

Total No. of Questions-8
Time Allowed - 3 Hours

VGFNLM1 Total No. of Printed Pages- 14
Maximum Marks - 100

DIRECT TAX

Question No. 1 and 2 is Compulsory

Attempt **any five** from the **remaining six** questions

Wherever required, suitable assumptions may be made by the candidate and stated clearly in the answer. **Working notes should form part of the answer**

Question No. 1

i) (Mark 1)

Income earned from a contract negotiated by an agent in India in the name of a non-resident but approved by such non-resident shall:

- a) be taxable in India as such income is deemed to accrue or arise in India
- b) not be taxable in India as there is no business connection in India
- c) be taxable in India only if it is received in India
- d) be taxable in India as such income accrues or arises in India

ii) (Mark 1)

Which of the following is an agricultural land assuming that crops are being cultivated on such land and such land is situated in –

- a) an area within 3 kms from the local limits of a municipality and has a population of 80,000 as per last census
- b) an area within 1.5 kms from the local limits of a municipality and has a population of 12,000 as per last census
- c) an area within 2 kms from the local limits of a municipality and has a population of 11,00,000 as per last census
- d) an area within 8 kms from the local limits of a municipality and has a population of 10,50,000 as per last census

iii) (Mark 1)

Tax payable by domestic companies' u/s 115BA is:

- a) 25%
- b) 29%
- c) 30%
- d) None of above

iv) (Mark 1)

Mr. X, acquires an asset which was previously used for scientific research for Rs. 2,75,000. Deduction under section 35(1)(iv) was claimed in the previous year 2014-15. The asset was brought into use for the business of Mr. X, after the research was completed. The actual cost of the asset to be included in the block of assets is –

- a) Nil
- b) Market value of the asset on the date of transfer to business
- c) Rs. 2, 75,000 less notional depreciation under section 32 upto the date of transfer.
- d) Actual cost of the asset i.e., Rs. 2,75,000

v) (Mark 1)

Distribution of assets at the time of liquidation of a company:

- a) is not a transfer in the hands of the company or the shareholders
- b) is not a transfer in the hands of the company but capital gains is chargeable to tax on such distribution in the hands of the shareholders
- c) is not a transfer in the hands of the shareholders but capital gains is chargeable to tax on such distribution in the hands of the company
- d) is a transfer both in the hands of shareholders and company

vi) (Mark 1)

Mr. Kashyap has acquired a building from his friend on 10.10.2018 for Rs. 15,00,000. The stamp duty value of the building on the date of purchase is Rs. 15,70,000. Income chargeable to tax in the hands of Mr. Kashyap is:

- a) Rs. 70,000
- b) Rs. 50,000
- c) Nil
- d) Rs. 20,000

vii) (Mark 1)

In respect of dividend received from domestic companies in excess of Rs. 10,00,000 by an individual

- a) no deduction under Chapter VI-A is allowed but loss under other heads can be set-off against such income
- b) no deduction under Chapter VI-A is allowed and no loss can be set-off against such income
- c) both deduction under Chapter VI-A and set-off of losses against such income are allowed
- d) deduction under Chapter VI-A is allowed but set-off of losses under other heads against such income is not allowed

viii) (Mark 1)

Income arising to a minor married daughter is –

- a) to be assessed in the hands of the minor married daughter
- b) to be clubbed with the income of that parent whose total income, before including minor's income, is higher
- c) completely exempt from tax
- d) to be clubbed with the income of her husband

ix) (Mark 1)

Mr. A incurred short-term capital loss of Rs. 10,000 on sale of shares, Such loss

- a) can be set-off only against short-term capital gains
- b) can be set-off against both short-term capital gains and long-term capital gains
- c) can be set-off against any head of income.
- d) not allowed to be set-off

x) (Mark 1)

What is the basic exemption limit for a woman assessee for A.Y. 2019-20, who turned 60 years on 2.4.2019?

- a) Rs. 2,00,000
- b) Rs. 3,00,000
- c) Rs. 2,50,000
- d) Rs. 5,00,000

xi) (Mark 1)

Mr. A, a salaried individual, pays rent of Rs. 51,000 per month to Mr. B from June, 2018. Which of the statement is true?

- a) No tax is deductible at source since Mr. A is not liable to tax audit u/s 44AB.
- b) Tax is deductible at source every month @10% on rent paid to Mr. B.
- c) Tax is deductible at source every month @5% on rent paid to Mr. B.
- d) Tax is deductible at source @5% on annual rent from the rent paid for March 2019.

xii) (Mark 1)

TDS rate on Income of FII from securities.

- a) 5%
- b) 10%
- c) 15%
- d) 20%

xiii) (Mark 1)

Which of the following mistake is not rectifiable u/s 154:-

- a) Value of closing and opening stock
- b) Clerical mistake
- c) Double taxation relief
- d) None of above

xiv) (Mark 1)

ICDS is applicable if assessee is maintaining the books of account under:

- a) Cash basis
- b) Mercantile system
- c) Hybrid system
- d) None of above

xv) (Mark 1)

As per section 142(2A), the tax authorities can direct the taxpayer to get his accounts audited from a _____ nominated by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner.

- a) Cost Accountant or Chartered Accountant
- b) Chartered Accountant
- c) Company Secretary
- d) None of the above

xvi) (Mark 1)

Penalty to produce the information and documents within the period allowed s/s 286(6) is_____.

- a) Rs. 2,000 per day
- b) Rs. 3,000 per day
- c) Rs. 5,000 per day
- d) None of the above

xvii) (Mark 1)

Failure to keep and maintain any information and document shall attract a penalty under section 271AA which shall be a sum equal to _____ of the value of each specified transaction entered into by the person.

- a) 2%
- b) 3%
- c) 5%
- d) 10%

xviii) (Mark 1)

ICDS-IV stands for _____.

- a) Accounting policies
- b) Construction Contract
- c) Revenue recognition
- d) Valuation of inventories

xix) (Mark 1)

In the P.Y.2018-19, a HUF has paid salary of Rs.50,000 per month to its Marketing Manager. The HUF was not liable for tax audit in the A.Y. 2018-19. Determine whether there was any liability to deduct any TDS in the P.Y.2018-19 and if yes, what is appropriate section;

- a) Not liable to deduct TDS, as it was not subject to tax audit in immediately preceding A.Y.
- b) liable to deduct TDS u/s 194H
- c) liable to deduct TDS u/s 194J
- d) liable to deduct TDS u/s 192

xx) (Mark 1)

Mr. V has taken housing loan for purchase of residential house which he has given on rent and has paid interest of INR 15,25,000 in PY 2018-19 relevant to AY 2019-20. He has computed net loss of INR 6,50,000 from income under head house property. He has salary income of INR 50,00,000 and wants to set off the interest paid against the salary income. Determine whether set off is possible and if yes, to what extent;

- a) Not eligible for set off
- b) Set off is possible to extent of INR 6,50,000
- c) Set off is possible to extent of INR 2,00,000
- d) Set off is possible to extent of INR 15,25,000

xxi) (Mark 1)

Mr. A is salaried employee who is working in a multinational company. Mr. A has taken a residential accommodation on rent from Mr. B, who is non-resident in India. During P.Y. 2018-19 relevant to A.Y. 2019-20, Mr. A has paid monthly rent of INR 75,000 per month to Mr. B. Mr. A is not having any income other than salary income. Determine, whether Mr. A is under obligation to deduct TDS as per the provisions of Income-tax Act, 1961 and if yes, under which section;

- a) Not liable to deduct TDS as Mr A is individual not subject to tax audit in the immediately preceding AY.
- b) liable to deduct tax u/s 194-I
- c) liable to deduct tax u/s 194-IB
- d) liable to deduct tax u/s 195

xxii) (Mark 1)

Mr. A is planning to enjoy his summer vacation in Goa and is considering booking rooms in a hotel. He has booked two rooms, one for his brother and one for himself and the room charges for the entire period is Rs.75,000 equally divided between both of them. However, the payment to the hotel is to be made by Mr. A and he will make the payment in cash. Mr. A has enquired whether he needs to give copy of PAN while making payment to hotel;

- a) No, copy of PAN is required when the payment exceeds Rs.1 lakh
- b) Yes, copy of PAN is required to be furnished
- c) No, as the amount relating to each person is less than Rs.50,000
- d) None of above

xxiii) (Mark 1)

ABC (P) Ltd. has deducted tax of a foreign company u/s 195 read with 115A of the Income- tax Act in the month of December 2018. What would be the due date of deposit of tax deducted by ABC (P) Ltd.;

- a) 07th of the following month i.e., 07th January, 2019
- b) 15th of the following month i.e., 15th January, 2019
- c) 31st of the following month i.e., 31st January, 2019
- d) None of above

xxiv) (Mark 1)

Mr. Jindal gifted a house property to his wife Ms. Tina and a flat to his daughter-in law Ms. Trisha. Both of the properties were let out. Which of the following statements is correct?

- a) Income from both properties is to be included in the hands of Mr. Jindal by virtue of section 64.
- b) Income from property gifted to wife alone is to be included in his hands by virtue of section 64
- c) Mr. Jindal is the deemed owner of house property gifted to Ms. Tina and Ms. Trisha

- d) Mr. Jindal is the deemed owner of property gifted to Ms. Tina. Income from property gifted to Ms. Trisha would be included in his hands by virtue of section 64.

xxv) (Mark 1)

Equity oriented mutual fund means a mutual fund specified under section 10(23D) and X% of its investible funds out of total proceeds are invested in equity shares of a domestic company listed on a recognised stock exchange. Presume that, the fund does not invest in units of another fund but directly invests in listed equity shares of domestic company. What is that X %?

- a) 51%
- b) 65%
- c) 90%
- d) 100%

xxvi) (Mark 1)

Mr. A, non-resident aged 65 years, has income under the following heads for P.Y.18-19.

- (i) Interest income taxable under "Income from other sources"
- (ii) Income from Capital Gains

His estimated tax liability is Rs.1,05,575. Tax of Rs.20,000 was deducted on interest income. Mr. has not paid any advance tax during P.Y. 2018-19. Calculate the amount of interest payable u/s 234B, if applicable, assuming he file his return of income on 15.07.2019

- a) Interest u/s 234B is not applicable
- b) Rs.3,420
- c) Rs.4,264
- d) Rs.3,423

xxvii) (Mark 1)

Mr. Mukesh Rai Sapra, aged 67 years and non-resident is a retired person. He purchased a piece of land (at Delhi) in January, 2014 and sold the same in August, 2018. Taxable long-term capital gain on such sale amounted to Rs.2,84,000. Apart from gain on sale of land, he is not having any other income. What will be his tax liability for the A.Y. 2019-20?

- a) Nil
- b) Rs.7,070
- c) Rs.1,770
- d) Rs.59,070

xxviii) (Mark 1)

Your client Mr. Shah, did not oppose during the proceedings of scrutiny assessment. The Assessing Officer passed the order with a demand to be paid. Mr. Shah, however, now he feels that he missed to report a major expenditure during filing of return and proceedings. Assuming he can act in time limit, the remedial course available to him is to –

- a) File an appeal before Commissioner of Income- tax (Appeals) under section 246A(1)
- b) Move a revision petition before the Principal Commissioner or Commissioner of Income tax under section 264
- c) Either of the above. However revision option can be opted for only if time limit for filing appeal has expired, unless Mr. Shah has waived his right of appeal
- d) He cannot opt for remedial course since he did not oppose during proceedings.

xxix) (Mark 1)

Mr. Shahid, a wholesale supplier of dyes, provides you with the details of the following cash payments he made throughout the year –

- 12.06.2018: loan repayment of Rs.27,000 taken for business purpose from his friend Kunal. The repayment also includes interest of Rs.5,000.
- 19.08.2018: Portable dye machinery purchased for Rs.15,000. The payment was made in cash in three weekly installments.
- 26.01.2019: Payment of Rs.10,000 made to electrician due to unforeseen electric circuit at shop
- 28.02.2019: Purchases made from unregistered dealer for Rs.13,500 The total disallowance under 40A(3), if any, will be –
 - a) Rs.23,500
 - b) Rs.28,500
 - c) Rs.13,500
 - d) Nil

xxx) (Mark 1)

Apeksha Ltd. is a wedding planner. The wedding day of Mr. Neeraj's son is arranged by Apeksha Ltd. For this event, four different invoices are issued by Apeksha Ltd. to Mr. Neeraj as follows:

- Invoice 1 for Lighting: Rs.15,50,000
- Invoice 2 for Flowers and Decoration: Rs.12,30,000
- Invoice 3 for Food and catering: Rs.38,00,000
- Invoice 4 for Gifts and Hampers distributed: Rs.25,00,000

Apeksha Ltd. has received the payment from Mr. Neeraj as per the details given below:

- Rs.1,80,000 for Invoice 1 on 24.06.2018 through a crossed cheque
- Rs.35,000 for Invoice 2 on 06.07.2018 in cash
- Balance amount of Rs.88,65,000 received in bank through RTGS on 25.07.2018

Discuss whether provisions of Section 269ST of the Income-tax Act, 1961 are applicable in this case and if yes, determine the amount on which penalty can be levied.

- a) Yes, provisions of Section 269ST of the Act are applicable and 100% penalty can be levied on the amount of Rs.35,000
- b) No, provisions of Section 269ST of the Act are not applicable since the payments received on different dates are less than Rs.2,00,000 respectively

- c) Yes, provisions of Section 269ST of the Act are applicable and 100% penalty can be levied on the amount of Rs.2,15,000
- d) No, provisions of Section 269ST of the Act are not applicable since the amount received in cash of Rs.35,000 is less than Rs.2,00,000

Question No. 2(a) - 10 Marks

Mr. Y carries on his own business. An analysis of his trading and profit & loss for the year ended 31-3-2019 revealed the following information:

- (1) The net profit was Rs. 11,20,000.
- (2) The following incomes were credited in the profit and loss account:
 - (a) Dividend from UTI Rs. 22,000.
 - (b) Interest on debentures Rs. 17,500.
 - (c) Winnings from races Rs. 15,000.
- (3) It was found that some stocks were omitted to be included in both the opening and closing stocks, the value of which were:
 - Opening stock Rs. 8,000.
 - Closing stock Rs. 12,000.
- (4) Rs. 1,00,000 was debited in the profit and loss account, being contribution to a University approved and notified under section 35(1)(ii).
- (5) Salary includes Rs. 20,000 paid to his brother which is unreasonable to the extent of Rs. 2,500.
- (6) Advertisement expenses include 15 gift packets of dry fruits costing Rs. 1,000 per packet presented to important customers.
- (7) Total expenses on car was Rs. 78,000. The car was used both for business and personal purposes. $\frac{3}{4}$ th is for business purposes.
- (8) Miscellaneous expenses included Rs. 30,000 paid to A & Co., a goods transport operator in cash on 31-1-2019 for distribution of the company's product to the warehouses.
- (9) Depreciation debited in the books was Rs. 55,000. Depreciation allowed as per Income-tax Rules, 1962 was Rs. 50,000.
- (10) Drawings Rs. 10,000.
- (11) Investment in NSC Rs. 15,000.

Compute the total income of Mr. Y for the assessment year 2019-20.

Question No. 2(b) - 6 Marks

A Pvt. Ltd. has converted into a LLP on 1.4.2018. The following are the particulars of A Pvt. Ltd. as on 31.3.2018 –

S. No.	Particular	Amount
1	Unabsorbed Depreciation	13.32 Lac
	Business Loss	27.05 Lac
2	Unadjusted MAT credit under section 115JAA	8 Lac
3	WDV of Assets	
	Plant & Machinery (15%)	60 Lac
	Building (10%)	90 Lac
	Furniture (10%)	10 Lac
4	Cost of land (acquired in the year 2000)	50 lac
5	VRS expenditure incurred by the company during the previous year 2016-17 is Rs. 50 lakh. The company has been allowed deduction of Rs. 10 lakh each for the P.Y.2016-17 and P.Y.2017-18 under section 35DDA.	

Assuming that the conversion fulfills all the conditions specified in section 47(xiiib), explain the tax treatment of the above in the hands of the LLP.

Question No. 2(c) - 4 Marks

Company A is an Indian company engaged in the business of manufacturing and export of Garments. During the Financial Year 2015-16, Company-A paid commission to a foreign sales agent, 'Company-B', in USA (Non-resident of India) for services rendered by it for effecting sales abroad. Company B does not carry on any operations in India and has no permanent establishment in India. Whether Company A is required to withhold tax under section 195 of the Income Tax Act, while making payment to Company-B?

Question No. 3(a) - 5 Marks

Compute the long-term capital gains/loss on transfer of listed equity shares (STT paid both at the time of acquisition and transfer of shares) for the A.Y.2019-20, in the four independent cases given below:

Particular	Name of Co.	No. of shares	Date of acquisition	Cost of acquisition (per share)	Date of transfer	Sale price (per share)	FMV as on 31.1.2018 (per share)
Mr. Ganesh	A Ltd.	1,000	28.12.2016	Rs. 1,000	1.5.2018	Rs. 2,500	Rs. 2,000
Mr. Rajesh	B Ltd.	2,000	30.11.2016	Rs. 3,000	1.6.2018	Rs. 5,000	Rs. 6,500
Mr. Sridhar	C Ltd.	3,000	1.1.2017	Rs. 2,000	1.7.2018	Rs. 3,000	Rs. 1,500
Mr. Vaibhav	D Ltd.	4,000	15.1.2017	Rs. 4,000	1.8.2018	Rs. 2,500	Rs. 6,000

Question No. 3(b) - 5 Marks

Auto Ltd., a manufacturer of automobiles, sells premium cars (each of value between Rs.12 lakh to Rs.25 lakh) and small cars (each of value between Rs.5 lakh to Rs. 9 lakh) to its dealers across the country. Discuss whether the manufacturers are liable to collect tax at source under section 206C. Also, discuss the liability, if any, of dealers to collect tax at source on sale of these cars to the retail customers, if no part of the consideration is received in cash? Would your answer change, if part of the consideration is received in cash?

Question No. 4(a) - 5 Marks

The assessment of Lambda Ltd. was completed under section 143(3) with an addition of Rs. 22 lakhs to the returned income. The assessee-company preferred an appeal before the Commissioner (Appeals) which is pending now. In this backdrop, answer the following:

- (i) Based on fresh information that there was escapement of income for the same assessment year, can the Assessing Officer initiate reassessment proceedings when the appeal is pending before Commissioner (Appeals)?
- (ii) Can the Assessing Officer pass an order under section 154 for rectification of mistake in respect of issues not being subject matter of appeal?
- (iii) Can the assessee-company seek revision under section 264 in respect of matters other than those preferred in appeal?
- (iv) Can the Commissioner make a revision under section 263 both in respect of matters covered in appeal and other matters?

Question No. 4(b) - 3 Marks

Examine the correctness or otherwise of the following statements with reference to the provisions of the Income-tax Act, 1961:

- (i) The Commissioner (Appeals) cannot admit an appeal filed beyond 30 days from the date of receipt of order by an assessee.
- (ii) The Appellate Tribunal is empowered to grant indefinite stay for the demand disputed in appeals before it.

Question No. 4(c) - 2 Marks

Explain the meaning of “significant economic presence”. Does “significant economic presence” constitute “business connection” for attracting deemed accrual provisions under section 9(1)?

Question No. 5(a) - 5 Marks

If Xylo Inc. has a permanent establishment in India and the contract/agreement with Alpha Ltd. for rendering technical services is effectively connected with such PE in India, examine the taxability based on the following details provided –

S. No.	Particular	Rs.
(1)	Fees for technical services received from Alpha Ltd.	Rs. 2 crore
(2)	Expenses incurred for earning such income	Rs. 8 lakhs
(3)	Fees for technical services received from other Indian companies in pursuance of approved agreement entered into between the years 2005 to 2010	Rs. 4 crore
(4)	Expenses incurred for earning such income	Rs. 15 lakhs
(5)	Expenditure not wholly and exclusively incurred for the business of such PE [not included in (2) & (4) above]	Rs. 6 lakhs
(6)	Amounts paid by the PE to Head Office (not being in the nature of reimbursement of actual expenses)	Rs. 12 lakhs

What are the other requirements, if any, under the Income-tax Act, 1961 in this case?

Question No. 5(b) - 5 Marks

Y Inc. a company incorporated in USA is the owner of "ONE UP" technology used in mobile phones which is patented in USA. X Ltd., is a company incorporated in India and engaged in the business of manufacturing mobile phones. X Ltd., has obtained from Y Inc., right to use the ONE UP technology for the purpose of manufacturing mobile phones at the plant of X Ltd. based in USA. The mobile phones manufactured in the plant based in USA are sold only in the USA markets. X Ltd. makes an annual payment of USD 1 Million for the use of ONE UP technology owned by Y Inc. Whether the amount paid by X Ltd., a resident, to Y Inc., for right to use the ONE UP technology, falls under the definition of royalty as per the Indian Income Tax Act and whether the amount is taxable in India?

Question No. 6(a) - 4 Marks

Company A is incorporated in Singapore and has a subsidiary Company B in India. Company A has invested INR 500 crores by way of equity shares and INR 1500 crores by way of debt. Company B has revenues of INR 1000 crores and an EBIDTA of INR 300 crores. Company B is required to make interest payment of INR 150 crores to Company A and INR 100 crores to other domestic creditors. Based on the above facts, examine the tax implications in the hands of Company A and Company B respectively in respect of the interest payments that it is made by Company B to Company A.

Question No. 6(b) - 3 Marks

ABC Co. is a foreign manufacturing company set up outside India having all active income. During the FY 2015-16, its net profit was equivalent of INR 70 Million. It had made a provision for unascertained liabilities to the tune of INR 7 Million. It paid an interim dividend of INR 5 Million during FY 2015- 16. During the whole of FY 2015-16, XYZ Limited held 75% of the total paid up capital of ABC Co. Calculate income to be attributable to XYZ Ltd.

Question No. 6(c) - 3 Marks

Define the concept of Notified Jurisdictional Area (NJA).

Question No. 7(a) - 3 Marks

ABC Ltd. is an Indian Company in which XYZ Inc., a French company, has 32% shareholding and voting power. Following transactions were effected between these two companies during the financial year 2018-19.

- (i) ABC Ltd. sold 50,000 pieces of tie at \$ 2 per tie to XYZ Inc. The identical ties were sold to unrelated party namely PQR Inc., at \$ 3 per tie.
- (ii) ABC Ltd. borrowed \$ 1,50,000 from a foreign lender based on the guarantee of XYZ Inc. For this, ABC Ltd. paid \$ 8,000 as guarantee fee to XYZ Inc. From an unrelated party for the same amount of loan, XYZ Inc. collected \$ 6,000 as guarantee fee.
- (iii) ABC Ltd. paid \$12,000 to XYZ Inc. for getting various potential customers details to improve its business. XYZ Inc. provided the same service to unrelated parties for \$ 8,000.

Assume the rate of exchange as 1 \$ = Rs. 64

ABC Ltd. is located in a Special Economic (SEZ) and its income before transfer pricing adjustments for the year ended 31st March, 2019 was Rs. 900 lakhs. Compute the adjustments to be made to the total income of ABC Ltd. State whether it can claim deduction under section 10AA for the income enhanced by applying transfer pricing provisions.

Question No. 7(b) - 3 Marks

Mr. X commenced the business of operating goods vehicles on 1.4.2018. He purchased the following vehicles during the P.Y.2018-19. Compute his income under section 44AE for A.Y.2019-20.

S. No.	Gross Weight in Kgs	Number	Date of Purchase
1	7000	2	10.04.2018
2	6500	1	15.03.2019
3	10000	3	16.07.2018
4	11000	1	02.01.2019
5	15000	2	29.08.2018
6	15000	1	23.02.2019

Would your answer change if the two goods vehicles purchased in April, 2018 were put to use only in July, 2018?

Question No. 7(c) - 2 Marks

What is meant by Roll-back of APA?

Question No. 7(d) - 2 Marks

Discuss the correctness of the following statements, with reference to the provisions of income-tax law:-

- (i) "The Commissioner may, if he objects to any direction issued by the Dispute Resolution Panel under section 144C(5) in pursuance of which the Assessing Officer has passed an order completing the assessment or reassessment, direct the Assessing Officer to appeal to the Appellate Tribunal against such order".
- (ii) "The Appellate Tribunal may rectify any mistake apparent from the record in its order at any time within four years from the date of the order".

Question No. 8(a) - 4 Marks

Ms. Poorna purchased a residential flat at Pune from her friend Ms. Leena at 20 lakhs on 15th November, 2018. The value determined by the Stamp Valuation Authority for stamp duty purpose amounted to 21 lakhs. Ms. Leena had purchased the flat on 3rd March, 2017 at a cost of 5 lakhs. Ms. Poorna sold the flat for 27 lakhs on 27th March, 2019. Determine the effect of the above transactions on the assessments of Ms. Poorna and Ms. Leena for the assessment year 2019-20, assuming that the stamp duty value of the flat on 27.3.2019 is 32 lakhs.

Question No. 8(b) - 3 Marks

Mysore Co-operative Society derives income during financial year 2017-18 from the following sources:

(i)	Income from processing with the aid of power	40,000
(ii)	Income from collective disposal of labour of its members	20,000
(iii)	Interest from another co-operative society	12,000
(iv)	Income from house property (Computed)	75,000
(v)	Income from other business	72,000
(vi)	Income by way of dividend from another co-operative society	15,000

Determine the total income of Mysore Co-operative Society for the A.Y.2018-19.


Question No. 8(c) - 3 Marks

Alpha Diagnostics is a diagnostic laboratory in Cochin and has a branch at Allepey. A survey under section 133A was conducted, consequent to which the assessee filed return of income. On the basis of certain incriminating documents and materials unearthed during the survey, a notice under section 148 was issued. Subsequently, the incomes were assessed for assessment years 2014-15 and 2015-16 under section 143(3) read with section 147. The assessee raised additional jurisdictional grounds before the Appellate Tribunal. The assessee contended that for the relevant assessment years, the assessment was completed under section 143(3) read with section 147. However, a notice under section 143(2) was not issued by the Assessing Officer for

those years. The Tribunal held that in view of section 292BB, the assessee's participation in the reassessment proceedings would condone the omission to issue a notice. Discuss, with the aid of a Supreme Court case law, whether failure to issue notice under section 143(2) would vitiate the assessment notwithstanding the assessee's participation in the proceedings. Would section 292BB come to the rescue of the Revenue authority if they omit to issue notice under section 143(2)? Examine.

COST INFLATION INDEX TABLE

FY	CII	FY	CII	FY	CII	FY	CII	FY	CII	FY	CII
2001-02	100	2004-05	113	2007-08	129	2010-11	167	2013-14	220	2016-17	264
2002-03	105	2005-06	117	2008-09	137	2011-12	184	2014-15	240	2017-18	272
2003-04	109	2006-07	122	2009-10	148	2012-13	200	2015-16	254	2018-19	280



Excellent Classes for **CA FINAL / INTER**
By
CA VIJAY GAURAV

CA FINAL : REGULAR COURSE NOV 19 EXAM

DIRECT TAX					
Mode	Start	End	Hours	Timings	Fees*
Face to Face	01.05.19	31.07.19	200	7-11am (M.W.F Sun)	15,000/-

INDIRECT TAX					
Mode	Start	End	Hours	Timings	Fees*
Face to Face	02.05.19	31.07.19	150	7-11am (T.T.S)	15,000/-

CA FINAL : CRASH COURSE NOV 19 EXAM

DIRECT TAX					
Mode	Start	End	Hours	Timings	Fees*
Face to Face	05.08.19	16.08.19	80	7.30am 4.00pm (10 Days)	8000/-


INDIRECT TAX					
Mode	Start	End	Hours	Timings	Fees*
Face to Face	19.08.19	29.08.19	80	7.30am 4.00pm (10 Days)	8000/-

CA INTER : REGULAR COURSE NOV 19 EXAM

TAXATION					
Mode	Start	End	Hours	Timing	Fees
Face to Face	02.09.19	05.10.19	120	7.00 to 11:00am	10000/-

Special Features

- ✔ 500+ Exemptions in DT/IDT/Taxation
- ✔ 500+ Practical Questions Covered
- ✔ 100% Coverage
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