

## TEST 10: SET OFF & CARRY FORWARD OF LOSSES

### Illustration 1

Anuj, a resident individual, submits the following information, relevant for the previous year ending March 31, 2022:

	Rs.
Income from salary (before standard deduction)	8,50,000
Income from house property	
House I	70,000
House II	(-) 52,000
House III (self-occupied)	(-) 25,000
Profits and gains of business or profession	
Business I	2,00,000
Business II	(-) 75,000
Business III (speculative)	(-) 1,60,000
Business IV (speculative)	72,000
Capital gains	
Short term capital loss	83,000
Long term capital gain on transfer of preference shares	70,000
Income from other sources	
Income from card games	80,000
Income from betting	70,000
Loss on maintenance of race horses	(-) 1,20,000
Income from owning and maintaining race camels	2,00,000

Determine the net income for the assessment year 2022 - 2023.

### Illustration 2

Arun, a resident individual, submits the following information for the assessment year 2022 - 2023:

	Rs.
Business I (discontinued on April 15, 2021)	
Loss of the period April 1, 2021 to April 15, 2021	(-) 2,00,000
Brought forward loss of previous year 2020 - 2021	(-) 60,000
Business II (not in existence during 2021 - 2022)	
Brought forward loss of previous year 2021 - 2022	(-) 3,00,000
Business III	
Loss of the previous year 2021 - 2022	(-) 4,10,000
Brought forward loss of previous year 2020 - 2021	(-) 90,000

Business IV	
Profit of previous year 2021 - 2022	1,90,000
Other incomes / losses	
Interest on securities held as stock - in - trade	6,00,000
Interest on debentures held as investments	9,00,000
Dividend (deemed dividend from a foreign company under section 2(22)(e)) on August 23, 2021 on shares held as stock in trade	2,50,000
Long term capital loss in respect of shares	(-) 80,000

Determine the net income for the assessment year 2022 - 2023 and also calculate the amount of loss which can (or which cannot) be carried forward.

### Illustration 3

A submits the following information relevant for the assessment year 2022 - 2023:

	Rs.
Interest on non-Government securities (held as investments)	1,80,000
Business profits (before claiming the following deductions)	8,00,000
Current depreciation allowance	90,000
Current scientific research expenditure	70,000
Unabsorbed business loss of the previous years:	
1982 - 83	2,00,000
2012 - 13	15,000
2015 - 16	37,000
Dividend on equity shares in A Ltd., an Indian company	6,00,000
Dividend on preference shares in B Ltd. an Indian company	3,52,000
Dividend from a foreign company	80,000
Long term capital loss brought forward from the assessment year 2022 - 2023	60,000
Determine the net income of X for the assessment year 2022 - 2023	

### Illustration 4

A submits the following particulars of income / loss for the assessment year 2022 - 2023:

	Rs.
Profit of business I carried on in India	8,00,000
Loss of business II carried on in India	(-) 2,25,000
Profit of business III carried on in Germany (though income is earned and received in Germany, business is controlled from Bombay)	3,90,000
Loss of business IV (exclusive of unabsorbed depreciation allowance mentioned below) carried on in Germany (though income is earned and received in Germany, business is partly controlled from Germany and partly from Canada)	(-) 86,000
Unabsorbed depreciation of the assessment year 2012 - 2013	

Business I	(-) 90,000
Business III	(-) 1,10,000
Business IV	(-) 2,70,000
Income from property situated in India	8,00,000
Income from property situated in <i>Germany</i> (rent is received in <i>Germany</i> )	11,55,000

Determine the net income of A for the assessment year 2022 - 2023 on the assumption that he is (a) resident and ordinarily resident in India, (b) resident and not ordinarily resident in India and (c) non resident in India.