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SET OFF AND CARRY FORWARD OF LOSSES:

Sec.	*Nature of Losses*	*Details of Set-off*	*For how many years losses can be carried next year(s)*	*Continuation of Business Necessary*	*Is it necessary to submit return in time*	*Conditions/ Exceptions*
70	**Current Year Loss within the same Head of Income (Inter-Source Setoff)**	**Set-Off within the same head of Income (Inter-Source Setoff)**	**N.A.**	**N.A.**	**N.A.**	**Exception:** **(i) Speculation business** **(ii) Capital Gains** **(iii) Activity of Owing and Maintaing race horses**
71	**Current Year Loss under any head**	**Set-off against the income under any other head**	**N.A.**	**N.A.**	**N.A**	**Exception:** **(i) Speculation business** **(ii) Capital Gains** **(iii) Activity of Owing and Maintaing race horses** **(iv) Loss from specified business under section 35AD** **(v) Loss under the head Profits and Gains from Business or Profession cannot be set-off against Income from salaries**
71B	**Brought forward Unabsorbed Loss from House Property**	**Set-off only against income from House Property**	**8 Years**	**N.A.**	**No**	
72	**Brought forward Unabsorbed Business Loss other than speculation Loss**	**Set-off only against income under the head profits and gains from business or profession**	**8 years**	**Not Necessary**	**Yes**	**Loss can be carried forward , only in the return is filed within the due date u/s 139(1) and communicated u/s 157**

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Sec.	*Nature of Losses*	*Details of Set-off*	*For how many years losses can be carried next year(s)*	*Continuation of Business Necessary*	*Is it necessary to submit return in time*	*Conditions/ Exceptions*
73	**Brought Forward Unabsorbed Speculation Loss**	**Set-off against only against Income under Speculation Business**	**4 Years**	**Not Necessary**	**Yes**	**Loss can be carried forward , only in the return is filed within the due date u/s 139(1) and communicated u/s 157**
73A	**Brought forward loss of Specified Business u/s 35AD**	**Set off only against Income from any other Specified Business**	**No Time Limit**	**Not Necessary**	**Yes**	**Can be carried forward for any number of years until it if fully set-off**
74	**Brought forward Unabsorbed Loss under the Head Capital Gains**	**Set off only against Income under the head Capital Gains**	**8 Years**	**Not Necessary**	**Yes**	**1. Loss can be carried forward , only in the return is filed within the due date u/s 139(1) and communicated u/s 157** **2. STCG can be set off against any Capital Gain. However, LTCG can be set-off only against LTCG**
74A	**Brought Forward Unabsorbed Loss from the Activity of owing and maintaining race horses**	**Set off only against Income from owing and maintaining race horses**	**4 Years**	**Yes**	**Yes**	**Loss can be carried forward , only in the return is filed within the due date u/s 139(1) and communicated u/s 157**
32(2)	**Brought forward Unabsorbed Depreciation**	**Set-off against any head of income**	**No time limit**	**Not Necessary**	**No**	**Unabsorbed Depreciation Loss can be carried forward for any number of years until it if fully set-off**

Note: Any Loss determined under any other head can be set-off against LTCG {Cir.721/13.09.1995}