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INCOME-TAX ACT, 2025

Chapter VII: SET OFF, OR CARRY FORWARD AND SET OFF OF LOSSES

Section 108 - Set off of losses under same head of income.

(1) Unless provided otherwise in this Act, for any tax year, if net result of computation from any source under any head of income (other than “Capital gains”) is a loss, then assessee shall be entitled to set off such loss against his income from any other source under the same head for that tax year.

(2) Where the net result of computation of income made for any tax year under sections 72 to 90 in respect of—

(a) any short-term capital asset is a loss, such loss shall be set off against the income, computed in respect of any other capital asset for that year;

(b) any long-term capital asset is a loss, such loss shall be set off against the income computed in respect of any other long-term capital asset for that year.

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