

# INCOME TAX

A Textbook for B. Com. & BBM/BBA as per Gulbarga University Kalaburagi, Karnataka University Dharwad, Rani Chennamma University Belagavi, Vijaynagar Sri Krishnadevaraya University Bellary and Akkamahadevi Women's University Vijayapura Syllabus

### By

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### MODULE-11 SET-OFF AND CARRY FORWARD OF LOSSES

The income of an assessee is calculated in different heads. There may be one or more heads showing losses. Such losses can be set off against the income of same head or other heads in the same year or can be carried forward to subsequent years.) The following are the important provisions relating to the set off and carry forward of losses.

# SET-OFF OF LOSSES

Set off of losses means adjusting losses against incomes.

Set-Off under the same head (Inter-source adjustment) Sec. 70 Any loss arising from one source of any head can be set off against the incomes of other sources in the same head of income for the same assessment year.

### Exceptions

The following are the exceptions to the above rule

Loss from Speculation Business

The loss from speculation business cannot be set off against income from nonspeculation business. It can be set off only against the profits in speculation business.)

Long term Capital Loss

The long term capital loss cannot be set off against short term capital gains. It can be set off only against long term capital gains.) However, short term capital loss can be set off against any capital gain.

Loss from Owning and Maintaining Race Horses

Loss from owning and maintaining race horses cannot be set off against any other income under the head other sources. It can be set off against income of such activity only.

Loss can not be Set-Off against Winning from Lotteries, Crossword Puzzles, etc.

Losses arising from the horse races, card games, etc cannot be set off against the winnings from lotteries, races, etc.

Loss from an exempted source of income cannot be set off against 5. any taxable income.

#### SECTION-C

SEC	TION-C	furnished by Mr. Srikant for
1.	From the following particulars of his income the assessment year 2018-19 and the losses	carried forward, compute his
	gross total income.	15,000

gross	a total meeting	15,000
a	Long term capital gain	10,000
b	Short term capital gain	46,000
C	Income from silk business	5,000
d	Speculation profit	15,000
e-	Interest on debentures of a company(gross)	8,000
f	Income from House property(computed)	0,000
	The carried forward losses from the assessment year	
	2017-18 are	22,000
	t from eille husingss	22,000

2017-18 are	22,000
C-lan i-c Loss from silk business	
d-lus ij -d Speculation loss	8,000
b—Lariji - Short term capital loss	000,8
	7,000
a - I iv - Long term capital loss	

C - Lot - Current year's depreciation for silk business amounted to Rs. 800

(GUG B.Com.VI Sem. 2014)

Ans: Gross total income Rs. 56,200

Hint: House property Rs. 8,000; Business Rs.23,200; Capital Gains Rs. 10,000; Other sources Rs. 15,000

#### Note:

- Unabsorbed loss of silk business of A Y 2017-18 is set off against Profit 1. from silk business of current year after adjustment of current year depreciation.
- Out of Unabsorbed speculation loss of AY 2017-18 Rs.8,000, only Rs. 2. 5,000 is set off against speculation profit of current year and the balance of Rs. 3,000 carried forward to next A Y.
- Unabsorbed LTCL of A Y 2017-18 is set off against LTCG of current year. 3.
- Unabsorbed STCL of A Y 2017-18 is set off against STCG of current year. 4.
- From the following particulars furnished by Mr.Sunil Magdum of Bijapur, 2. compute his total income for the assessment year 2018-19 by set off and carried forward of losses.

Income from salary		1,50,000
(A)26	Income from Let out property	20,000
4 for c	Loss from self occupied property	1,00,000
e-bund-e	Loss from cloth business	80,000

#### SET-OFF AND CARRY FORWARD OF LOSSES

		The state of the s
E	Income from automobile business	1,00,000
-8-1	Income from speculative business	40,000
Las Q	Loss from speculative business	60,000
h	Income from securities	20,000
4	Winnings from lotteries(Net) $\frac{100}{70} = 160,000$	1,12,000
300	Long term capital gains	40,000
1 SVK	Short term capital gains	10,000
L hus i	Short term capital loss	30,000
	The carried forward items for the assessment year	
	2017-18 are	
h- lus i-h	Loss from interest on securities	6,000
	Loss from kirana business	5,000
	Unabsorbed depreciation for the PY 2015-16 was	5,000

(RCUB B.Com.VI Sem. 2015)

Ans: Total income Rs. 2,74,000

Hint: 1. Loss from SOP is set off against income from LOP of Rs 20,000 and balance loss Rs 80,000 is set off against salary income.

- Loss from cloth business is set off against income from automobile business. Carry forward kirana business loss and Unabsorbed depreciation of A Y 2017-18 are set off against Profit from cloth business.
- Loss from speculation business of Rs. 40,000 is set off against income from speculative business and balance loss of Rs. 20,000 is carried forward to next assessment year.
- Carried forward loss from interest on securities of Rs. 6,000 is set off against income from securities.

 From the following particulars of income and losses of Mr Mukesh for the assessment year 2018-19, compute his gross total income.

Long term capital gains	6,00,000
Short term capital gains	4,00,000
S. A. S. Jakk hydiness	18,40,000
Income from cloth business	2,00,000
Profit from speculative business	6,00,000
Interest on debentures	4,40,000
Income from house property in Kalaburagi	1,20,000
Loss from house property in Vijayapura	1,60,000
7) Winnings from lotteries	80,000
2) Income from owning and Maintaining of Race horses	
The carried forward losses from the AY 2017-18 are:	-

		8,80,000
W Low	Loss from speculation business	3,20,000
A	Short term capital loss	3,20,000
	Long term capital loss	2,80,000
g) Lot	Loss from owning and maintaining race horses	40,000

Ans: Gross total income Rs. 24,80,000

Hint:

4. Mr Jagdish supplies the following information for the previous year 2017-18. You are required to compute total income after set off and carry forward of losses for the assessment year 2018-19.

			13.
7 1	Income from salary	Rs.	1,50,000
3-5	Income from house at Bidar	Rs.	1,80,000
1 Left 3	Loss from house at Bijapur	Rs.	2,40,000
74	Profit from Automobiles business	88871	3,00,000
5	Loss from speculation business		60,000
List 6	Loss from cloth business		1,50,000
77	Short term capital gains on shares		2,40,000
8 5	Long term capital gains on Land		3,00,000
ley - 9	Short term capital loss on machinery		2,70,000
- Loss 10	Long term capital loss on Building		1,50,000
11	Winnings from lotteries		1,50,000
12	Interest on debentures		60,000
<b>+13</b>	Loss from card games -const forward	veocity.	₩ 90.000
×14	Loss on maintenances of race horses >	1 3)	1,20,000
Ans: Gross	s total income Ps. 6-60 000		1,20,000

Ans: Gross total income Rs. 6,60,000

Mr Akash supplies the following information for the previous year 2017-18. You are required to compute total income after set off and carry forward of losses for the assessment year 2018-19.

100	Income from h		
( 1	Income from house property X	Rs.	4,00,000
L PM 5	Loss from house property Y	Rs.	4,80,000
Lus 3	Loss from house property Z	Rs.	4,40,000
C 4	Profit from business X	Rs.	4,32,000
5 feet	Loss from business Y	Rs.	4,72,000
6	Profit from speculation business in Gold	Rs.	4,40,000
Lus 7	Loss from speculation business in Silver	Rs.	5,20,000
78	Short term capital gains on machinery	Rs.	4,24,000
Chro 3	Short term capital loss on Furniture	Rs.	5,12,000
3 10	Long term capital gains on Land		
7 10	cong term capital gallis on Land	Rs.	48,000

11	Income from card games	Rs.	3,20,000
×12	Loss from card games	Rs.	3,60,000
713		Rs.	2,80,000
V14	Interest on securities	Rs.	4,40,000

Ans: Total income Rs. 3,20,000

#### Notes:

- Unabsorbed loss from speculation business in silver is carried forward to 1. next assessment year as it can-not be set off against any income except speculation profit
- Loss from card games is not allowed to be set off against any income 2.
- Loss on maintenance of race horses is carried forward to next assessment 3. year as it can-not be set off against any income except profit on maintenance of race horses.

6.	The following are the particulars furnished by Mr.Ra	ahim for the a	ssessment
	year 2018-19.		
D	Income from salary (computed)	Rs.	3,30,000
1 60	Income from house property (computed)	Rs.	20,000
	Tricome non-read-	- 100	72 000

72,000 Rs. Profit from cotton business 20,000 Rs. Loss from groundnut business 50,000 Profit from speculation business Rs. 20,000 Rs. Short-term capital gain

He also furnishes the following particulars of losses brought forward from the assessment year 2017-18

15,000 Rs. Loss from cotton business 3 Loss from food grain business discontinued in the same 17,000 Rs.

year

Loss in speculation business Rs. 40,000

X Long-term capital loss - Cossy forward Next year. Rs. 6,000 Compute his total income for the assessment year 2018-19 on the assumption that he paid Rs.10,000 Life Insurance Premium on his own life.

-> sed 80C Ans: Total income Rs. 3,90,000

Hint: Income from sales Rs. 3,30,000; Income from house property Rs.20,000; Income from business (20,000+10,000) Rs. 30,000; STCG Rs.20,000; GTI Rs. 4,00,000; Deduct U/s 80C Rs.10,000.

From the following particulars of income provided by Mr.Vijaya Kumar for 7. the three assessment years:

**Particulars** 

2016-17 2017-18 2018-19

IN	CC	M	E	T	AX	
_	-	-	-	-	-	

Income from salary	20,000	22,000	24,000
Loss from SOP	4,000		- 4,000
Income from LOP	16,000	4,000	12,000
Loss from business	16,000		,000
Income from business		24,000	12,000
Loss from speculation business	12,000		,000
Profits from speculation business		40,000	60,000
Dividend from Cooperative Society	4,000	4,000	4,000
Short-term capital loss	4,000		8,000
Long-term capital loss	24,000		-,000
Long-term capital gain		12,000	24,000
From the above information, compute assessment years.	his gross total	income	for three

(RCUB, B.Com. VI 2016)

Ans: GTI for AY 2016-17 Rs.20,000; 2017-18 Rs.82,000; 2018-19 Rs.1,12,000. Hint: AY 2016-17

- Loss from SOP is set-off against income from LOP.
- Loss from business of Rs.16,000 set-off against income from LOP Rs.12,000 and other source Rs.4,000.
- Loss from speculation business Rs.12,000; STCL Rs.4,000 and LTCL Rs.24,000 carried forward to next year 2017-18

#### AY 2017-18

- Unabsorbed speculation loss of AY 2015-16 Rs.12,000 is set-off against speculation profits.
- Out of Rs.24,000 unabsorbed LTCL of AY 2015-16 Rs. 12,000 is setoff against LTCG.

#### AY 2018-19

 Current year STCL Rs.8,000; unabsorbed STCL Rs.4,000 and unabsorbed LTCL Rs.12,000 are set-off against LTCG.

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Seation-c. 15 may 2 and lum &		
Solution No-1:-		
computation of Graces total Income of mr Saikent to	Sothie 17-	7-2019-20
B.NO Particulare Do	0 /	Amount
Descome from house property (computed).		8,000
I) Income from Business.		-
(c) Income from Silk business -	16.000 (-) 22.000	
	(-) 800	28.200
Sepeculation problem 5000		
1451-11) Speculation loss - 8000 Carry forward Next year - 6055-3000	-	
III) pricome from aprited gain		-
a bong toom control gain	15,000	
Lessie st) bong teem agritul loss.	7.000	8,000
( Short tevim capital goin - 10,000	1 1	-
The stay show x com constant		2.000
(e) Interest on debendures of a Compony (gov)	)	15,000
Grass total Incom	ρ,	5000
		56,200
Solution NO-2:0	1	
Computation of Total income of Mr Sunil for the x	1.4.2019	-2020.
END Particulars.		Hmount
- 1 to Encamp Room Salcoly.	20,000	30,000
II) b) Income from Lat out powparts.	1.70,000	
Loss: 4) boss from Self occupred preparts 1.00.000  Iti) Unabsorbed Depsearchian - 5.000	105,000	65,000
	1.00,000	00,000
III) e) Income from automobile business - 80,000		
m love from kirona business soon 5,000	(85,000)	15,000
f) Transe Pour epeculative bismess.	40,000	101000
1 3 P 2	(60.000)	VV
Loss Cowy from Nesut year. Loss	7 20.000	
IV) Income from other Sowrees		
12 to me form soundies	)	14,000
Latter 1) GOSS Norm 111 Decrees		
1) 201	1.60.000	160,000
V) I) Long term wortal gains - 40,000	-	
(e) short recent exertic gents	*	,
List short ten m Cypital Lots (30,000)		20,000
Total Inc	ome->	2.74,000
- Solution No-3:0		
computation of Essess total Income of mr mukesh for	HeA.y.	2019-20,
8.No, particulars		Amount
I) i) Income from house property in Kalaburagi -	4,40,000	
Less Loss from house proported in vive grant		3,20,000
Towns from clath hisiness - 18.40.000		9,60,000
Lettio Loss from aloth Bisines		3,60,000
w) profit from speculative biginess - Litie Loss from speculation biginess -	(3,20,000)	4 19
Loss carry forward Next year boss		
	A MAIS OF	

	6.00,000	1-1
D Long down Cypthed garns -		3,20,000
Famel Actions of the contract	10 1	80,000
Ca 20 of	4) -	
5) Interest on debenhales	1.60,000	No. of Concession, Name of Street, or other Persons, Name of Street, or ot
7) winnings from latteries -		1
E) income found appropriate and mointaining of (- 80.000		
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Gruss total inco		911 90 000
	me-	1 200, 60,00
Solution NO-1120		
	He Ay.	2019-20
		Amound
DoIncome from Salary -	1.50,000	
Dincome from house at Brdat -	1.80,000	
	330,000	90,000
3	2.40,000	
Deporate from Automobiles business 3,00,000		
Less from aloth business - (1.50,000)		1,50,000
117 Dess from speculation business - casty forward next	(60,000)	
3,00,000		
Long tell (costal loss of Bull 1		1,0
D short term cypital goins on shores - 2. 40.000		A 1 9
1. O short 1 and 1 and 1 1 1 3.40.000	-	
Lessed short twom capital Loss on machine 13, 90,000	)	1,20.000
(1) winning & from lotterites	150,000	
D Anterest on Debentures	60,000	
13 Loss from cord games - Cours forward never year fgo, 000	5 -	10.
-cord neocit year.	*	12.10,000
Eysters total Incom	WE	5,70,000
Solution No-5:2		
Consentention of total socome of mr Alcosh For the Ary, 20	19-202	0.
S,NO. Postaticulos 18		Hmount
D) Income from house property - DC (4.80.000	1,00,000	10
3) Loss from house property-2	1	
	(9,20,000	(5,20,000)
II) ijosefit from louginess-de.	U32001	0
E) profit from speculation business in gald-440000	47200	( UO,000)
LAN 2) Lass P an ence later he come in class ( and	10	
LAN 2) Loss From speculation business in silever (5,20,000	80,00	(d) —
III) 8) 8 hort term copytal grains on machinery -	112u00	0
10) bong twim copited gains on bond	12.73.00	
List 9) short twom copy but half on funitions _	(51200	0)
The Torong for and forward Next years -	SCIIM DO	0
3.20.000	1 (10.00	3,20,000
in the rost on secontifes		- 17 to000
12) Loss four cord games - Garney known Neout years	(3,60,000	
13) bess on maintenence of rule horsel - Cours forward:  Next year	(280,000	5/
Intrest on Securities	-	IM BU
Lys Lets from house property (5: 20,000)	THE THE ST	China China
1088 from Business - 1 40,000) (5.60,000)	(120,000	)
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-Vi	Income from cord games.	1 -	3,20,000
	1 18 - On the Acres 120 Gross butul &	in come	3.20.000
-	100 - West 100 100 15 80	1	DIL
	Tokub	Income.	3,20,000
Solut	tron wo -6 to		
Comou	station of Total Income of Mr Rahim for the	4.4.20	9-2020
SINO	1 50		Andrew
7)	Income from Salwing Computers)	3,30,000	3,30,000
11).	Income from howse paopents (computed)		20.000
111)	profit from catton business-	12.000	
	Loss from cotton business (15,000)	3	
	Loss know Cotton business	4	
	Less from food grain lowiness.	(52,000)	90.000
		(30,00)	20,000
•	Operate Porm Roper letter la grapes - 50,000		10,000
	LUSS LOSS IN Specilation biginess - CHO,000		20.000
14)	1 01 1 1 2 M C ONLY CON		-
	Long-twom Copital Loss - Corns Fraced Noat	6000	11.55
	Long-twom Copital- Loss - com forward Nexat ( Const-twom Copital- Loss - com forward Nexat ( Constant Decinion Victorial Constant Decinion Con	ne->	U.00.000
V.)	Life Diswience premium on his own life -		(10.000)
	Touble Income .   Total Incom	16-7	3,90.000
0 1. 45	FON NO-Z		

Solution NO-7	N. C.	-	Allen Topial		e an Ballania	
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Income from Lop.	12,000					-
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I) Income from Solary	-			22.000		10
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III Income from Business-	-			24,000		-
Encome from speculation Bus-			u0,000	,		
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comy firme of Next y	2017		(SHOOD)			
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		t FACON	10.	82,000		
	03 2 1120	7,007				
I) Income from Salaris -	-					12,000
Income from Business-						12.000.
Income from Speculation Bis	1	-				60.000
IN Long tearm cyclul goin -			-		26,000	***************************************
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Short term cypital dess	J- 2016-	2017 -			(4.000)	
V Dividend from Co-operative					(-)	Ø.000
James Co-cycounter	Scarcu			1 1 -		4.000
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#### 15 MARKS ILLUSTRATIONS

#### Illustration 3:

From the following particulars of income and losses of Mr Mahesh for the assessment year 2018-19, compute his gross total income.

content year 2010 13, compare no gross total	
Long term capital gains	1,50,000
Short term capital gains	1,00,000
3) Income from cloth business	4,60,000
Profit from speculative business	50,000
Interest on debentures	1,50,000
Income from house property in Kalaburagi	1,10,000
Loss from house property in Vijayapura	30,000
7) Winnings from lotteries	40,000
Income from owning and Maintaining of Race horses	20,000
The carried forward losses from the AY 2017-18 are:	

SET-OFF AND CARRY	FORWARD	OP Cores
The state of the s	THE RESTREE AS A	DE 145版版制 W

Loss from speculation business	2,20,000
2) July Short term capital loss	80,000
Long term capital lose	80,000
Loss from owning and maintaining race horses	70,000
lution: Calculation of C	10,000

Curcu	errioll 0	f Groce	T			
e from	house	033	lota	Income	of se.	Mahash
CIICIII	HOUSE F	1000			OI IVII	Maharl

of Gross Total			
Income from house property	ncome of Mi	Mahesh	
Income from the in Kalaburaci			
Less: Loss from HP in Vijayapura		1,10,000	
2 Income from Business		30,000	80.000
Profit from Cloth Business		-7000	80,000
Less: CF Loss in cloth Business	4,60,000		
profit from speculation business	2,20,000	2,40,000	
Less: CF loss from Speculation Business	50,000	, 19000	
Carried forward to next AY	80,000		
3 Capital gains	30,000		3 40 000
Long Term Capital gains			2,40,000
	1,50,000		
Less: CF Long Term Capital Loss	70,000	90.000	
Short term capital gains	7-55	80,000	
		1,00,000	
Less: CF Short term capital loss		180000	
Other Sources		80,000	1,00,000
Interest on debentures			
Winnings from lotteries		1,50,000	
		40,000	
Income from owning & Maintaining race horses	20,000		
Less: CF loss from owning &			
Maintaining race horses	10,000	10,000	2,00,000
Gross Total Income			
Gross rotal Income			6,20,000

#### Note:

- 1. Loss from house property in Vijayapura is set-off against income from house property in Kalaburagi.
- 2. Carried forward Loss from speculation business of Rs. 50,000 is set of against profit from speculation business and balance Rs.30,000 is carried forward to next assessment year.

### Illustration 4:

Mr Ramesh supplies the following information for the previous year 2017-18. You are required to compute total income after set off and carry forward of losses for the assessment year 2018-19.

	2018-19.	
1	Income from salary Rs.	-
752	Income from house at Dai I	50,000
her 3	Loss from house at Kalchur Rs.	60,000
74-	Loss from house at Kalaburagi Rs.	80,000
54	Income from Kirana business	1,00,000
Late 6	Loss from speculation business - cased forward week year	1,00,000
Jarel O	Loss from cloth business	20,000
37	Short term capital gains on shares	50,000
85	Long term capital gains on Land	80,000
449	Short term capital lease	1,00,000
10	Short term capital loss on machinery	90.00-
11	Long term capital loss on Building	90,000
12	vinnings from lotteries	50,000
***	Interest on debentures	50,000
13 +	Loss from card games — complexwed Next year.	20,000
144	Loss on mainten	-0,000
Soluti	Loss on maintenances of race horses - consister well year	30,000
	The result year	40,000

Computation of total income of Mr Ramesh

I	Income from salary	ome of Mr Ra	mesh	
II II a	Income from House property Income from Raichur house Loss from Kalaburagi house Loss from house property Income from business Regular Business		60,000 (80,000)	50,000
b	Profit from Kirana business Loss from cloth business Speculation Business Loss from speculation business carried forward to next AY	1,00,000 20,000 20,000	80,000	
ш	Profit from Business  Capital Gains  LTCG on Land  LTCL on Building  STCG on Shares		1,00,000 (50,000) 50,000 80,000	80,000

and the same of	Lass: STCL on many	OFF AND CARE	Y FORWARD	OF LOSSES
ı٧	Income from other sources Winning from lotteries		130,000 90,000	40,000
	Interest on debentures Loss on maintenance of race horses carried forward to next AY	50,000 20,000	70,000	
	Gross total income	40,000	**	70,000

### Illustration 5:

Mr Akash supplies the following information for the previous year 2017-18. You Mr Akash supplied to compute total income after set off and carry forward of losses for

- 1	Income from house property A	, loi wai u	or losses for
31 C32	Loss from house property B	Rs.	
143	Loss from house property C	Rs.	1,00,000
74	Profit from business X	Rs.	1,20,000
ke 5	Loss from business Y	Rs.	1,10,000
76	Profit from speculation business in Gold	Rs.	1,08,000 1,18,000
(W17	Loss from speculation business in Cit	Rs.	1,10,000
78	Short terri capital gains on machinen	Rs.	1,30,000
1-119	Short term capital loss on Furniture	Rs.	1,06,000
910 L	Long term capital gains on Land	Rs.	1,28,000
11	Income from card games	Rs.	12,000
12 ×	Loss from card games nat has	Rs.	80,000
137	Loss on maintenance of race horses and front Mars	Rs.	90,000
14~ ]	Interest on securities		70,000
Solutio	on:	Rs.	1,10,000
	C		

Computation of total income of Mr Akash

Α	Inter source adjustments		
I II a	Income from House property Income from house property A Loss from house property B Loss from house property C Loss from house property Income from business Regular Business	1,00,000 (1,20,000) (1,10,000)	(1,30,000)

2,20,000

INCOME TA	×
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-	ME TAX	1.00.000		
	Profit from business X	1,08,000	(40,000)	
	Loss from business Y	(1,18,000)	(10,000)	
b	Speculation Business			
	Profit from speculation business in	1,10,000		
	Gold	(4.30.000)		
	Loss from speculation business in Silver	(1,30,000)		
	Speculation loss carried forward to next AY	(20,000)		
	Loss from Business			(10,000)
ш	Capital Gains			
	LTCG on Land		12,000	
	STCG on Machinery		1,06,000	
			1,18,000	
Less:	STCL on Furniture		(1,28,000)	
	STCL carried forward to next AY		(10,000)	
IV	Income from other sources		• 00000	
	Income from card games		80,000	
	Interest on securities		1,10,000	
	Loss on maintenance of race	70,000		
	horses carried forward to next AY	· ·		
	Income from other sources		1 41	1,90,000
В	Inter-head adjustments		1 1 1	
	Income from other sources	# 20 H I		
	Income from card games(not	=	st	80,000
	available for set off)			00,000
	Interest on securities		1,10,000	
ess:	Loss under house property		1,30,000	
	Carried forward loss under HP		(20,000)	
	Carried forward business loss		(10,000)	rice and or
	Gross total income			80,000
	Less: Deduction u/s 80		ETC.	00,000
_	Total income		THE STATE OF	90.000
otes:				80,000

#### Notes:

- Unabsorbed loss from speculation business in silver is carried forward to 1. next assessment year as it can-not be set off against any income except speculation profit
- Loss from card games is not allowed to be set off against any income 2.

Loss on maintenance of race horses is carried forward to next assessment year as it can-not be set off against any income except profit on maintenance of race horses.

Illustration 6: Mr.Rajanikant, an individual provides the following information for the previous

Mr. Rajanika 31 03 2018.		
200100 31,03,2020.	Dc	230000
Income from house property: House-A	Rs.	(Alexander)
House-B	Rs.	(234000)

Rs. (242000)House-C Rs.

Rs.

Profits and gains of Business or Profession

Business-A	Rs.	216000
Lu Business-B	Rs.	(236000)
Business-C (Speculative)	Rs.	222000
Hy Business-D (Speculative)	Rs.	(246000)

Business-D (Speculative) **Capital Gains** 

Short term capital gains	Rs.	212000
- Short term capital loss	Rs.	(256000)
Long-term capital gain on building	Rs.	25000

Income from other sources

come from other sources		
Income from card games	Rs.	216000
* Loss from card games next by	Rs.	(150000)
Loss on maintenance of race horses (any for	Rs.	(212000)
VInterest on securities - (20.000) Ly - Regular Bus	≥#∜Rs.	208000
Income from salary	Rs.	284000

Compute the gross total income for the assessment year 2018-19.

#### Solution:

Computation of Gross Total Income

-	Step-I: Inter-source Adjustment		
I	Income from Salary		2,84,000
II	Income from House property		
	House-A	2,30,000	
	House-B	(2,34,000)	
	House-C	(2,42,000)	
	Loss from house property		(2,46,000)
III	Income from Business		250 A6 25 16
a)	Regular business		
	Business-A	2,16,000	
	Business-B	(2,36,000)	
	Regular business loss		(20,000)

b)	Special Specia		-
	Speculative Business		
	ousiness-C		
	Business-D	2,22,000	
	Loss from speculative business	(2,46,000)	
III)	carried forward to next AY	24,000	
	Long term capital gain on building Short-term capital gain		
	Short-term capital gain on building	25,000	
		2,12,000	
	Less: Short-term capital loss	2,37,000	
	Short-term capital loss forward to next Av	(2,56,000)	
(VI	forward to next AY	(19,000)	
	Income from other sources		<u>.</u>
	Income from card games Interest on societies		
	Interest on securities		2 1.
	oos on maintain		2,16,000
	carry forward to next AY	(2,12,000)	2,08,000
)			
	Income from salary		
	Less: Loss from house property	2,84,000	
I)	Incom	(2,46,000)	
8	Income from other source		30 00
			38,000
	- CSC OII SPCIIFIFICE		2 16 00
	Less: Loss from regular business	2,08,000	2,16,000
		(20,000)	
	Gross Total Income	-	1 90 00
			1,88,000 4,42,000

Mr.Rajkumar submits the following details of his income for the A.Y. 2018-19

Income from salary	e A.Y. 2	2018-19
Income from salary  Loss from letout house property-A - Loss - Loss from sugar business  Loss from tea business brought forward from 2016-17  Short-term capital loss  Long-term gains  Dividend from cooperative society  Winnings from lotteries (gross)  Winnings from card games	Rs.	1,50,000 20,000 25,000 60,000 30,000 20,000 2,500
Bank interest	Rs. Rs. Rs.	25,000 3,000 5,000 2,500

	Profit from letout property-B  Calculate the gross total income after  Computation:	I-OFF AND CARRY FORWARD	OF LOSSE
elon:		er carry co. Rs.	10,000
solution:		and setoff lo	Sses.
	Computation of Gro	OSS Total r	
	Step-I: Inter-source adjustment Income from Salary	t Total Income	
1			
II	Income from house property Loss from let-out property-A		1,50,000
	Profit from let-out property-B		-,55,550
	Loss from house property	(20,000)	
	Income from business	10,000	
III	Income from sugar business		(10,000)
	Loss from cloth business		(~~,000)
	Income from business	25,000	
IV	Capital gain	(5,000)	
			20,000
	Long-term capital gain		7000
	Less: Short-term capital loss	20,000	
	short-term capital loss carried forward to next AY	(30,000)	
		(10,000)	***
/	Income from other source		
	Dividend from cooperative society	0. ======	
	Winnings from lotteries	2,500	
	Winnings from card games	25,000	
	Bank Interest	3,000	
		2,500	
			33,000
S	tep-II: Inter-Head Adjustment		
	ncome from salary		
L	ess: Loss from House Property	1,50,000	
		(10,000)	
	ncome from Business	Martines of the	1,40,000
Less: Brought forward loss of AY		20,000	ATTENDED AND COMPANY
20	016-17	(60,000)	
Ca	arried forward to next AY		
	come from other sources	(40,000)	
1275	TO COULCES		Approximate to the

Gross Total Income

33,000 1,73,000