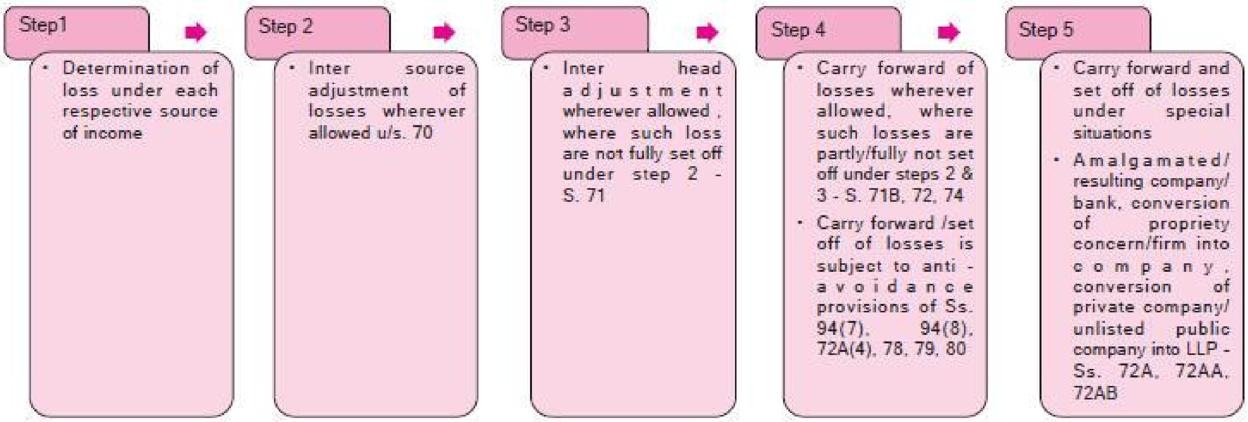
SET OFF AND CARRY FORWARD OF LOSSES

Steps in carry forward and set off of losses



Sr. No.	Section	Types of Loss	Set Off against Income		Can be carried forward (subject to Notes 4 and 8) for
			In same Assessment Year	In subsequent Assessment Year	
1	71/72	Business or Profession (other than speculation or depreciation)	Any income under any head except Salaries	Business Income only (Note 1)	8 years
2	32(2)	Unabsorbed Depreciation	Any income under any head except Salaries	Any income under any head except Salaries	No restriction for of years number
3	73	Speculation Loss (See Note 2)	Speculation profit only	Speculation profit only	4 years [8 years up to A.Y. 2005-06]
4	70/74	Short-term Capital Loss r.w.s. 94(7) in respect units of mutual funds or UTI/ securities & 94(8) in respect units of mutual funds or UTI (Notes 7 & 8)	Any Capital Gain	Any Capital Gain	8 years
5	70/74	Long-term Capital Loss (other than equity shares and units of equity oriented mutual fund which are subjected to STT)	Long-term Capital Gain	Long-term Capital Gain	8 years

6	71/74	Long-term Capital Loss on equity shares & units of equity oriented mutual fund which are subjected to STT (See Note10)	Not eligible for set off (See Note 10)	Not eligible for set off (See Note 10)	N.A.
7	74A	Loss from Owning and Maintaining race horses	Only against income from horse races	Only against income from horse races	4 years
8	71	Other Sources	Any income under any head of income	Unutilised loss not allowed for Carry Forward	N.A.
9	71B	House Property	Any income under any head of Income	Income from House Property	8 years
10	72A Rule 9C 72A(1)	In case of amalgamation (a) Accumulated business losses of the Amalgamating company	See Note 14	See Note 14 Business Income of the Amalgamated company See Note 14	8 years from the expiry of the year of Amalgamation
	72A(1)	(b) Unabsorbed Depreciation of the Amalgamating		Any Income of the Amalgamated company (See Note 14)	Indefinitely
11	72A	In case of Demerger	See Note 15	See Note 15	
	72A(4)	(a) Accumulated business losses of the Demerged company		Business Income of the Resulting company (See Note 15)	Unexpired period out of total permissible period of 8 years
	72A(4)	(b) Unabsorbed Depreciation of the Demerged company		Any Income of the Resulting company (See Note 15)	Indefinitely
12	72A	In case of Firm/Proprietary Concern succeeded by company	Note 16	Note16	
	72A(6)	(a) Accumulated business losses of the Firm/Concern		Business Income of the Successor company	8 years from the expiry of the year of Conversion
	72A(6)	(b) Unabsorbed Depreciation of the Firm/Concern		Any Income of the Successor company	Indefinitely
13	72A(6A)	Conversion of private company Unlisted public company into LLP (w.e.f. AY 2011-12) (a) Accumulated business losses (other than speculation loss) of such company	Note 17	Note17	8 years from the expiry of the year of Conversion Indefinitely

		(b) Unabsorbed Depreciation of the Firm/Concern		Business Income of the Successor LLP Any Income of the Successor LLP	
13	72AA	Amalgamation of Banking Company with Banking Institution w.e.f. A.Y. 2005-06		Accumulated loss (other than speculation Loss) & unabsorbed Depreciation of amalgamating banking co. shall be deemed to be that of amalgamated banking institution (See Note 18)	a) 8 years from the expiry of the year of amalgamation in the case of accumulated loss. b) Indefinitely in case of unabsorbed depreciation
14	72AB(1)	Amalgamation of Co-op. banks (w.e.f. A.Y. 2008-09)		Accumulated Loss & Unabsorbed Depreciation of amalgamating co-op. bank shall be deemed to be that of amalgamated co-op. bank (See Note 11)	a) 8 years from the expiry of the year of amalgamation in the case of accumulated loss b) Indefinitely in case of unabsorbed depreciation
	72 AB(3)	Demerger of Co-operative Bank		Accumulated loss & Unabsorbed Depreciation of demerged co-op. bank shall be allowed to be set off by resulting co op bank (See Note 19)	a) 8 years from the expiry of the year of demerger in the case of accumulated loss b) Indefinitely in case of unabsorbed depreciation
	35AD	Losses from specified business		Income from specified business	No time Limit