

DIRECT TAX

LAST DAY REVISION NOTES

INDEX - MAY 2024- FULL

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***Available in full version only**

BY ROHIT CHIPPER
AIR 17 CA FINAL
AIR 18 CA INTER

1. All Tax Rates

Type	Individual / HUF /AOP / BOI / AJP	Partnership /LLP / Local Auth	Domestic Company	Foreign Company
Tax Rate	As per slab rate	30%	25% (Turnover / GR up to 400 Crore in PY 21-22) or 30%	40%
Surcharge, if Net taxable income	≤ 50 Lakh = NIL >50L upto 1Cr = 10% >1Cr upto 2Cr = 15% >2Cr upto 5Cr = 25% > 5 Crore = 37%	> 1 Cr then 12%	>1 Cr upto 10 Cr - 7% > 10 Cr - 12%	>1 Cr upto 10 Cr - 2% > 10 Cr - 5%

The enhanced surcharge of 25% & 37% is not levied, from income chargeable to tax under sections **111A, 112, 112A, 115AD and dividend income**. Hence, the **maximum rate of surcharge** on tax payable on such incomes shall be **15%**.

Tax Rates for Co-Operative Society		
Total Income	Tax Rate	Surcharge
Upto 10,000	10%	If Total Income
> 10,000 but < 20,000	20%	< 1 Cr - 10 Cr = 7%
> 20,000	30%	10 Cr+ - 12%

Sec 87A - Rebate to Resident Individual = upto 12,500
A. If total income does not exceed Rs. 5 Lakh
B. Applicable to Resident Individual only
C. Rebate u/s 87A available against all types of Income except LTCG u/s 112A

Tax rates for Capital Gain				
Long Term			Short Term	
Sec 112A - Listed Eq. Share, Unit of Bus.Trust, Eq.O.Fund (if STT Paid)	(For R) Listed Securities (other than unit), ZCB	Other LTCG Sec 112	Sec 111A – Listed Eq. Share, Unit of Busi.Trust, Eq. O.Fund (if STT Paid)	Other STCG
Income upto 1 lac @ 0% Income > 1 Lakh @ 10% (No Indexation, No VI-A, No 87A)	lower of; 10% without indexation / 20% with indexation	20% (No VI-A deduction)	15% (No VI-A Dedn)	Normal Tax Rate

Nature of Income	Rate	TDS
Sec 115AB LTCG to Overseas Financial Institutions on Units of UTI / M.Fund	@10%	Sec 196B
Sec 115AC Interest Long Term Cap Gain	@10% @10%	Sec 196C Sec 196C
Sec 115AD - Capital Gain & Interest on Security of FII LTCG - Sale of Security by FII STCG - Sale of Security by FII (111A) STCG - Other (Preference share etc.) Interest and Dividend - from FII Interest and Dividend - from Specified Fund	@10% @15% @30% @20% @10%	Sec 195 Sec 195 Sec 195 196D-20% 196D-10%
Sec 115BB- Winning from lotteries, puzzles, Horse races	@30%	194B, BB
Sec 115BBA - NR Sportsman, NR Sports Association, NR Entertainer <i>Umpire, NR Commentator and Referee are not sport persons</i>	@20%	194E
Sec 115 BBC - Anonymous Donations [Topic - Trust]	@30%	
Sec 115 BBE - Deemed Income [Sections 68, 69, 69A, 69B, 69C and 69D]	@60%	
Sec 115 BBF - Tax on Income by way of royalty in respect of patent developed a. Developed means 75% of the expenses incurred in India b. No deduction for any expenditure.	@10%	
Sec 115 BBG - Tax on Income from transfer of Carbon Credit No deduction for any expenditure.	@10%	
Sec 115E - Taxation of NRI (Optional to NRI) LTCG on Investment in F. Exchange Asset (deduct exp) Investment Income / LTCG Other	@10% @20%	Sec 195 Sec 195
Sec 115JB - Minimum Alternate Tax (MAT)	15% 18.5%	9% (IFSC)
Sec 115JC - Alternate Minimum Tax (AMT) (15% rate for co-op. society and 18.5% for others)	18.5%/ 15%	9% (IFSC)

Sec 115A Interest, Royalty, Fees for Technical Service recd by NR/Foreign Company

Type of Income	Payable to	From	Rate	TDS
Interest	NR/ F. company	Infrastructure Debt Fund [Sec 10(47)]	@ 5%	194LB - 5%
Interest on loan	NR/ F. company	Indian Co. / Business Trust - Loan in Foreign Currency, RDB, Long Term Bond on or before 30--June-2023	@ 5% (For IFSC @ 4%)	194LC - 5%
		After 1-July-2023 (only if its listed in IFSC)	(For IFSC @ 9%)	
Interest on investment	FII/ QFI	Investment made in RDB of Indian Company or Government Securities	@ 5%	194LD - 5%
Interest on unit	NR Unit holder	Business Trust (REIT / InVIT)	@ 5%	194 LBA
Interest on F.currency loan	NR/ F. company	Government or Indian Concern	@ 20%	195

Particular	115 BA	115 BAA	115 BAB
Applicability	Domestic Manufacturing Company	Any Domestic Company	Domestic Manufacturing Company (co. shall not engage in any other business than the manufacturing)
Rate of tax for business income	25%	22% Tax + 10% Surcharge + 4% Cess = 25.168%	15% Tax + 10% Surcharge + 4% Cess = 17.16%
Surcharge	7%/ 12% (normal)	10%	10%
MAT	Applicable (15%)	Not Applicable	Not Applicable
Sp. Rate Income sec 112A, 111A	@ Special Rates + Surcharge + 4% Cess	@ Special Rates + 10% Surcharge + 4% Cess	@ Special Rates + 10% Surcharge + 4% Cess

Company should not have claimed benefit of section 10AA (SEZ), 32(1)(ia) addn Depn, 32AD, 35(1) Sci. Research, 33AB, 33ABA, 35AD (Specified Busi), 35CCC, 35CCD and any dedn. in respect of Income u/c VI-A other than Sec 80JJAA, 80LA and 80M.

Section 115BAC(1A): Tax on income of Individuals and HUF (w.e.f. AY 2024-25)

- a) In new regime: Rebate u/s 87A is available to resident individual whose **total income not exceed 7 lacs, rebate is allowed upto 25,000** (Marginal rebate is allowed if total income marginally exceeds 7 lacs)
- b) If assessee opt section 115BAC the Alternate Minimum Tax (AMT) is not applicable
 - Upto Rs 3,00,000 - Nil
 - From Rs 3,00,001 to Rs 6,00,000 - 5%
 - From Rs 6,00,001 to Rs 9,0,000 - 10%
 - From Rs 9,00,001 to Rs 12,00,000 - 15%
 - From Rs 12,00,001 to Rs 15,00,000 - 20%
 - Above Rs 15,00,000 - 30%

Maximum surcharge is 25% on net income above 2 crore

Standard deduction of 50,000 for salary income is allowed in new regime

Note - Tax on Special Rate Income (Eg. 111A/112A) - Taxable at special rates only.

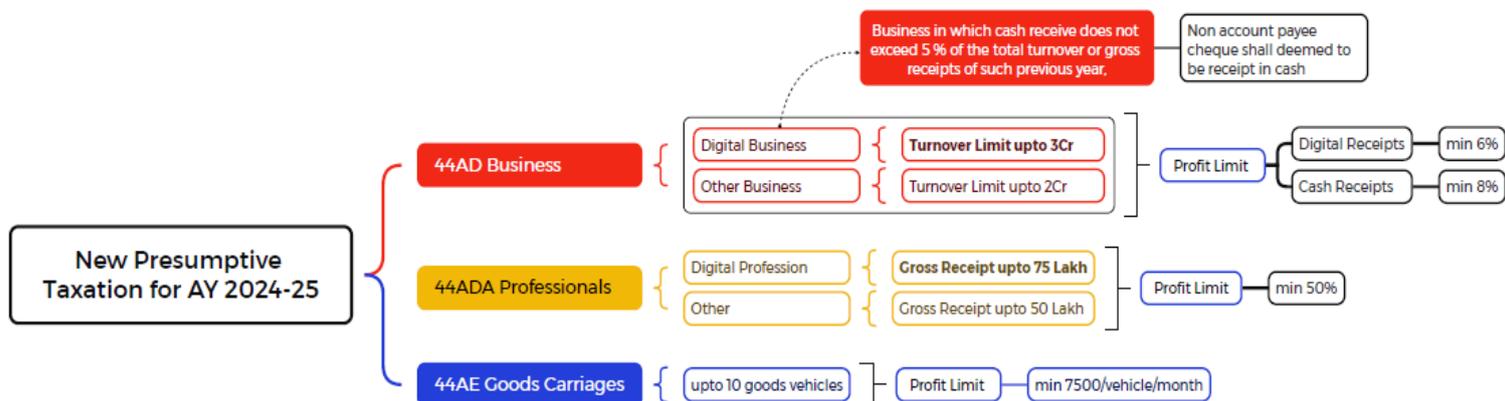
- c) New section 115BAE for cooperative society to pay tax @ 15% (If engaged in manufacturing)

2. TDS Summary

Section	Nature	Payer	Payee	Rate	Note
193	Interest on securities	Any person	Resident	10%	No TDS if interest <= R10,000 in a F.Y., in case of interest on 8% Savings (Taxable) Bonds, 2003/ 7.75% Savings (Taxable) Bonds, 2018. No TDS upto 5,000 in case of interest on debentured issued by public company to ind./HUF.
194A	Interest other than interest on securities	Any person (having turnover more than business – 1 crore/ profession – 50 lacs)	Resident	10%	No TDS if interest <= 40,000 (for resident senior citizen limit is 50,000) in a F.Y., paid by – (i) a banking company; (ii) a co-operative bank (iii) a post office Limit of 5,000 in a F.Y. in other cases.
194 Q (1/7/21)	Purchase of goods	Buyer	Resident Seller	0.10%	No TDS upto 50 Lacs. TDS only on excess. No TDS if TDS u/s 194O No TDS if TCS u/s 206C(1)/ (1F) / (1G) No TDS on security commodity traded through RSE Renewable energy certificate traded through registered power exchanges
194 IA	Purchase of immovable property	Any	Resident	1% * higher (consideration or SDV)	No TDS if actual consideration and SDV is less than 50 Lacs. Includes everything like parking, water maintenance fee etc.
194 O	Payment by Ecommerce	ECO	ECO participant	1% (Gross amount) @5% if PAN not given	No TDS if all satisfied. 1. Payee is Individual 2. Gross sale through ECO upto 5 Lacs 3. Payee has furnished PAN to ECO
194 C	TDS on contract	Any	Ind/ HUF Other	1% 2%	No TDS if a. Single contract upto 30K b. Aggregate contract upto 1 Lac c. Contract for personal purpose d. Transporter owns 10 or less vehicles
194 I	Rent (P&M) Rent (L&B, furniture)	Any Any	RP Any	2% 10%	No TDS if rent upto 2.4 Lac
194 N (Most Imp)	Cash withdrawal above 1 crore	Bank	Any	2%	Cash withdrawal from one or more account maintained by a bank > 1 crore then TDS @2% on excess. (limit of 1 crore is per bank). If return not filed in last 3 AY, then 20 Lacs < Withdrawal < 1 Cr , TDS @ 2% on excess 1 Cr < Withdrawal, TDS @ 5% on excess
194 D	Insurance commission	Insurance co.	Agent	5%	No TDS if commission upto 15K p.a.
194 DA	Maturity proceeding of life insurance	Any	Any	5%	No TDS if amount less than 1 Lac TDS only on (Maturity proceeds - premium paid)
194 G	Commission on sale of lottery ticket	Any	Any	5%	No TDS if commission upto 15K p.a.
194 H	Commission and brokerage	Any	Any	5%	No TDS if commission upto 15K p.a.
194 IB	Rent (Land & building)	Those not covered in 194 I	RP	5%	No TDS if rent upto 50K per month
194 M	Contract/ brokerage/ fees for professional services	Other than 194 C / H / J	RP	5%	No TDS if aggregate sum paid is upto 50 Lac
194 LB	Interest on infrastructure debt fund	Infra debt fund	NR or FC	5%	
192 A	Accumulated balance of PF	Any	Employee	10%	No TDS if amount less than 50K

DT Last Day Revision Notes (Telegram channel: CA Rohit Chipper AIR 17)

194R	Benefit & Perquisite	Ind or HUF having turnover more than Bus: 1Crore Prof: 50 lacs Or any other person	Resident	10% of perquisite	Limit = Amount exceeding 20K p.a. any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession
194S	Transfer of virtual digital asset	Specified person and any other person	Resident	1%	Limit for specified person = amount exceeding 50K Limit for other person = amount exceeding 10K Specified person: Ind or HUF having turnover not more than Bus: 1Cr / Prof: 50 lacs and no income under PGBP



4. MCQ Summary

Telegram channel (CA Rohit Chipper AIR 17) <https://t.me/carohitchipper>

Must refer category A MCQ 3-4 hrs before the exam

Direct Tax 120 MCQ Summary (Individual)

No.	Chapter	ABC	Summary									
1	PGBP	B	<p>If Qn says about depreciation on motor vehicle then do focus on date of purchase (if it is between 23.08.19 to 31.03.2020 (approx. 6 months) then rate is higher and treat that vehicle as separate class of asset for dep. calculation.</p> <table border="1"> <tr> <th>Motor Vehicles</th> <th>Normal rate</th> <th>if acquired and put to use betn 23.08.19 to 31.03.2020</th> </tr> <tr> <td>Running on hire</td> <td>30%</td> <td>45%</td> </tr> <tr> <td>Other</td> <td>15%</td> <td>30%</td> </tr> </table>	Motor Vehicles	Normal rate	if acquired and put to use betn 23.08.19 to 31.03.2020	Running on hire	30%	45%	Other	15%	30%
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2	44AD & 44ADA	A	<table border="1"> <tr> <th>Presumptive</th> <th>Business (44 AD)</th> <th>Profession (44 ADA)</th> </tr> <tr> <td>Eligibility</td> <td>Turnover is upto 2 crore</td> <td>Turnover is upto 50 lacs</td> </tr> <tr> <td>Presumptive Income</td> <td>= (Receipts received by account payee cheque/DD/ECS upto due date of return x 6%) + (Remaining turnover x 8%)</td> <td>= Turnover * 50%</td> </tr> </table> <p><i>Can claim lower income than above if they get their accounts audited</i></p>	Presumptive	Business (44 AD)	Profession (44 ADA)	Eligibility	Turnover is upto 2 crore	Turnover is upto 50 lacs	Presumptive Income	= (Receipts received by account payee cheque/DD/ECS upto due date of return x 6%) + (Remaining turnover x 8%)	= Turnover * 50%
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3	54	A	<p>Capital gain exemption</p> <table border="1"> <tr> <th>Section</th> <th>Exemption limit</th> <th>Time limit to purchase</th> </tr> <tr> <td>54 (on sale of residential house property)</td> <td>Upto value of 1 house property (if LTCG is upto 2 Crores then limit is upto value of 2 house properties)</td> <td>1 yr before or 2 yrs after the date of transfer or complete construction in India within 3 yrs after date of transfer.</td> </tr> <tr> <td>54 EC (on sale of immovable property)</td> <td>50 lacs (to invest in NHAI/RECL/PFCL/RFCL)</td> <td>within 6 months from the date of transfer</td> </tr> </table>	Section	Exemption limit	Time limit to purchase	54 (on sale of residential house property)	Upto value of 1 house property (if LTCG is upto 2 Crores then limit is upto value of 2 house properties)	1 yr before or 2 yrs after the date of transfer or complete construction in India within 3 yrs after date of transfer.	54 EC (on sale of immovable property)	50 lacs (to invest in NHAI/RECL/PFCL/RFCL)	within 6 months from the date of transfer
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4	194M	C	<p>1. 194M - Individual or HUF (other than covered u/s 194C,194H,194J) make a payment to resident person for contract, commission, brokerage or fees for professional service then TDS @5% required to be deducted if aggregate of sum paid/credited is more than 50,00,000 per person.</p> <p>2. 194C,194H,194J not applicable if payment is not related to business or person making payment is declaring income under 44ADA</p>									
5	10(6) (vi)	B	<p>Foreigner working with a foreign company, came to India for rendering services on behalf of the employer can claim his salary in India as exempt. if</p> <p>(i) Foreign entity is not engaged in any business in India. (But employee can engage)</p> <p>(ii) His stay in India does not exceed the aggregate period of 90 days in such PY.</p> <p>(iii) Such remuneration is not liable to deducted from income of employer under this act.</p>									
6	139	C	<p>A person is required to file the income tax return if during the year he has paid electricity bill of amount more than 1,00,000 p.a.</p>									
7	253	C	<p>Any order of CIT/CCIT/DIT/DGIT can be appealed against ITAT within 60 Days from date of receipt of a copy of order sought to be appealed against.</p>									
8	47(viia)	B	<p>Transfer of rupee denominated bond of Indian company by one NR to another NR Outside India is not a transfer and hence, capital Gain not applicable in this case</p>									
9	194M	C	Refer MCQ 4									
10	194DA	A	<p>TDS is required to be deducted on receipt of maturity proceeds of a life insurance policy on income portion @5% if policy matured on or after 01.09.2019.</p> <p>No TDS if amount exempted u/s 10(10D) or amount less than Rs. 1,00,000.</p> <table border="1"> <tr> <td rowspan="2">10(10D) Maturity amount is exempted if</td> <td>Policy taken before 01.04.2012</td> <td>Policy taken after 01.04.2012</td> </tr> <tr> <td>Premium <= 20% of policy value</td> <td>Premium <= 10% of policy value</td> </tr> </table>	10(10D) Maturity amount is exempted if	Policy taken before 01.04.2012	Policy taken after 01.04.2012	Premium <= 20% of policy value	Premium <= 10% of policy value				
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11	44B & 44BBA	A	<table border="1"> <tr> <th>Section</th> <th>Business</th> <th>income</th> <th rowspan="2">Specified Sum includes (Freight, demurrage, handling charges etc.)</th> </tr> <tr> <td>44B</td> <td>Shipping Business</td> <td>7.5% of specified sum</td> </tr> </table>	Section	Business	income	Specified Sum includes (Freight, demurrage, handling charges etc.)	44B	Shipping Business	7.5% of specified sum		
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DT Last Day Revision Notes (Telegram channel: CA Rohit Chipper AIR 17)

			44BBA	Operation of aircraft	5% of specified sum	1. Amount received or deemed to be received in India 2. Amount on account of the carriage of passengers, livestock, mail or goods from any port in India									
12	92CE + 10B	B	<ul style="list-style-type: none"> If Primary adjustment made by AO and excess money or part thereof not repatriated within 90 days from the date of order, then interest shall be added as part of income. <table border="1"> <tr> <td>Where the international transaction is in</td> <td>Then interest shall be added as part of income.</td> </tr> <tr> <td>Foreign currency</td> <td>Six- month LIBOR as on 30th September of relevant PY + 3%</td> </tr> <tr> <td>Domestic currency (INR)</td> <td>SBI rate on 1st April of relevant PY + 3.25%</td> </tr> </table>				Where the international transaction is in	Then interest shall be added as part of income.	Foreign currency	Six- month LIBOR as on 30th September of relevant PY + 3%	Domestic currency (INR)	SBI rate on 1st April of relevant PY + 3.25%			
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13	Surcharge Rates	B	Surcharge to individual assessee will be 15% on tax on Dividend Income & capital gains u/s 111A & 112A where total income including such capital gains exceed Rs. 2 Cr. Surcharge on tax on remaining total income will also be 15% in case total income of assessee exceeds 2 Crores and not 5 crores due to 111A or 112A or Dividend Income.												
14	115UB	B	<ul style="list-style-type: none"> PGBP income and loss of investment funds is taxable in hands of investment funds. Losses other than PGBP of Investment Fund shall be distributed to unit holders and unit holder can set off and carry forward such loss if unit holder hold such units for 12 months or more All other income is taxable in hand of unitholders. 												
15	115QA	B	In case of share brought back by any company (listed or unlisted) rate of tax is 23.296% (20% + 12 % SC + 4% HEC) . Income = Buyback Amt – Amt. recvd by co at time of issue. Amount received by shareholders is exempt u/s 10(34A).												
16	270A	C	Penalty under Sec 270A = 50% of tax payable. Refer tax rates for 60 yr old & 80 yr old person												
17	44DA + 115A	B	When Royalty or Fees for technical service received by Non-Resident or Foreign Company which has <table border="1"> <tr> <td>PE In India</td> <td>Sec Applicable</td> <td>Income</td> </tr> <tr> <td>Yes</td> <td>44DA</td> <td>Revenue - Expenditure wholly connected with fixed place of profession in India</td> </tr> <tr> <td>No</td> <td>115A</td> <td>10% on gross FTS + 4% (cess)</td> </tr> </table>				PE In India	Sec Applicable	Income	Yes	44DA	Revenue - Expenditure wholly connected with fixed place of profession in India	No	115A	10% on gross FTS + 4% (cess)
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18	94B	B	In case of the debt is issued by a lender which is not associated but an associated enterprise either provides guarantee or deposits a matching amount of funds to lender, such debt shall be deemed to be issued by AE Allowed interest from Associated Enterprise = 30% of EBITDA (excess is disallowed but can be c/f upto 8 AYs)												
19	10(4C)	C	Interest is exempted on RDB issued between 17/09/18 to 31/03/2019												
20	TP	A	<ul style="list-style-type: none"> Range concept is applicable only when data sets entries are 6 or more. If Actual transaction price is falling within 35th and 65th percentile, then actual transaction will be ALP. In case, if it is not falling, then ALP will be determined by considering the median of the dataset. 												
21	DRP	B	An order of assessment passed by the Assessing Officer in pursuance of directions of Dispute Resolution Panel cannot be appealed before CIT(A)												
22	Assessment	B	Section	Enter - place of business	Enter any other place	Impound books									
			133B: Power to collect information	During business hour	Can't enter	can't take any documents from the assessee's place									
			133A: Power to Survey	During business hour	After sunrise & before sunset	Can impound books of accounts (Max 15 W days)									
23	REIT	B	In case of REIT, Rental income, interest & dividend from SPV is always exempt in hand of REIT and taxable in hands of unitholder (dividend is exempt if SPV does not exercise 115BAA) <table border="1"> <tr> <td>Type of Income</td> <td>Investment fund</td> <td>Securitisation fund</td> </tr> <tr> <td>Business Income/ loss</td> <td>Included in income of Fund</td> <td>Included in income of Unit holder</td> </tr> <tr> <td>Other Income/ loss</td> <td>Included in income of Unit holder</td> <td>Included in income of Unit holder</td> </tr> </table>				Type of Income	Investment fund	Securitisation fund	Business Income/ loss	Included in income of Fund	Included in income of Unit holder	Other Income/ loss	Included in income of Unit holder	Included in income of Unit holder
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Business Income/ loss	Included in income of Fund	Included in income of Unit holder													
Other Income/ loss	Included in income of Unit holder	Included in income of Unit holder													
24	15BBE	B	Any asset (e.g., gold chains) not recorded in books of account and assessee could not offer satisfactory explanation the he shall be liable to pay penalty under 15BBE , tax is chargeable at 60%. Further, surcharge of 25% and HEC of 4% will be levied). Effective rate is 78%												
25	208	B	Advance tax shall be payable if the amount of tax payable by the assessee during that year >= 10,000 Exception to this - Resident senior citizen not having income under the head " PGBP ".												
26	115A	C	For FII - As per Section 115AD, short term capital gain will be chargeable at 15% As per Section 115A, Interest referred under Section 194LD will be chargeable at 5%												
27	165A	A	Equalisation levy @ 2% on service provided by Ecommerce operator not having PE in India to Resident <ul style="list-style-type: none"> Equalisation levy shall not be applicable if the turnover/ gross receipt of the e commerce is less than 2 crores This Turnover includes supply made to person resident in India + person resident outside India but using IP address of India. Equalisation levy will be applicable even if such ECO sells data of Indian customer to any person outside India 												
28	44AD	B	Refer MCQ 2												
29	115AC	C	For NR - Tax on interest income on bonds of an Indian company issued in foreign currency in accordance with notified scheme is chargeable at 10% + HEC@4% = 10.4 %												

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30	PGBP	C	<ul style="list-style-type: none"> If any person is in business of renting out properties, then such rental income will be part of PGBP If any person is in business of construction of properties and he earned any rental income on letting out the stock then such rental income will be taxable under house property 		
31	35AD	A	<ul style="list-style-type: none"> Assets on which deduction claimed u/s 35AD should be exclusively used for specified business (eg. Storage of Agricultural produce) for minimum 8 years from the year of acquisition. If used for non- specified business (eg. storage of edible oil) within 8 years then following shall be taxable PGBP = Deduction claimed u/s 35AD earlier – dep. that would have been allowable if sec 35AD not there 		
32	80IB	B	Transport subsidy, interest subsidy and power subsidy received from government are profit derived from the business and hence, eligible for deduction u/s 80-IB but duty drawbacks belong to the category of ancillary profits and hence, deduction u/s 80-IB cannot be claimed in respect of such receipt		
33	10(23)	B	Dividend from SPV exempt for Business Trust & Unit holders if SPV not opted 115BAA + Refer MCQ 23.		
34	Trust	A	<ul style="list-style-type: none"> Corpus donation is not taxable. Anonymous donation up to the limit of [5% of total donation (includes corpus + anonymous + normal donation) or 1 lac whichever is higher] is considered normal and remaining anonymous donation is taxable at 30% 		
35	271AAB	A	If an assessee during a search admits the undisclosed income and pay tax & interest and also furnish the return of income declaring undisclosed income then in such case penalty would be levied @ 30% . In other cases, penalty would be 60% (if not admit undisclosed income)		
36	143(2)	B	143 (2) notice has to be served within 3 months 6 months from the end of the financial year in which return was filled.		
37	44B	C	Refer MCQ 11 + Tax rate applicable to foreign co = 40% + 4% cess = 41.6%		
38	10(7)	B	Salary received by Indian Citizen from Govt for service rendered outside India is taxable . However, as per Sec 10(7) perquisite and allowance are exempt		
39	Equalis. Levy	A	Any resident carrying on business or profession or a NR having a PE in India shall deduct the equalisation levy on the amount payable to a non-resident for specified service (adv. service) at the rate of 6% , if the aggregate amount of consideration for specified service in a previous year exceeds 1,00,00 . Equalization levy not applicable if NR providing service have a PE in India.		
40	Adv Tax	B	Refer MCQ 25 + Tax on income from lottery = 30% of winning amount and there is no basic exemption limit		
41	194IB	C	A salaried employee must deduct TDS on rent paid if the total rent payable is more than Rs. 50,000 per month . If rent = 50,000 per month then 194-IB not applicable		
42	TDS	B	Sports commentator service = professional service for the purposes of section 194J. So, if person is resident in India, then 194J is applicable and if person is non-Resident , then 195 is applicable .		
43	246A	B	Appeal against	Filed to	Time limit = within
			143(3)	CIT (Appeals)	30 days
			272(A)	ITAT	60 days
44	44BBA	B	Refer MCQ 11		
45	245N	C	Resident as well as non-resident can make an application to advance ruling authority on “whether an arrangement is an impermissible avoidance arrangement as referred to in Chapter X-A or not”		
46	80M	A	Where the gross total income of a domestic company in any previous year includes dividend income from any company (domestic or foreign) then such company be allowed a deduction = Lower of (a) Dividend received or (b) dividend distributed by it on or before the due date (i.e. one month before due date of ROI u/s 139(1))		
47	115JC	B	AMT rate = 18.50% + surcharge (if applicable) + 4% HEC . While calculating income for AMT, benefit of deduction under chapter VI-A [80-IA to 80RB (other than 80P)], is not allowed.		
48	115A	A	Royalty & FTS received by Foreign Company is taxable at 10% . Further, there is no return filing required if a) The total income consists of only interest or dividend or royalty & FTS income. b) TDS has been deducted from such income. Return shall be filed if DTAA provides a rate lower then 10%.		
49	80C	B	Deduction u/s 80C is not available against special rate income i.e. winnings from card games, STCG, LTCG etc. Basi exemption limit of 2,50,000 is not available on 194B (lottery income) but available on STCG & LTCG .		
50	270A	A	Non filing of return = Underreporting of income u/s 270A and penalty = 50% of tax on underreported income		
51	154	A	154	Doctrine of partial merger	Rectifying any mistake apparent from the record by CIT
			264	Doctrine of total merger	Revision by CIT / PCIT of order prejudicial to interest of assessee
52	133A	B	Refer MCQ 22		
53	271D	C	269SS restricts the person from taking loan , deposit or any specified sum, if the amount is Rs.20,000 or more from any person other than account payee cheque (bearer cheque not allowed), bank draft, ECS.		
54	TCS	A	<ul style="list-style-type: none"> Authorised dealer who receives an amount of more than 7,00,000 in PY from a buyer under the LRS of the RBI then he required to collect TCS @ 5% in excess of 7,00,000. (If amount is out of Educational Loan taken from Financial Institution, then TCS rate shall be 0.5% instead of 5%.) TCS @ 5% on sale overseas tour program package (no threshold limit) 		
55	Adv Tax	B	Eligible assessee of presumptive income (44ADA) (Individual and Partnership Firm) can pay advance tax in one instalment on or before 15th March of the financial year		

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56	Cap Gain	A	Equity shares of a company or a unit of an equity-oriented fund or a unit of a business trust acquired before 1st Feb 2018 , shall be higher of— (i) the cost of acquisition (ii) lower of = FMV or full value of consideration on date of transfer.
57	115A	B	As per section 115A (for non-residents), dividend income is taxable at 20% without any deduction of expenses As per section 57 (for resident), deduction up to 20% w.r.t interest exp can be claimed against dividend income
58	TP	A	In Profit Split Method , arm's length price shall be the arithmetical mean of all values which are dataset. It may be assumed that the variation between the arm's length price computed and the transaction price is 15%
59	194C	C	landing and parking charges payable by airlines would attract TDS u/s 194C.
60	194J	B	In section 194J, the threshold limit of ₹30,000 is per service (Royalty, professional, technical fee etc.) and not per person. (For eg. No TDS on payment made to person – 28,000 for prof fee & 30,000 for technical fee)
61	Diversio n	A	(Diversion of Income) Person refused to accept the sum for services provided and asked to donate the same to a trust, in such case the amount will be taxable in hand of both such person as well as trust.
62	32(i)(iia)	C	Additional depreciation @20% is allowed in case of manufacturing business . Therefore, normal depreciation @15% + additional depreciation@20% will be allowed to assessee (excluding 2nd hand P&M)
63	Depr.	C	Any asset put to use after 3 rd October of that year then depreciation will be half (as put to use for less than 180 days)
64	40(a)	C	Disallowance under section 40(a)(ia) @30% on non-deduction of TDS. No TDS if salary paid is 3 lac (as tax will be 0)
65	Trust	C	Amount towards repayment of loan taken for charitable purpose whose expense was not claimed earlier is allowed
66	194LB	B	As per Sec.115A any interest received by a NR and foreign co. from infrastructure debt fund u/s 10(47) will be taxable @ 5% + 4% HEC . As per section 94A, TDS will be deducted @ 30% + 4% HEC on transaction made with person located in NJA (notified jurisdictional area).
67	47	B	Transfer of bonds / GDR referred in sec.115AC made outside India by NR to NR is not transfer & no capital gain arise But if transfer is made by NR to resident, then LTCG is taxable @ 10% without indexation u/s 115AC.
68	TP	B	TP provisions are applicable if any sale is made by power generatn unit (80-IA) to any other unit below market price.
69	50C	B	If SDV (200 lacs) is more than 110% of the Consideration (180 lacs) , then sale price = SDV (200 lacs) for cap gain calculation otherwise sale price = consideration
70	REIT	B	Refer MCQ 23
71	80GGB	B	Any exp. incurred on advt. souvenir of a political party not allowed. However, as per 80GGB such exp. shall be allowed as deduction from Gross total income to a company .
72	80IAC	A	Start-up engaged in eligible business can claim 100% of profit after all adjustments as deduction u/s 80IAC.
73	271	C	Refer MCQ 35
74	194-I	B	TDs will be deducted if aggregate of rent payable to one person for P&M (2%) and L&B (10%) exceeds 2,40,000
75	TDS	B	TDS as per Section 194IA is to be deducted when amount of consideration is 50 Lakhs or more . Further, No TDS is to be deducted in case of Rural agriculture land
76	TDS	B	As per section 94A, TDS will be deducted @ 30% + 4% HEC on transaction made with person located in NJA & as per Sec.115A any interest received by a NR and foreign company from infrastructure debt fund u/s 10(47) will be taxable @ 5% + 4% HEC. No deduction of any expenditure is available.
77	Penalty	A	Failure to furnish Statement of financial transaction or reportable account within time (by 31st May) attracts a penalty of a sum of Rs. 500 for every day during which failure continues till the notice period . Failure to furnish Statement of financial transaction or reportable account within time given in notice issued attracts a penalty of A sum of Rs. 1,000 for every day during which failure continues.
78	56(2) (x)	B	As per sec 47, Gift is not treated as transfer . Hence, no Capital gain will arise in hands of gifter. As per sec 56(2)(X), gift is taxable in hands of receiver In case of immovable property (without consideration) if SDV per property > 50,000 , then entire SDV is taxable in hands of recipient.
79	80M	C	Refer MCQ 46
80	115qa	C	Refer MCQ 15
81	REIT	B	All income is taxable in hand of REIT except interest, rent and dividend. + Refer MCQ 23
82	24 & Ch. VI	A	Sec 24 Deduction for payment of interest on loan taken is allowed after construction oof property is completed 80EEA is not allowed if SDV is 45 Lakhs or more . 80C is not allowed if the property is under construction .
83	80M	B	Refer MCQ 46

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84	Trust	B	For charitable trust only agricultural income is exempt u/s 10 . All other income (eg. interest from Local authority exempt u/s 10(15)) is taxable but it can claim the deduction by applying that for charitable purpose.
85	TDS	B	DDT is scrapped from FY 2020-21. Dividend income is taxable in hands of recipient at slab rate and TDS is deductible.
86	44AE	B	Section 44AE is applicable if assessee, being a person engaged in plying, leasing or hiring of goods carriages does not own more than 10 vehicles at any time during the P.Y. + Refer MCQ 2
87	80C	A	Refer MCQ 49
88	64(1)(iv)	B	Where assets transferred by an individual to his/her spouse are invested by the transferee in the business, then proportionate income is to be included in total income of transferor. Clubbing shall be applicable only if gifted money is included in opening capital
89	Rate	C	Marginal relief concept
90	Rate	C	Foreign Company Tax rate effective tax rate = 40% + 5% surcharge if total income > 10 crore + 4% cess
91	194E	B	For Non-Resident Indian Citizen - Section 194E will not be applicable. In this case, TDS will be deducted under section 195 at normal tax slab rates. Such Income will be taxable at slab rate
92	80QQB	B	Royalty (consideration for copyright of a book) is exempt upto 3 lakhs + Rebate avlb. If NTI < 5 lac
93	TDS	C	TDS is required to be deposited by 7th of next month for April to Feb and 30th April of next F.Y. for March month
94	269T	B	As per section 269T, a person should not repay loan/deposit/advance including interest in cash for an amount of 20,000 or more . On violation of Section 269T, penalty shall be levied @100% of such loan/ deposit/ advance repayment (excluding interest) under Section 271E
95	194E	B	Sec 194E is applicable on NR sportsmen/Association/Entertainer & not on match referee. Sec 195 is appl. on referee
96	80D	B	In sec 80D, if medical insurance is taken then ignore the medical expenditure as it will be covered under insurance. Deduction for preventive health check-up is allowed upto 5,000 both cash & cheque. Separate limit of 25K/ 50K (If age above 60) is available for family (self+ spouse+ children) & parents
97	43B	B	conversion of unpaid interest into loan is not considered as payment of interest. Only actual paid interest is allowed.
98	271AA	C	Refer MCQ 35
99	10(6)(ii)	B	in case of an individual who is not a citizen of India remuneration received by him as an official of an embassy is exempt from tax only if corresponding Indian official in that foreign country enjoys a similar exemption.
100	94B	A	<ul style="list-style-type: none"> • Interest expenses incurred by an Indian company or a PE of a foreign company in India in respect of any debt issued by a NR associated enterprise shall be allowed upto 30 % of EBITDA. • Disallowed interest can be carried forward upto a period of 8 AYS
101	54EC	B	Surcharge @ maximum 15% will be levied on income of Sec. 112 Surcharge of 25% will be levied if income exceed 2 crore up to 5 crore + Refer MCQ 3
102	194N	A	As per Section 194N , TDS @2% is applicable only if aggregate withdrawal of sum in cash in excess of one crore in PY from one or more accounts maintain by payee. TDS applicable only on excess of amount over one crore . TDS not applicable of withdrawal by Registered Commission Agent/trader operating under Agriculture Produce Market Committee (APMC) and certifies that withdrawal is made for the purpose of making payment to farmers (this exemption is not avlb. On withdrawal made by manufacturer for payment of raw material to farmers)
103	Tonnage tax	B	When 2 tonnage companies amalgamated than provisions of tonnage tax is applicable to the amalgamated company for the longest unexpired period of amalgamating company (Sec 115VY)
104	206C(1H)	B	Any seller whose last year turnover is more than 10 crore is required to collect tax at source on sale of goods to the buyer at 0.1% of consideration in excess of 50 lakhs . If buyer does not furnish either PAN or AADHAR (only one of them is required) then TCS rate is 1% instead of 0.1%.
105	Rate	B	Refer MCQ 89
106	271AA	A	Failure to report an international trx. /specified domestic trx. to which Chapter X apply incurs the following penalty <ul style="list-style-type: none"> • 270A(9) - Treated as misreporting of income and penalty would be 200% of amount of the tax payable. • 271AA - Failure to keep & maintain information and document for international transaction attracts penalty of 2% of the value of such transaction.
107	92C	A	If income of one associated enterprise is increased by Assessing officer, then deduction under chapter VI-A & section 10AA shall not be allowed against increased part of its income .
108	143(1)	B	Addition of income appearing in Form 26AS which has not been included in computing total income in the return cannot be adjusted in computation of total income while processing the return of under section 143(1)
109	44BBB	B	For presumptive taxation u/s 44BBB - only foreign company is eligible for business of civil construction or business of erection of p&m in connection with turnkey power project approved by CG.

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110	194N	B	If return not filed in last 3 AY, then TDS will be deducted as follow under 194N (withdrawal of money) 20 Lacs < Withdrawal < 1 Cr, TDS @2% on excess of 20 lacs <u>1 Cr < Withdrawal, TDS @5% on excess of 1 crore.</u>
111	206C(1H)	A	Refer MCQ 104 + TCS under this section 206C(1H) will not apply if TDS is deducted u/s 194Q. Section 194Q is applicable w.e.f 01.07.2021
112	Rates	B	Basic exemption limit for NR senior citizen (60 yrs +) is 2.5 lacs only. Penalty for not furnishing return = 270A will be leviable @50% of tax payable for udereporting.
113	154	C	Refer MCQ 51 + If any of the matter goes to CIT (A) then person can't avail the option u/s 264.
114	115BA	A	If an assessee opt for section 115BAC then he is not be allowed to claim deduction of chapter VI-A (PPF, medical ect.)
115	10(4D)	B	As per section 10(4D), following income shall be exempt for a specified fund a) Transfer of RDB of Indian company on a recognised stock exchange located in any IFSC b) Transfer of securities (other than shares in a company resident in India) or c) Income from securities issued by NR (not being a PE) and where such income does not accrue or arise in India or d) Income from a securitisation trust to the extent such income is attributable to units held by non-resident (not being the PE) or is attributable to the investment division of offshore banking unit, as the case may be.
116	REIT	A	Refer MCQ 23
117	Eq.Lev	A	Refer MCQ 27 + MCQ 39
118	92A	B	Two enterprises shall be treated as associated enterprises if any person holds at least 26% shares of each of such enterprise + Refer MCQ 18
119	Trust	A	Donations made to any trust or institution registered u/s 12AB or 10(23C) {other than corpus donation) can be treated as application of income. Amount applied out of corpus fund shall not be treated as application in current year. However, when the income of PY is utilised or deposit back into specified mode for such corpus then such amount shall be allowed as application
120	Trust	C	Refer MCQ 119

Direct Tax MCQ Case Scenarios Summary

No.	Chapter	ABC	Summary
1.1	40(b)	B	Interest on capital upto 12% is allowed to partner from the date of partnership deed, any excess interest is disallowed. No such cap on HUF of partner (full interest paid to HUF is allowed)
1.2	40(b)	B	- Remuneration paid only to the working partner is allowed (to non-working partner is disallowed). - Allowable remuneration on book profit First 3 lakhs = 90% or 1.5 lakh (whichever is higher) & Balance @60% or Actual remuneration paid to partners <i>(Book profit = Net profit + interest as per books – Interest allowed + remuneration – un ab depreciation)</i>
1.3	78	A	If there is retirement of partner or death of partner the firm shall not carry forward share of retired /deceased partner in the losses. If Legal heir becomes partner , then firm can C/F and Setoff Losses. Section 78 does not apply to unabsorbed dep so it can be c/f by firm even if partner dies or retires.
1.4	Partnes.	C	Refer 1.1, 1.2 & 1.3 above
1.5	45(3)	A	As per Section 45(3), FVOC will be amount recorded in books of firm. However, in case of immovable property if SDV is more than amount recorded then SDV shall be treated as FVOC + refer MCQ 69
2.1	271D	B	Refer MCQ 53
2.2	271E	A	269T restrict the person from repaying loan , deposit or any specified sum, if the amount repaid is more than 20,000 or the account balance (outstanding as on such date) exceeds 20,000 others than through account payee cheque (bearer cheque not allowed), bank draft and ECS. Penalty = Amount of loan/deposit so repaid.
2.3	271DA	B	269ST restrict no person shall receive an amount of 2,00,000 or more (a) in aggregate from a person in a day ; or (b) in respect of a single transaction (in case of loan repayment to NBFC/ HFCs, each instalment considered as single transaction and they will not be aggregated to check the limit of 2 lac) or (c) in respect of transactions relating to one event from a person, otherwise then by an account payee cheque or an account payee bank draft or use of ECS.
2.4	271B	B	Due date for filing return is 31.10.2022. Tax Audit due date is one month before the due date of ROI as per Sec 139(1) (30.09.2022). Penalty leviable under Section 271B if assessee fails to get accounts audited is 0.50% of Turnover or Gross Receipts (subject to max 1.5 lakh) .
3.1	Presum.	B	<ul style="list-style-type: none"> Refer MCQ 2 + 44AD (presumptive income for bus is not avlb. to LLPs. 44AE (business of plying, hiring, leasing goods carriage) is applicable only if assessee owns upto 10 Vehicles
3.2	44AD	A	Working Partner's Salary and Interest shall not be deductible while computing income as per Sec 44AD but allowed in 44AE
3.3	44AE	A	44AE - Heavy Goods Vehicle (more than 12000 kgs) = Rs.1,000 per ton per vehicle for every month or part Other Vehicle = Rs.7500 per vehicle per month or part thereof. Purchase Date (not put to use) is considered under Sec 44AE
3.4	44ADA	C	Refer MCQ 2
3.5	Presum	B	Refer MCQ 2
4.1	43CA	B	If SDV (200 lacs) is more than 110% of the Consideration (180 lacs) , then sale price = SDV (200 lacs) for cap gain calculation else sale price = consideration If the date of agreement and registration are not same, then assessee can take SDV on the date of agreement if he has received consideration or part thereof upto date of agreement in A/c payee cheque/DD, use of ECS.
4.2	56(2)(x)	C	Where immovable property is acquired for inadequate consideration, If <ul style="list-style-type: none"> Per immovable property (SDV – Consideration) exceeds 50,000 AND SDV (as per 43 CA) is more than 110% of consideration then (SDV – Consideration) is taxable under IFOS
4.3	50C	B	Refer MCQ 4.1 + if down payment on date of agreement is received by crossed cheque, SDV on date of agreement is not acceptable.
4.4	56(2)(x)	C	Refer MCQ 4.2
4.5	194IA	B	TDS @ 1% is deductible by payee on transfer of immovable property if the consideration is 50 lakh or more.
5.1	80JJAA	B	Deduction of 30% of additional employee cost incurred is allowed. additional employee means an employee who has been employed during the PY but does not include —

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			(a) employee having salary more than 25000 per month ; or (b) employee for whom the entire contribution is paid by the Government (c) employee employed for a period of less than 240 days in PY (150 days for apparel, footwear or leather) (d) employee who does not participate in the RPF + Refer 115BAB & 115BAA on pg no. 3								
5.2	80JJA	B	Refer 5.1								
5.3	115BAA	B	No new or previous additional depreciation is allowed if assessee opts for 115 BAA or 115 BAB								
5.4	270A	C	Penalty under 270A for underreporting of income (if not due to misreporting) = 50% of tax								
5.5	270A	C	Penalty under 270A for underreporting of income (if due to misreporting) = 200% of tax								
6.1	194LBA	B	Business trust has to deduct tax at source on interest distributed under section 194LBA – - @10% resident unit holders; and @5% (plus cess) non-resident unit holders and foreign companies								
6.2	115UA	B	Business trusts (REIT/ InvIT) is liable to pay tax @15% u/s 111A in respect of STCG on sale of listed shares and @ MMR (42.744%) for other income (sale of developmental properties)								
6.3&4	REIT	B	Refer MCQ 23								
6.5	REIT	B	Other income (interest from debenture in real estate co. (not SPV)) is taxable @ MMR (42.744%)								
6.6	REIT	A	TDS on rental income distributed by REIT – 10% for Resident and Rates in force for non-resident								
7.1	270A	B	income determined u/s 143(3) & 147 is underreported income but 143(1)(a) is not underreported income.								
7.2	270A	C	Under reporting of income by a partnership firm does not mean under reporting of by partner.								
7.3&4	270A	C	Refer 5.4 & 5.5								
7.5	270A	C	Refer 5.4								
8.1	115UB	B	Refer MCQ 14								
8.2	Tax rate	C	Tax rate for investment fund determined based on its nature (eg. If fund is LLP then tax rate = 30% + 4% cess)								
8.3	115UB	A	Refer MCQ 14								
8.4	115UB	B	Total income of investment fund will include only income under head PGBP after set off c/f bus losses.								
9.1	153(2)	B	Time limit of 12 months from the end of F.Y. in which notice u/s 148 was served for completing asses.								
9.2	153(1)	B	Time limit of 9 months from the end of relevant A.Y. is provided for completing assessment u/s 143. (12 months for AY 2019-20 & 202-21). where reference is made to TPO u/s 92CA then the time limit shall increase by 12 months.								
9.3	153(1)	C	Refer MCQ 9.2								
9.4	144AB	B	Person having turnover of 1 crore is not liable for tax audit hence shall file return before 31st July to c/f losses Person having turnover of 3 crore is liable for tax audit hence shall file return before 30th Sept. to c/f losses								
10.1	194O	B	Refer 194O from above TDS tables + In 194O, there is a requirement to deduct TDS on both amount either received from ECO or from consumer directly.								
10.2	194J	B	TDS u/s 194J is required to be deducted on interior decoration service provided for office premises (no TDS if it's for residential premises (other than business purpose))								
10.3	194M	C	No TDS u/s 194M if service provided is less than 50 lacs								
10.4	Eq. Levy	B	Refer MCQ 39								
10.5	44ADA	B	Refer MCQ 2								
11.1	94B	B	Refer MCQ 100 + Local borrowings (other than from AE) interest will be fully allowed								
11.2	92C	B	In resale price method, ALP = Resale price – normal GP margin. Diff betn ALP & actual value is added to incom								
11.3	92CE	A	Refer MCQ 12 + <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">If Primary Adjustment is made</td> <td style="width: 30%;">Interest is calculated from</td> <td style="width: 30%;">Till</td> </tr> <tr> <td>Suo moto</td> <td>Due date of filling of return</td> <td rowspan="2">Date of repatriation or payment of additional tax</td> </tr> <tr> <td>As per the order of AO</td> <td>Date of order by AO</td> </tr> </table>	If Primary Adjustment is made	Interest is calculated from	Till	Suo moto	Due date of filling of return	Date of repatriation or payment of additional tax	As per the order of AO	Date of order by AO
If Primary Adjustment is made	Interest is calculated from	Till									
Suo moto	Due date of filling of return	Date of repatriation or payment of additional tax									
As per the order of AO	Date of order by AO										
11.4	92CE(2A)	B	Additional Income Tax on amount to be repatriated will be @18% + 12% (surcharge) + 4% (cess)								
11.5	92CE	B	Refer MCQ 11.3								
11.6	92A	A	If one enterprise holds at least 26% shares (voting power) of other Enterprises the they are associated ent.								
12.1	194N	B	Refer 194N from TDS table above								
12.2	36(i)(vii)	B	Indian banks can provide provision for bad debts @8.5% of GTI (before this deduction) + 10% of aggregate average advances made by rural branches.								
12.3	SFTRA	B	<ul style="list-style-type: none"> • Withdrawal of more than 50 lacs from current account (not saving account) is reportable in SFTRA • Payment of credit card bill of more than 10 lacs is reportable in SFTRA 								

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12.4	271FA	A	Penalty for non-filing of SFT before the due date of 31st May of the AY till the till the period of expiry of notice is Rs.500 per day and Rs.1000 per day on failure to furnish the same after expiry of notice period till its filed.
12.5	35DDA	B	Payment made under voluntary retirement scheme is allowed over a period of 5 year. (35DDA) In case of merger, deduction u/s 35DDA & 32 is divided on the basis if number of days asset is used by them
13.1	92A	B	Two enterprises shall be deemed to be associated enterprises if, at any time during the previous year <ul style="list-style-type: none"> • Any person holds, directly or indirectly, not less than 26% of the voting power in each of such enterprises • A loan advanced by one ent. to the other constitutes not less than 51% of the book value of the total assets
13.2	Prim Adj	C	Primary adj = difference between the actual trx value & arm length price
13.3	92CE	B	If primary adjustment is made by AO, then the excess money is required to be brought back within 90 days from the date of order of AO. Alternatively, pay additional income tax u/s 92CE(2A) @18% + 12% (surcharge) + 4% (cess)
13.4	92CE	B	Refer MCQ 11.3
13.5	270A(9)	A	Failure to report any int. transaction or any specified domestic transaction, shall be treated as mis reporting of income and penalty would be 200% of amount of the tax payable .
13.6	92	B	No primary or secondary adjustment is required if transaction value is more than Arm length price
14.1	270A	B	No penalty on addition made u/s 143(1) by central processing centre (CPC)
14.2&3	270A	C	Refer MCQ 5.4 & 5.5
14.4	270AA	B	An assessee can make an application to the AO to grant immunity from imposition of penalty & proceedings if (a) the tax and interest as per the order has been paid within the period and (b) no appeal against the order referred to in clause (a) has been filed.
14.5	271AAD	B	271AAD Penalty on false entry or omission of an entry in books = value of such entry + Prosecution u/s 276C
15.1	94B	C	Refer MCQ 100
15.2	115BBD	B	Section 115BBD provides tax rate of 15% for dividend received from foreign company where Indian company holds 26% or more. Company should not be engaged in any business other than business of manufacturing to avail 115BAB + refer table on pg 3 for 115 BAA & 115 BAB.
15.3	115BBF	B	Any income by way of royalty in respect of a patent developed and registered in India , shall be taxable at 10% . No deduction in respect of any expenditure or allowance shall be allowed
15.4	115BAA	B	As per sec.115BAA, the assessee can claim deduction u/s 80JJAA . No deduction u/s 32(1)(iia) will be allowed
16.1	115JB	B	MAT is not applicable to foreign company (FC) in following 2 cases <ul style="list-style-type: none"> • FC is a resident of a country with which India has a DTAA and such foreign company does not have PE in India • FC is a resident of country with which India does not have DTAA and foreign company not required registration under any law
16.2	DTAA	A	As per Section 115A, technical fees is taxable at 10% + HEC 4%. If as per DTAA, tax rate is 10% then whichever is more beneficial would apply. (Such technical fee will be taxable at 10% and not @ 10%+4% (cess))
16.3	112	B	As per section 112, in case of NR & foreign company LTCG on sale of unlisted shares taxable @ 10% (indexation and foreign currency conversion not avlb.)
16.4	MAT	A	If capital gains on securities and fee for technical services are taxable at rate lower than rate MAT rate then have to be reduced while computing book profit for levy of MAT.
17.1	44AB	B	Tax audit is mandatory if business turnover/ gross receipts exceed 1 crore (limit will be 10 crores if gross receipts and gross payment in cash does not exceed 5% of total receipts and payment respectively during PY)
17.2	40(a)(ia)	B	Disallowance on non-deduction of TDS on payment to specialist and employee's salary = 30%
17.3	32	B	Interest on loan taken to purchase any asset will be capitalised and depreciation is allowed on such interest component as well
17.4	40(A)(3)	C	Any expense of more than 10K in cash is disallowed
17.5	269ST	B	Refer MCQ 2.3
18.1	32	B	Refer MCQ 1
18.2	40(a)(i)	B	Any amount paid or credited to NR or foreign Co. will be disallowed if <ul style="list-style-type: none"> • TDS has not been deducted in PY (if deducted after end of PY then also 100% disallowance) or • TDS deducted during PY but not paid to Govt. up to due date of return filing.

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18.3	115BAA	B	If assessee opts section 115BAA then co. cannot claim deductions u/s 35(1)(ii), (ia), (iii), 35(2AA) and 35(2AB).	
18.4	PGBP	C	Interest on loan used to purchase capital asset will be capitalised till that asset is put to use and will charge to P&L for the remaining period	
18.5	115BAA	B	Additional dep and any contribution to national lab is not allowed if assessee opts for 115BAA	
19.1	45(2)	A	Conversion of capital asset into stock in trade is treated as transfer. Capital gain shall be taxable in the year in which such stock in trade is sold . Fair value on date of conversion is taken as consideration for cap gain caln.	
19.2	45(2)	C	While calculating income from business, fair value of stock on date of conversion is deducted.	
19.3	54EC	B	To claim deduction under 54EC on investment in bonds of NHAI, RECL etc. shall be made within 6 months from date of sale . Max deduction allowed = 50 lacs in a PY	
19.4	House pr.	B	Annual value of penthouse held as stock-in-trade taxable under income from house property. Municipal taxes paid by tenant is not allowed as deduction	
19.5	194IB	B	Individual and HUF are required to deduct TDS @5% on rent paid for immovable property if rent per month or part thereof exceeds 50,000 . This deduction is to be made at the time of credit of such rent for the last month of the previous year or the last month of tenancy as the case may be.	
20.1	35AD	B	As per section 35AD, 100% deduction is allowed in respect of all capital expenses except a) Land b) Goodwill c) Financial Instruments	
20.2	35AD	B	Loss of Specified business can be set off only against specified business income, irrespective of whether the latter is eligible for deduction under section 35AD. (3 & 4 star hotels are specified business)	
20.3	35AD	C	Refer MCQ 20.1	
20.4	MAT	B	Whenever any assessee take deduction u/s 35AD then such deduction will be added back & taxable @ 18.5% + 12% Surcharge + 4% cess	
20.5	80JJAA	B	Refer MCQ 5.1	
21.1	50B	B	While calculating deemed cost for slump sale, for depreciable assets – WDV as per income tax considered. Non depreciable assets (land) – taken at cost (revaluation will be ignored)	
21.2	Tax rate	C	Tax rate applicable to the company is 25% since turnover in 20-21 was less than 400 crores.	
21.3	50B	B	In case of slump sale, indexation benefit is not available. LTCG is taxable at 20%	
21.4	115JB	C	MAT Rate in case of IFSC is 9% + surcharge + cess	
21.5	IFSC	A	No tax on distributed profits shall be chargeable in respect of the total income of a company located in IFSC, deriving income solely in convertible foreign exchange. No DTT and No tax on dividend.	
22.1	10AA 35AD	B	Section 10AA – first 5 AYs (100% export profit exempt) > Next 5 AYs (50% export profit exempt) > Next 5 AYs (50% of export profit or amount cr. to SEZ reinvestment allowance reserve) Section 35AD - 100% deduction is allowed in respect of all capital expenses except Land, Goodwill, FI	
22.2	Tax caln	C	Refer MCQ 22.1 + tax rate applicable to LLP = 30% + 12% surcharge if income exceeds 1 crore + 4% cess	
22.3	115JC	B	115JC (AMT) is applicable on LLP , where deduction under 10AA & 35AD are added back and normal depreciation is allowed on 35AD assets. AMT rate = 18.5%	
22.4	115JC	C	If tax as per normal provision is higher than no AMT is payable and no AMT credit will be there	
22.5&6	44AD	B	Refer MCQ2	
23.1	115UG	B	115UG - Tonnage shall be rounded off to nearest multiple of 100 tons	
			Weight of ship	Tonnage income per 100 tons
			First 1,000 tons	70 per day
			Next 9,000 tons	53 per day
			Next 15,000 tons	42 per day
			Balance	29 per day
23.2	115VK	C	WDV of qualifying ships for tax purpose = Tax WDV of ships * WDV as per books of qualifying ship / WDV as per books of qualifying ship & non qualifying ship	
23.3	115VT	A	Tonnage company shall transfer 20% of book profit to their tonnage reserve account .	
23.4	115VT	B	Taxable amount on shortfall of trf. to tonnage reserve = shortfall % x Total Income from core & non-core act.	
23.5	44B	B	Refer MCQ 11	
24.1	Eq. Levy	B	Refer MCQ 27	
24.2	Eq. Levy	B	Equalisation levy collected in March is required to be deposited till 31st March . (Due date schedule below)	
			Date of ending of quarter	Due date of payment of equalisation levy
			30th June	7th July
			30th September	7th October
			31st December	7th January

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			31st March	31st March												
24.3&4	Eq. Levy	B	Refer MCQ 27													
25.1	6	B	<p>As per section 6(1), a person is treated as resident in India if he</p> <ol style="list-style-type: none"> Stays in India for 182 days or more in PY or Stay in India for 60 days or more in PY and 365 days in Last 4 PY's. <p><i>(Only basic condition 1 is applicable for determination of residential status if Indian citizen or person of Indian origin engaged outside India in any employment or a business or profession & visiting India during PY and his total income (excluding income from foreign source) is up to 15 lakhs in PY.)</i></p> <p>As per section 6(6), a person will be treated as ordinary resident if he satisfies both conditions-</p> <ul style="list-style-type: none"> Resident for 2 PY or more in Last 10 PYs And Stay in India for 730 days or more in Last 7 PYs 													
25.2	Salary	B	Standard deduction of 50,000 is provided from salary while calculation income for Tax deduction													
25.3	Cap Gain	B	<p>Cost of acquisition of listed shares is</p> <ul style="list-style-type: none"> Lower of Sale value or FMV as on 31.01.2018 = (say A) And higher of COA or A. 													
25.4	House P	A	TTBR on last day of PY is used to convert foreign currency amount for HP income. No deduction in respect of interest is allowed for self-occupied property if assessee has opted to pay tax as per section 115BAC													
26.1	115BBD	B	<ul style="list-style-type: none"> 115BBD provides tax rate of 15% for dividend received from foreign company where Indian company holds 26% or more. Further, no deduction in respect of any expenditure or allowance is allowed. Dividend Income other than above, is taxable at normal slab rates (i.e. 25%/30% in case of company). As per section 57, deduction up to 20% w.r.t interest expense can be claimed against dividend income. 													
26.2	80M	B	Section 80M - Where the gross total income of a domestic company includes any income by way of dividends from any other company then it will be allowed deduction of the amount of dividend distributed by it on or before the due date . (Note – Due date means one month before due date of ROI u/s 139(1))													
26.3	57	B	Refer MCQ 26.1													
26.4	80EEA	B	<ul style="list-style-type: none"> Deduction of 1.5 lakhs u/s 80EEA is allowed to individuals for loan taken for purchase of house property. Stamp duty value of house should be up to 45 lakhs. Assessee does not own any residential house property on the date of sanction of loan. First, deduction should be claimed u/s 24(b) (max 2 lacs) of house property and remaining interest deduction u/s 80EEA. 													
26.5	2(22)(e)	B	<p>Any payment by a company in which the public are not substantially interested by way of loan to a shareholder, who is the beneficial owner of shares holding not less than 10% of voting power, is deemed as divided to the extent to which the company possesses accumulated profits. However, interest deduction up to 20% of dividend income will be allowed</p>													
27.1	24	B	Sec 24 - Interest is allowed on due basis for HP. Interest on under-construction property is allowed when the construction gets complete . Limit of 2 Lakhs is only applied in case of Self Occupied House Property													
27.2	Ch. VIA	C	<table border="1"> <thead> <tr> <th>Section</th> <th>Limit</th> <th>Includes</th> </tr> </thead> <tbody> <tr> <td>80C</td> <td>150,000</td> <td>Repayment of principal on housing loan</td> </tr> <tr> <td>80EEB</td> <td>150,000</td> <td>Interest on Electric Vehicle loan</td> </tr> <tr> <td>80E</td> <td>50,000</td> <td>Interest on education loan</td> </tr> </tbody> </table>	Section	Limit	Includes	80C	150,000	Repayment of principal on housing loan	80EEB	150,000	Interest on Electric Vehicle loan	80E	50,000	Interest on education loan	
Section	Limit	Includes														
80C	150,000	Repayment of principal on housing loan														
80EEB	150,000	Interest on Electric Vehicle loan														
80E	50,000	Interest on education loan														
27.3	HP	C	Notional interest on interest free deposit received in respect of shop let out on rent is not chargeable to income-tax													
27.4	163(1)	A	If a NR (Mr. A) sells his Indian property to another NR (Mr. B) and then died. In such case AO can consider Mr B as agent of Mr. A u/s 163 (1).													
27.5	64(1A)	B	Income of minor child is taxable in hands of parent whose income is more before clubbing minor's income													
28.1	HP	A	Municipal taxes paid (in India as well as outside India) for let out/deemed let out properties are allowed as deduction. Assessee can at his option claim max. two properties as self - occupied property which are not let out . Self-occupied property can be outside India as well.													
28.2	HP	B	Annual rent = Higher of Municipal value or fair rent subject to standard rent													
28.3	HP	C	If self-occupied property is sold during the year the assessee can claim other property as self-occupied													
28.4	54	B	Refer MCQ 3													
28.5	TDS	C	No TDS on interest on fixed deposit upto the limit of 40K (age less than 60 yrs) and 50K (senior citizen) + refer TDS table above 194IA, 194H & 194I													
29.1	80E & TCS	A	<ul style="list-style-type: none"> Section 80E, Deduction is allowed if loan is taken for education of self, spouse, children and any other student from whom assessee is a legal guardian. (Brother is not covered) 													

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			<ul style="list-style-type: none"> In case of authorised dealer, who receives an amount of more than 7lac in PY from a buyer who remitting amount out of India under the LRS of the RBI then he required to collect TCS @ 5% in excess of 7 lacs. Note: If remitted amount is out of Edu. Loan taken from Fin. Inst., then TCS shall be 0.5% instead of 5%.
29.2	TCS	B	In case of sale of an overseas tour program package (OTPP) , seller receives any amount from a buyer required to collect TCS @5% .
29.3	206C(1)	B	TCS @ 1% is collected on sale of scrap. 4% H&EC is applicable if buyer is foreign company or NR
29.4	194C	B	Section 194C, TDS @1% (in case payee is Individual/HUF) is deducted for the amount of contract*. *In case of Job work , the TDS shall be deducted on the invoice value excluding the value of material, if material value mentioned separately in Invoice
30.1	2(22)(e)	C	Refer MCQ 26.5
30.2	194N	B	Refer 194N from TDS table + Limit under 194N is per bank (for eg. if a person withdraws 1.5 crore from bank A and 50 lacs from bank B then TDS u/s 194N is deductible only on the withdrawal made from bank A and no TDS on withdrawal made from bank B.)
30.3	194N	C	Refer 194N from TDS table above
30.4	56(2)(x)	B	Refer MCQ 27.1 + Gift of value more than 50K is taxable under income from other source
30.5	Tax caln	C	Simple tax calculation based on the income calculated in MCQ 30.4
31.1	206C(1H) & 194Q	A	As per section 206C(1H), any person (seller) whose last year turnover is more than 10 crore is required to collect tax at source on sale of goods to the buyer at 0.1% of consideration in excess of 50 lakhs . TCS under this section will not apply if TDS is deducted u/s 194Q. TDS u/s 194Q is applicable if person's (buyer) last year turnover is more than 10 Crore.
31.2	206C(1H)	B	As per section 206C(1H), if buyer does not furnish PAN or AADHAR then TCS rate is 1% instead of 0.1%.
31.3	TCS	C	Refer MCQ 29.2
31.4&5	TCS	B	Refer MCQ 54 + TCS u/s 206C(1G) is applicable on all remittances.
32.1	115BBD	B	Refer MCQ 26.1
32.2	80M	B	Refer MCQ 26.2
32.3	115BAC	B	In new tax scheme 115 BAC, standard deduction of 50K from salary is not allowed but expense upto 20% of dividend income is allowed
32.4	6(1)	B	Refer MCQ 25.1
32.5	115BAC	B	If total income is same in normal provision and 115BAC then tax will be less in 115BAC
33.1&3	44AD	C	Refer MCQ 2
33.2	44AB	B	Refer MCQ 17.1 + Tax audit will not be applicable if any person covers under presumptive taxation (44AD)
33.4	44AB	B	A person shall get his books of accounts audited if its book income is less than presumptive income
33.5	139(1)	B	As per section 139(1), for person (other than a company) whose accounts are required to be audited , the due date is 31st October and For other assesses, 31st July to file the income tax return.
34.1,2	34.5-6(1)	A	Refer MCQ 25.1
34.3	115	B	For a resident, all income is taxable in India including salary received outside India As per Rule 115, the rate of exchange for the calculation of the value of salary income accrue in foreign currency shall be the telegraphic transfer buying rate of such currency as the last day of the month immediately preceding the month in which the salary is due , or is paid in advance or in arrears.
34.4	115	C	For an NR, only Indian income is taxable in India
35.1	80	A	Assessee is required to file the return up to the due date u/s 139(1) for carry forward of business loss u/s 72(1). However, house property losses & unabsorbed depreciation can be c/f even if return late filed.
35.2	154 & 264	B	Section 154 & 264 have no power to revise any order which has been made the subject matter of an appeal to the Commissioner (Appeals) ,
35.3	271DA	B	Refer MCQ 2.3 + Penalty u/s 271DA is imposed by joint commissioner.
35.4	194A	A	<ul style="list-style-type: none"> As per section 194A, no TDS is required to be deducted on payment of interest by firm to partners. However, this section is only applicable for resident payee. TDS on interest payment made to non-resident partners is dealt by section 195 which states that TDS to be deducted at rate in force or DTAA rate.
35.5	40(b)	B	Refer MCQ 1.1
36.1	115A	B	As per section 115A, dividend income received by NR is taxable at 20% + cess. Further, no deduction u/s 28 to 44C, 57 & chapter VI-A is available

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36.2	194	B	As per sec. 194, TDS at 10% is required to be deducted if dividend payment to resident exceeds 5k in a PY.
36.3	115E	B	As per section 115E, tax rate on investment income from assets acquired in foreign currency is 20% for NRIs . Further, no deduction u/s 28 to 44C, 57 & chapter VI-A is available.
36.4	115F	A	(For NRI) As per section 115F, LTCG on forex assets shall be exempt if net consideration is utilized for acquiring other FOREX assets within 6 months from date of transfer. Exempt amount = (LTCG * Cost of new asset)/net consideration (Indexation benefit is not available)
36.5	48 (4 th proviso)	B	Indexation benefit is not allowed in case of bonds/debentures . Further, no exemption for investment in shares of Indian Company will be available
37.1	40(a)(ia)	A	Refer MCQ 18.2 + As per section 40(a)(ia), any amount paid or credited to Resident & if: a. TDS has not been deducted in PY or b. TDS deducted but not paid to Govt. up to due date of return filing then 30% of such sum shall not be allowed as deduction in current PY Exception to section 40(a)(i) & 40(a)(i) If any amount paid/credited to payee without deduction of TDS but such payee furnishes his ROI & takes into account such amount in total income & has paid the tax due on such income . Then deduction of such expense shall be allowed accordingly. (30%/100% disallowed in current year and will be allowed in the year in which payee file his ROI)
37.2	PGBP	B	<ul style="list-style-type: none"> As per section 40(a)(v), if employer pays tax on non-monetary perquisite out of his pocket then such tax is not allowed as deduction. As per section 36(1)(iva), employer contribution towards pension scheme referred u/s 80CCD is allowed to the extent of actual contribution or 10% of salary (Basic + DA), whichever is lower
37.3	35AD	B	Production of fertilizers in India is a specified business as per section 35AD. As per section 35AD, 100% deduction for capital expenses (except Land, G/w & FI) is allowed.
37.4	35AD	B	Warehousing of edible oils is not a specified business as per section 35AD
37.5	Tax caln	C	Tax at 25% as turnover less than 400 cr in PY 20-21 under normal provision. MAT rate = 15%
37.6	MAT	B	MAT credit c/f can be utilised to the extent of normal tax exceeds MAT.
38.1&2	115BAC	B	In new tax scheme 115 BAC: 80C, Interest on self-occupied house property is not allowed but interest on let out property u/s 24 is allowed from HP income.
38.3	206C(1G)	B	Refer MCQ 54
38.4	206C(1G)	B	TCS @ 5% (on the amount exceeding 7 lacs) will be collected if amount is remitted for repayment of edu. loan taken from bank outside India . If from Indian Fin Inst. then TCS @ 0.5%
39.1	195	A	TDS on payment made to NR landowner on account of rent will be deducted under section 195 at normal tax slab rates . Such Income will be taxable at slab rate. (Note: 194-I is applicable only in case of resident)
39.2	206C(1C)	B	Refer MCQ 31.1 + limit of 50 lacs is per customer not aggregate of all customer
39.3	206C(1G)	C	Refer MCQ 54
39.4	112A	B	<ul style="list-style-type: none"> As per section 112A, LTCG in excess of Rs. 1 lakh is taxable @10%. As per section 112A, benefit of FMV as on 31.01.2018 will be available on equity share or a unit of an equity-oriented fund or a unit of a business trust acquired before the 1st February, 2018. Intimation u/s 143(1) is not treated as completion of assessment, therefore revised return can be filed after that as well if time is available.
39.5	44AB	B	<ul style="list-style-type: none"> Refer MCQ 17.1 + Due date of tax audit = 30th September
40.1	35AD	B	Refer MCQ 31
40.2	Slump	B	Refer MCQ 21.1
40.3	Slump	A	For calculating capital on slump sale transaction, Sale value = Higher of FMV of assets transferred or Monetary consideration received. Tax rate for slump sale u/s 112 = 20% + Surcharge @ 10% as assessee opted for 115BAA + 4% HEC
40.4	50B(3)	A	As per section 50B(3), Every assessee, in the case of slump sale , shall furnish in the prescribed form a report of CA certifying the net worth before due date of tax audit (i.e. 30th September)
40.5	47	C	Following transactions are not regarded as transfer: a) No capital gain in hands of shareholders of demerged company when they receive shares of resulting co. b) No capital gain when assets transferred by demerged company to resulting company.

New 25 MCQ Case Scenarios Summary for May 2023

No.	Chapter	ABC Category	Summary										
1			Same as case scenario 33 of May/ Nov 2022 booklet, Refer above summary										
2.1	9B	A	<table border="1"> <tr> <td>Section</td> <td>Any partner retires from firm</td> <td>All partner retires (Partnership dissolved)</td> </tr> <tr> <td>9B</td> <td>Applicable on asset given to retiring partners</td> <td>Applicable on asset given to retiring partners</td> </tr> <tr> <td>45(4)</td> <td>Applicable on asset retained</td> <td>Not applicable</td> </tr> </table>	Section	Any partner retires from firm	All partner retires (Partnership dissolved)	9B	Applicable on asset given to retiring partners	Applicable on asset given to retiring partners	45(4)	Applicable on asset retained	Not applicable	
			Section	Any partner retires from firm	All partner retires (Partnership dissolved)								
			9B	Applicable on asset given to retiring partners	Applicable on asset given to retiring partners								
45(4)	Applicable on asset retained	Not applicable											
<p>Section 9B – Capital asset given to retiring partner then capital gain will accrue to the firm where. Sales consideration = fair value of property given (not book value) and Cost = indexed cost</p>													
2.2	45(4)	A	<p>Capital gain to the firm = A (Sales consideration) – D (Cost) where Sales consideration (A) = Fair value of asset given to retiring partner (B) + Cash consideration (C) Cost (D) = Capital of the retiring partner (which includes retiring partner share in after tax profit of the firm on asset given). The nature of capital gain is decided based on the ratio of retained capital assets (Goodwill is treated as short term capital asset)</p>										
2.3	45(4)	B	45(4) not applicable to firm where all partner retires, and firms dissolved										
2.4	45(4)	A	Capital gain calculated u/s 45(4) in case of retirement of the partner, the same amount will be reduced in future from the sale value of retained capital asset										
2.5	45(4)	B	Refer 2.4 above										
3			Same as case scenario 3 of May/ Nov 2022 booklet, Refer above summary										
4			Same as case scenario 4 of May/ Nov 2022 booklet, Refer above summary										
5			Same as case scenario 5 of May/ Nov 2022 booklet, Refer above summary										
6			Same as case scenario 6 of May/ Nov 2022 booklet, Refer above summary										
7			Same as case scenario 7 of May/ Nov 2022 booklet, Refer above summary										
8.1	10(10D) & 80C	B	<table border="1"> <tr> <td rowspan="2">10(10D) Maturity amount is exempted if</td> <td>Policy taken before 01.04.2012</td> <td>Policy taken after 01.04.2012</td> </tr> <tr> <td>Premium <= 20% of policy value/ sum assured</td> <td>Premium <= 10% of policy value/ sum assured</td> </tr> <tr> <td rowspan="2">Deduction under 80C for life insurance policy is restricted up to</td> <td>Policy taken before 01.04.2012</td> <td>Policy taken after 01.04.2012</td> </tr> <tr> <td>Premium = 20% of policy value/ sum assured</td> <td>Premium = 10% of policy value/ sum assured</td> </tr> </table>	10(10D) Maturity amount is exempted if	Policy taken before 01.04.2012	Policy taken after 01.04.2012	Premium <= 20% of policy value/ sum assured	Premium <= 10% of policy value/ sum assured	Deduction under 80C for life insurance policy is restricted up to	Policy taken before 01.04.2012	Policy taken after 01.04.2012	Premium = 20% of policy value/ sum assured	Premium = 10% of policy value/ sum assured
			10(10D) Maturity amount is exempted if		Policy taken before 01.04.2012	Policy taken after 01.04.2012							
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Premium = 20% of policy value/ sum assured	Premium = 10% of policy value/ sum assured												
8.2	10(10D) for ULIP	A	<table border="1"> <tr> <td rowspan="2">Special condition 10(10D) for ULIP exemption</td> <td>Policy taken before 01.02.2021</td> <td>Policy taken on/ after 01.02.2021</td> </tr> <tr> <td>No restriction on annual premium</td> <td>Aggregate Premium <= 2,50,000</td> </tr> </table>	Special condition 10(10D) for ULIP exemption	Policy taken before 01.02.2021	Policy taken on/ after 01.02.2021	No restriction on annual premium	Aggregate Premium <= 2,50,000					
			Special condition 10(10D) for ULIP exemption		Policy taken before 01.02.2021	Policy taken on/ after 01.02.2021							
No restriction on annual premium	Aggregate Premium <= 2,50,000												
<p>Assess can select the ULIP policies aggregating annual premium up to 2,50,000 for which he wants to claim exemption in 10(10B) based on the amount of taxable income on their maturity</p>													
8.3	45(1B)	B	Capital gain on maturity of policy = Consideration received on maturity – Total premium paid										
8.4	Tax com	B	Additional deduction of 50,000 is avlb. u/s 80 CCD (1B) for investing in NPS										
8.5	194DA	C	TDS is required to be deducted on receipt of maturity proceeds of a life insurance policy on income portion @5% if policy matured on or after 01.09.2019										
9.1	194Q	B	As per section 194Q, TDS is levied at a rate of 0.1% of the transaction value of items purchased in excess of Rs. 50 lakhs . TDS should be deducted when the purchases are credited to the seller's account in the seller's books of account. TDS u/s 194Q is applicable if person's (buyer) last year turnover is more than 10 Crore .										
9.2	206C(1H)	B	Refer MCQ 31.1										
9.3	206C(1H) 194Q	B	206C(1H) - if buyer does not furnish PAN or AADHAR then TCS rate is 1% instead of 0.1%. 194Q - If the deductee fails to provide his or her PAN to the deductor, this rate may be as high as 5% .										
9.4	206C(1H)	B	Refer MCQ 31.1										
10			Same as case scenario 10 of May/ Nov 2022 booklet, Refer above summary										

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11			Same as case scenario 11 of May/ Nov 2022 booklet, Refer above summary
12			Same as case scenario 12 of May/ Nov 2022 booklet, Refer above summary
13			Same as case scenario 13 of May/ Nov 2022 booklet, Refer above summary
14			Same as case scenario 1 of May/ Nov 2022 booklet, Refer above summary
15			Same as case scenario 15 of May/ Nov 2022 booklet, Refer above summary
16			Same as case scenario 16 of May/ Nov 2022 booklet, Refer above summary
17			Same as case scenario 17 of May/ Nov 2022 booklet, Refer above summary
18.1	115BBC	A	Donations taxable @ 30% = Anonymous donation – (5% of total donation (Voluntary + Corpus + Anonymous) or 1,00,000 which is higher)
18.2	Trust	A	Donation towards corpus of any other trust is not application . Any Donation from accumulated income of PYs is not considered as application for CY.
18.3	11(1)(d)	B	Corpus donation will be exempted upto amount its invested in safe investments of 11(5) which includes post office saving account & Shares of public sector company, uninvested amount is not exempted.
18.4	Trust	B	Amount spent on construction projects from loan and withdrawal from 11(5) investment are not application but when the load is repaid its considered as application
18.5	40a(ia)	C	In case of non-deduction of TDS – 30% of expense will be disallowed and 100% disallowance for expenditure in cash above 10,000.
19			Same as case scenario 19 of May/ Nov 2022 booklet, Refer above summary
20			Same as case scenario 20 of May/ Nov 2022 booklet, Refer above summary
21			Same as case scenario 31 of May/ Nov 2022 booklet, Refer above summary
22			Same as case scenario 22 of May/ Nov 2022 booklet, Refer above summary
23			Same as case scenario 23 of May/ Nov 2022 booklet, Refer above summary
24			Same as case scenario 27 of May/ Nov 2022 booklet, Refer above summary
25			Same as case scenario 30 of May/ Nov 2022 booklet, Refer above summary

New 50 MCQ Summary for May 2023

Telegram channel (CA Rohit Chipper AIR 17) <https://t.me/carohitchipper>

Must refer category A MCQ 3-4 hrs before the exam

Direct Tax 50 MCQ Summary for May 2023 (Individual)

No.	Chapter	ABC category	Summary
1	194DA	B	Same as MCQ 10 of May/ Nov 2022 booklet, Refer above summary
2	194I	C	Same as MCQ 74 of May/ Nov 2022 booklet, Refer above summary
3	194IB	B	Same as MCQ 41 of May/ Nov 2022 booklet, Refer above summary
4	194M	C	Same as MCQ 4 of May/ Nov 2022 booklet, Refer above summary
5	194M	C	Same as MCQ 9 of May/ Nov 2022 booklet, Refer above summary
6	194N	A	Same as MCQ 102 of May/ Nov 2022 booklet, Refer above summary
7	194N	B	Same as MCQ 110 of May/ Nov 2022 booklet, Refer above summary
8	TDS	C	Same as MCQ 93 of May/ Nov 2022 booklet, Refer above summary
9	TCS	A	Same as MCQ 54 of May/ Nov 2022 booklet, Refer above summary
10	206C(1 H)	A	Same as MCQ 111 of May/ Nov 2022 booklet, Refer above summary
11	271AAB	A	Same as MCQ 35 of May/ Nov 2022 booklet, Refer above summary
12	271AA	C	Same as MCQ 98 of May/ Nov 2022 booklet, Refer above summary
13	271	C	Same as MCQ 73 of May/ Nov 2022 booklet, Refer above summary
14	Assess	B	Same as MCQ 22 of May/ Nov 2022 booklet, Refer above summary
15	133A	B	Same as MCQ 52 of May/ Nov 2022 booklet, Refer above summary
16	139	C	Same as MCQ 6 of May/ Nov 2022 booklet, Refer above summary
17	143(2)	B	Same as MCQ 36 of May/ Nov 2022 booklet, Refer above summary
18	143(1)	B	Same as MCQ 108 of May/ Nov 2022 booklet, Refer above summary
19	253	C	Same as MCQ 7 of May/ Nov 2022 booklet, Refer above summary
20	DRP	B	Same as MCQ 21 of May/ Nov 2022 booklet, Refer above summary
21	246A	B	Same as MCQ 43 of May/ Nov 2022 booklet, Refer above summary
22	154	A	Same as MCQ 51 of May/ Nov 2022 booklet, Refer above summary
23	115BBE	B	Same as MCQ 24 of May/ Nov 2022 booklet, Refer above summary
24	270A	C	Same as MCQ 16 of May/ Nov 2022 booklet, Refer above summary
25	270A	A	Same as MCQ 50 of May/ Nov 2022 booklet, Refer above summary
26	271D	C	Same as MCQ 53 of May/ Nov 2022 booklet, Refer above summary
27	271AA	A	Same as MCQ 106 of May/ Nov 2022 booklet, Refer above summary
28	Rates	B	Same as MCQ 112 of May/ Nov 2022 booklet, Refer above summary

DT Last Day Revision Notes (Telegram channel: CA Rohit Chipper AIR 17)

29	Rate	C	Same as MCQ 89 of May/ Nov 2022 booklet, Refer above summary
30	Rate	B	Same as MCQ 105 of May/ Nov 2022 booklet, Refer above summary
31	115QA	B	Same as MCQ 15 of May/ Nov 2022 booklet, Refer above summary
32	80M	A	Same as MCQ 46 of May/ Nov 2022 booklet, Refer above summary
33	115QA	C	Same as MCQ 80 of May/ Nov 2022 booklet, Refer above summary
34	Tonnag	B	Same as MCQ 103 of May/ Nov 2022 booklet, Refer above summary
35	115JC	B	Same as MCQ 47 of May/ Nov 2022 booklet, Refer above summary
36	80C	B	Same as MCQ 49 of May/ Nov 2022 booklet, Refer above summary
37	Trust	A	Same as MCQ 34 of May/ Nov 2022 booklet, Refer above summary
38	Trust	C	Same as MCQ 65 of May/ Nov 2022 booklet, Refer above summary
39	Trust	B	Same as MCQ 84 of May/ Nov 2022 booklet, Refer above summary
40	Trust	A	Same as MCQ 119 of May/ Nov 2022 booklet, Refer above summary
41	Trust	C	Same as MCQ 120 of May/ Nov 2022 booklet, Refer above summary
42	10(23)	B	Same as MCQ 33 of May/ Nov 2022 booklet, Refer above summary
43	REIT	B	Same as MCQ 70 of May/ Nov 2022 booklet, Refer above summary
44	REIT	B	Same as MCQ 81 of May/ Nov 2022 booklet, Refer above summary
45	271AA	A	Same as MCQ 116 of May/ Nov 2022 booklet, Refer above summary
46	REIT	B	Same as MCQ 23 of May/ Nov 2022 booklet, Refer above summary
47	165A	A	Same as MCQ 27 of May/ Nov 2022 booklet, Refer above summary
48	Eq. Lev	A	Same as MCQ 39 of May/ Nov 2022 booklet, Refer above summary
49	Eq.Lev	A	Same as MCQ 117 of May/ Nov 2022 booklet, Refer above summary
50	10(6)(vi	B	Same as MCQ 5 of May/ Nov 2022 booklet, Refer above summary