……………………Not Applicable…………..
Capital Gain										
Long Term Capital Gain			✔	✔			✔	✔	✔	Carry forward and set off is permissible for 8 A.Y.'s immediately succeeding the A.Y. for which the loss was ascertained & Filing of return u/s 139(1) is mandatory
Short Term Capital Gain			✔	✔			✔		✔	

Notes

1. Loss from sale & purchase of Securities cannot be setoff against any other Income Chargeable to tax.
2. Loss from exempt income cannot be setoff against Income Chargeable to tax.
3. Before adjusting Inter head adjustment, one has to set off the loss under Inter Source adjustment.
4. Unabsorbed deprecation loss can be carried forward to any number of years until it is fully set off & cannot be set off against casual income (like lottery winnings, crossword puzzles etc., u/s 58