



**CA FINAL (May 2025)**

**GROUP I - PAPER 4**

**DIRECT TAX LAWS AND INTERNATIONAL TAXATION (Series 4)**

**Time Allowed: - 3 Hours**

**Maximum Marks: 100 Marks**

**This question paper comprises two parts, Div A and Div B. Div A comprises MCQ & Div B comprises questions which require descriptive answers.**

**Division A - Multiple Choice Questions (2 Marks Each)**

**Case Study I**

Trio Inc., a company incorporated in Country T, is engaged in manufacturing of computer hardware parts. It also owns an online social networking site, Attire. Nice Ltd., an Indian Company, imports computer hardware parts from Trio Inc. During the previous year 2024-25, Nice Ltd. did not import any computer hardware parts from Trio Inc. but paid 5,50,000 on 24th July, 2024 to Trio Inc. for advertising its business on the platform of Attire. However, Nice Ltd. neither deducted tax at source nor equalisation levy on such payment.

On 1-4-2024, Nice Ltd. advanced a loan of 2.5 crores to Xylo Inc., an Australian company. As on the date of loan, the book value of total assets in the books of Xylo Inc. was 4.52 crores. Out of the ten directors of Xylo Inc., five are appointed by Nice Ltd. Xylo Inc. repaid the entire loan along with interest thereon on 31st March, 2025.

On 9.11.2024, Trio Inc. sold 3,500 equity shares held by it in an Indian Company, XYZ Ltd. for 102 per share. These shares were bought by Trio Inc. on 15th April, 2011 for 36.40 per share. Both the purchase and sale of shares were effected through a recognized stock exchange in India and STT is paid on purchase and sale. Fair Market Value of these shares on 31-01-2018 was 90 per share.

CII for F.Y.2011-12 - 182; F.Y.2024-25 - 363.

Nice Ltd. received the draft order from the Assessing Officer as per section 144C of the Income-tax Act, 1961 due to variations determined by the Transfer Pricing Officer in the arm's length price for the A.Y. 2024-25. However, Nice Ltd. does not prefer to file the objection against the draft order before the Dispute Resolution Panel; Instead, it wants to file an appeal before the CIT (Appeals) under section 246A against the final order received from the Assessing Officer.

From the information given above, choose the most appropriate answer to the following questions:

1. In respect of payment made by Nice Ltd. for advertising services provided by Trio Inc., which of the following statements are correct?
  - a. Equalisation levy is not attracted and no penalty leviable for non- deduction
  - b. Tax is deductible at source u/s 195 by Nice Ltd. and hence, interest is payable for non- deduction of TDS
  - c. Equalization levy of 33,000 is deductible by Nice Ltd. and penalty of 1,000 per day is attracted for non-deduction
  - d. Equalization levy of 33,000 is deductible by Nice Ltd. and penalty of 33,000 is attracted for non-deduction
  
2. Are Nice Ltd. and Xylo Inc. associated enterprises? If so, why?
  - a. Yes, since loan advanced by Nice Ltd. to Xylo Inc. is not less than 51% of the book value of total assets of Xylo Inc.
  - b. Yes, since not less than 50% of the directors of Xylo Inc. are appointed by Nice Ltd.
  - c. Yes, due to either (a) or (b) above.
  - d. No, Nice Ltd. and Xylo Inc. are not associated enterprises, since the loan has been repaid before the end of the previous year i.e., before 31.3.2024.
  
3. Compute the amount of long-term capital gains arising to Trio Inc. on transfer of listed shares of XYZ Ltd. What would be the tax treatment of such capital gains under the Income-tax Act, 1961?
  - a. 42,000. The same would be taxable@12.5% u/s 112A
  - b. 42,000. However, the said amount would not be subject to any tax.
  - c. No capital gain would arise, since cost of acquisition would be 102.
  - d. 1,13,400; However, the said amount would not be subject to any tax.
  
4. Which of the following statements are correct, in relation to the remedies available to Nice Ltd. under the Income-tax Act, 1961, if it is not satisfied with the draft order passed by the Assessing Officer?
  - a. It can file an objection before the Dispute Resolution Panel against the draft assessment order
  - b. It can file an appeal before CIT (Appeals) after getting the final assessment order
  - c. Either (a) or (b)
  - d. Both (a) and (b)

**Case Study II**

Seva Niketan, a charitable trust registered under section 12AB runs an educational institution, which is engaged solely in education and a hospital for treatment of persons suffering from mental disorder solely for philanthropic purposes. The trust furnished the following information:

- i. The total receipts of the trust for the P.Y. 2024-25 for educational institution is 3.10 crores and for the hospital it is 3.40 crores.
- ii. Voluntary contributions [included in (i) above] received for the P.Y. 2024-25 from the public amounted to 105 lakhs. It includes corpus donations of 55 lakhs (for purchase of building for the trust) and anonymous donations of 20 lakhs.
- iii. During the P.Y. 2024-25, computers purchased for 80 lakhs out of
  - Corpus fund mentioned in (ii) above 30 lakhs.
  - Loan - 25 lakhs
  - Voluntary contributions - 25 lakhs
- iv. Corpus donations received during the current year are invested in -
  - Post Office Savings Accounts 10 lakhs
  - Canara Bank as Fixed deposits 5 lakhs
  - Non-banking Financial Corporation (NBFC) 10 lakhs
- v. Deposited 15 lakhs towards post office savings account which were utilised for purchase of building during the P.Y. 2020-21 and P.Y. 2021-22 out of corpus fund 10 lakhs and 5 lakhs, respectively.
- vi. Amount paid to another trust registered u/s 12AB by way of donation of 10 lakhs. Out of the said amount 2 lakhs are given as corpus donations.
- vii. 6 lakhs, being the amount set apart in the P.Y.2023-24 by the trust for charitable purposes u/s 11(2) utilized in the P.Y. 2024-25 for making donation to another charitable trust, whose object is also education.

From the information given above, choose the most appropriate answer to the following questions:

### MULTIPLE CHOICE QUESTIONS

1. Seva Niketan wants to avail exemption under section 10(23C)(iiiad) and 10(23C)(iii ae) in respect of educational institution and hospital for the P.Y. 2024-25. Can it do so?
  - a. Yes, it can do so since annual receipts for each activity do not exceed 5 crores.
  - b. No, it cannot do so since the trust is registered under section 12AB.
  - c. No, it cannot do so since aggregate receipts from education and hospital exceed 5 crores.
  - d. No, it cannot do so due to the reasons mentioned in (b) and (c) above.
  
2. What amount of corpus donations received by the trust would not form part of the total income of the P.Y. 2024-25?
  - a. 25 lakhs
  - b. 40 lakhs
  - c. 15 lakhs
  - d. 55 lakhs
  
3. What would be the amount of "specified income" taxable@30% u/s 115BBI for the P.Y. 2024-25?
  - a. 30 lakhs
  - b. 46 lakhs
  - c. 48 lakhs
  - d. 16 lakhs
  
4. What amount would be considered as application of the trust for the P.Y.2024-25 (excluding unconditional accumulation of 15%), assuming that it has fulfilled the relevant conditions stipulated under section 12A?
  - a. 36.8 lakhs
  - b. 25 lakhs
  - c. 38 lakhs
  - d. 30 lakhs
  
5. Seva Niketan claims that anonymous donations received during F.Y. 2024- 25 are not liable to be taxed under section 115BBC(1)(i). Is the claim of trust valid? If not, determine the tax leviable under section 115BBC.
  - a. No; 6,00,000
  - b. No; 5,70,000
  - c. Yes; the trust is not liable to pay tax under section 115BBC(1)(i)
  - d. No; 4,42,500

**Case Study III**

The following information pertains to Mr. Apoorv, an Indian citizen and non- resident in India, for the previous year 2024-25:

- a. Dividend from TPO Ltd., an Indian Company (gross) of 1,30,000.
- b. Interest on debentures of SLP Pvt. Ltd. (subscribed in convertible foreign exchange) of 1,35,000 (gross).
- c. He incurred interest on loan taken for purchase of shares of TPO Ltd. and for purchase of debentures of SLP Pvt. Ltd. of 30,000 and 20,000, respectively.
- d. On 15th March 2025, he sold debentures of Fix Ltd. for 18,25,000 which subscribed in convertible foreign exchange on 10th June 2004 in dollars equivalent to 4,65,000. He paid commission to broker of 7,000 at the time of sale.
- e. On 30th April, 2025, he reinvested the sale proceeds of debentures of 4,80,000 for purchase of listed shares of an Indian company, Fly High Ltd.

Cost Inflation Index: F.Y. 2004-05 - 113; F.Y.2024-25 - 363.

From the information given above, choose the most appropriate answer to the following questions:

1. What is the amount of dividend taxable in the hands of Mr. Apoorv and at what rate TPO Ltd. is required to deduct tax at source on dividend income distributed to Mr. Apoorv?
  - a. 1,30,000 and 10%
  - b. 1,04,000 and 10%
  - c. 1,00,000 and 20.8%
  - d. 1,30,000 and 20.8%
  
2. Assuming for the purpose of this MCQ that Mr. Apoorv is a resident in India for the P.Y. 2024-25, determine the amount of dividend taxable in his hands and at what rate TPO Ltd. is required to deduct tax at source on dividend income distributed to him?
  - a. 1,30,000 and 10%
  - b. 1,04,000 and 10%
  - c. 1,00,000 and 20%
  - d. 1,30,000 and 20%
  
3. What is the amount of interest on debentures of SLP Pvt. Ltd. taxable in the hands of Mr. Apoorv and at what rate? Ignore surcharge and cess.
  - a. 1,35,000 taxable @20%
  - b. 1,05,000 taxable @20%
  - c. 1,08,000 taxable at slab rates
  - d. 1,05,000 taxable at slab rates

4. What would be the amount of long-term capital gains taxable in the hands of Mr. Apoorv on sale of debentures of Fix Ltd., as per the provisions of Chapter XII-A of the Income-tax Act, 1961? Ignore the effect of first proviso to section 48 (benefit of foreign currency conversion).
- 13,53,000
  - 9,95,772
  - 9,97,142
  - 13,60,000
5. Assuming for the purpose of this MCQ that Mr. Apoorv is a resident in India for the previous year 2024-25, what would be the amount of taxable capital gains on sale of debentures of Fix Ltd. in the hands of Mr. Apoorv?
- 13,53,000
  - 3,85,965
  - 9,95,772
  - 13,60,000

#### Case Study IV

Samraat, a resident Indian, has earned an income of US dollars equivalent to Rs. 4 lakh in the P.Y.2023-24 by way of lump sum consideration for copyright of a book, being a work of literary nature, from a publisher in Country E, with which India does not have a DTAA. The same has been taxed at a flat rate of 5% in Country E. The amount has been remitted to India in March, 2024. His gross total income as per the Income tax Act, 1961 for A.Y.2024-25 is Rs. 7 lakhs. What would be the deduction available under section 91 for A.Y.2024-25 assuming that Samraat exercises the option to shift out of the default tax regime under section 115BAC?

- Rs. 20,000
- Rs. 7,725
- Rs. 1,950
- Nil

**Part-B****Question no.1 is compulsory.****Attempt any four questions from the rest.****Question 1A. (14 Marks)**

Narmada Ltd. is engaged in the business of manufacturing car spare parts since 1st April 2021. Its statement of profit and loss shows a net profit of 350 lakhs for the year ended 31-03-2025, after debiting and crediting the following items:

1. Fees of 1 lakh paid to independent directors for attending Board meeting without deduction of tax at source under section 194J.
2. The opening and closing stock for the year were 200 lakhs and 255 lakhs, respectively. They were overvalued by 10%.
3. Depreciation provided in accounts as per straight line basis 50 lakhs.
4. 9 lakhs contribution to a National Laboratory approved under section 35(2AA).
5. GST of 2.10 lakhs, pertaining to P.Y.2024-25, was paid on 27-12-2025.
6. The company has also purchased goods of 63 lakhs from M/s. Saraswati Ltd. in which directors have substantial interest. The market value of the goods is 58 lakhs.
7. The company has made cash payments for purchases of 5 lakhs on 17-08-2024 due to cash demanded by the supplier. It also made cash payments to transport operator for hiring of lorry on the following dates:  
06-06-2024 - 40,000; 03-07-2024 - 35,000; 15-01-2025 - 52,000.
8. The company has incurred legal expenses of 5 lakhs and 4 lakhs for issue of bonus shares and for issue of right shares, respectively.
9. Donation paid to a registered political party by way of cheque 17 lakhs

Additional Information:

- i. Normal depreciation allowable as per the Income-tax Rules, 1962 is 62 lakhs.
- ii. A debt of 4 lakh was claimed as bad debt in the previous year 2022-23. A sum of 2 lakh was recovered during the P.Y. 2024-25. The effect of recovery of bad debt was not given in books of account.

The total turnover of the company for previous year 2022-23 was 390 crores and for financial year 2023-24 405 crores.

You are required to compute total income of the company as per Income-tax Act, 1961 for the Assessment Year 2025-26 indicating reasons for treatment of each item, assuming that the company has not opted for special provisions under section 115BAA or 115BAB. Ignore MAT provisions. (14 Marks)

**Question 2A. (8 Marks)**

Gama Ltd, located within the corporation limits decided in December, 2024 to shift its industrial undertaking to non-urban area. The company sold some of the assets and acquired new assets in the process of shifting. The relevant details are as follows:

( in lakhs)					
	Particulars	Land	Building	Plant & Machinery	Furniture
(i)	Sale proceeds (sale effected in March, 2025)	8	18	16	3
(ii)	Cost of acquisition	4	10	12	2
(iii)	WDV in terms of section 50	--	4	5	2
(iv)	Cost of new assets purchased in July, 2025 for the purpose of business in the new place	4	7	17	2

Compute the capital gains of Gama Ltd for the assessment year 2025-26.

**Question 2B. (6 Marks)**

Lokesh, who is 50 years old, has been serving as the CEO of Platinum India Ltd. since April 1, 2019. His total income in India is derived from multiple sources. During the previous year 2024-25, he receives a salary of ₹ 23 lakhs before any standard deduction is applied. Additionally, he paid ₹ 1,80,000 towards interest on loan borrowed for a self-occupied property. Furthermore, he receives ₹ 1,60,000 as interest on bank fixed deposits.

For the year ending 31st March 2025, Lokesh has also earned income from several sources in Country 'A'. He earned USD 25,000 from his business operations in Country A and received USD 4,500 as rent from a house property. Although he paid municipal taxes of USD 450 on the house property, these taxes are not deductible in Country A. Lokesh also earned a dividend of USD 10,000 from shares held in Country A, which was declared and paid in March 2025. Additionally, he realized a short-term capital gain of USD 5,000 from the sale of shares of companies registered in Country A, with the sale proceeds credited to his bank account outside India on 28th March 2025.

India has DTAA with Country 'A' and the tax paid in Country 'A' is eligible for tax credit in India. The fiscal year for income-tax is the same both in India and Country 'A'. Rate of tax is 20% in Country 'A' in respect of all incomes. Income-tax was paid by Lokesh on 25.05.2025 for the incomes of the year ended 31st March 2025 in Country 'A'.

Compute the total income and net tax liability of Lokesh for the A.Y. 2025-26. Assume Lokesh pays tax under default regime under section 115BAC.

The TT buying rate of 1 USD on various dates: 28.02.2025= 70; 28.03.2025 = 70.50; 31.03.2025 = 71; 30.04.2025 = 72; and 25.05.2025 = 73.

**Question 3A. (8 Marks)**

Examine the liability for tax deduction at source in the following cases for the assessment year 2025-26:

- (i) On 21st July 2024, Mr. Anuj, a resident, bought a house property in Chennai from Mr. Josh for ₹ 85 lakhs. Additionally, he acquired an urban plot in Mumbai from Mr. Anant for ₹ 49,00,000 and rural agricultural land from Mr. Digvijay for ₹ 55 lakhs in two independent transactions. The Stamp Duty value of urban plot is ₹ 54 lakhs.
- (ii) Under section 10(47) of the Income-tax Act, 1961, a notified infrastructure debt fund paid ₹ 6 lakhs as interest to a Hongkong based company, which incurs ₹ 15,000 as expenses to earn this income. It also makes an interest payment of ₹ 2.5 lakhs to Mr. Aman, a resident of a notified jurisdictional area.
- (iii) Vikasa Ltd. has incurred an expenditure of ₹ 18 lakhs towards landing and parking charges, paid to the Airports Authority of India, for the year ending 31st March 2025.
- (iv) An employee of the Central Government who receives arrears of salary for the past three years wants to know if tax is to be deducted on the entire amount during the current year.

**Question 3B. (6 Marks)**

FASHION Inc., a notified Foreign Institutional Investor (FII), derived the following incomes during the financial year 2024-25:-

1. Dividend from listed shares of Indian companies - 7,15,000
2. Interest on securities - 16,72,000 (Expenses of 95,000 has been incurred to earn such income)
3. Income from sale of securities and shares:

Security/Share	Purchase Date	Sale Date	Sale Amount (₹)	Purchase Cost (₹)
Bonds of January Ltd.	5th May 2018	7th March 2025	58,00,000	33,00,000
Listed Shares of Exe Ltd.	2nd May 2024	9th February 2025	14,50,000	9,90,000
Unlisted Equity Shares of May Ltd.	1st July 2024	7th March 2025	7,90,000	3,22,000

CII: FY 2017-18: 272; FY 2023-24: 348. In case of listed securities, STT has been paid both at the time of purchase and sale.

Compute the total income and tax liability of the FII, FASHION Inc., for the A.Y. 2025-26 as per section 115AD, assuming that no other income is derived by FASHION Inc. during the F.Y.2024-25.

**Question 4A. (5 Marks)**

JK Associates is an Association of Persons (AOP) consisting of two members, J, aged 40 years and K, aged 37 years. Shares of the members are: 60% (J) and 40% (K). Income of the AOPs for the previous year 2024-25 is ₹ 11 lakhs.

J and K's income, other than income from AOP, amount to ₹ 2.50 lakhs and ₹ 2.90 lakhs, respectively.

Compute tax liability of the AOP assuming that J exercises the option to shift out of the default regime and the AOP and its member K pay tax under default tax regime under section 115BAC.

**Question 4B. (5 Marks)**

Asha Memorial Trust running hospitals is registered u/s 12AB. Following particulars relevant for the previous year ended 31.03.2025 are furnished to enable you to compute tax liability of the trust.

- i. Income from running of hospitals ₹14.25 Lakhs
- ii. Donation received (including anonymous donation ₹3 Lakhs) ₹5.75 Lakhs.
- iii. Amount applied for the purposes of hospital of 17 Lakhs but 4 lakhs out of ₹17 lakhs not paid till 31.03.24
- iv. Trust has accumulated ₹15 Lakh u/s 11(2) in the F.Y. 2019-20 for a period of five years for extension of one of its hospitals. Trust has spent ₹13.50 Lakhs for the said purpose till 31.03.2025.

Compute the taxable income of Asha Memorial Trust for A.Y. 2025-26.

**Question 4C. (4 Marks)**

A private bank has not filed its statement of financial transaction or reportable account in relation to the specified financial transactions for the financial year 2023-24. A notice was issued by the prescribed income-tax authority on 1st October, 2024 requiring the bank to furnish the statement by 31st October, 2024. The bank, however, furnished the statement only on 15th November, 2024. What would be the penalty leviable under section 271FA?

**Question 5A. (8 Marks)**

Zenith Formulations Ltd., an Indian Company engaged in pharmaceutical formulations in Tamil Nadu, started adoption of Ind AS compliance with effect from 1st April, 2019. The following particulars are furnished for the year ended 31st March, 2025:-

1. The book profits after adjustments of all items specified in section 115JB(2) amounted to ₹52.26 lakhs (except the adjustment for brought forward losses), for the year ended 31.3.2025.

2. Brought forward losses as per books are as under: (₹ In lakhs)

Financial Year	Business Loss	Depreciation
2020-21	4.60	4.90
2021-22	1.75	2.20

3. The business loss of 4.60 lakhs and 1.75 lakhs have been deducted while computing book profits u/s 115JB for the assessment years 2022-23 & 2024-25, respectively.

4. The particulars of Other Comprehensive Income for the year ended 31.03.2025:

A:	Other Comprehensive Income (OCI) that may be re-classified to profit and loss:	Debit	Credit
i.	Deferred gain Cash flow hedges		5.50
ii.	Deferred costs of hedging	1.00	
iii.	Comprehensive income from discontinued operations		4.20
iv.	Exchange Differences of foreign exchange operations	2.30	
	<b>TOTAL</b>	<b>3.30</b>	<b>9.70</b>
B:	Other Comprehensive Income (OCI) that will not be re-classified to profit and loss:	Debit	Credit
i.	Changes in fair values of equity instruments	10.00	
ii.	Deferred gains on cash flow hedges		7.25
iii.	Deferred costs of hedging	4.10	
iv.	Share of other comprehensive income of other associates		3.20
v.	Remeasurements of post-employment benefit obligations		4.45
vi.	Revaluation surplus for assets		7.50
	<b>TOTAL</b>	<b>14.10</b>	<b>22.40</b>

5. The transition amount as on convergence date (01-04-2019) stood at ₹52.50 lakhs (credit balance) including capital reserve of ₹8 lakhs and adjustment of ₹4.50 lakhs relating to translation difference in a foreign operation.

6. The National Company Law Tribunal (NCLT), Chennai Bench has admitted an application u/s 7 of Insolvency and Bankruptcy Code, 2016 (IBC) made by financial creditor against the company for initiation of Corporate Insolvency Resolution Process on 30th March, 2024.
- Compute the MAT liability for the assessment year 2025-26, applying the provisions relating to Ind AS compliant companies.
  - Assuming that the income tax under normal provisions of Income-tax Act, 1961 for the assessment year 2025-26 works out to ₹7.20 lakhs, compute the tax credit, if any, to be carried forward by the company including the period up to which it will be available to be carried forward.

**.Question 5B. (6 Marks)**

KVS Ltd., the assessee, has sold goods on 12.01.2025 to L Ltd., located in notified jurisdictional area (NJA), for 10.50 crores. During the current financial year, KVS Ltd. charged \$11.50 crores from AJ of New York and 12 crores from KP of London for sale of identical goods and both of which are neither associated enterprise of KVS Ltd. nor they are situated in any NJA. While sales to AJ and KP were on CIF basis, the sale to L Ltd., was on FOB basis, which paid ocean freight and insurance amounting to 20 lakhs on purchases from KVS Ltd.

India has a Double Taxation Avoidance Agreement with the U.S.A. and U.K. The assessee has a policy of providing after sales support service to the tune of 14 lakhs to all customers except L. Ltd. which procured the same locally at a cost of \*18 lakhs.

Compute the ALP for the sales made to L Ltd., and the amount of consequent increase, if any, in the profit the assessee-company.

**Question 6A. (5 Marks)**

In March 2013, Mr. Rajiv, an Indian national, returned to India to take charge as CEO of BOS (P) Ltd., an Indian company. He held this position from April 1, 2013, to March 31, 2020. Before this, he worked for Orange Inc. in the Singapore from May 2000 to February 2013. He returned to Orange Inc. in the Singapore in April 2020 and permanently settled there. Mr. Rajiv visits India every year only for 1 month during his stay in Singapore. It was discovered that throughout his tenure as CEO of BOS

(P) Ltd., he accumulated undeclared wealth and income, including

- shares of listed companies in Singapore acquired on 10th December, 2012;
- acquired one apartment in Canada on 20th April 2015 and
- established a leather goods manufacturing factory in Malaysia on 15th April 2020.

The above undisclosed assets came to the notice of Assessing Officer in April 2024, and he issued notice under the Black Money Act, 2015 in July, 2024.

Is the Assessing Officer's notice of Mr. Rajiv under the Black Money Act of 2015 legally tenable?

**Question 6B. (5 Marks)**

ABC Ltd., an Indian company, receives the following dividend income during the P.Y. 2024-25 -

- a. from shares held in BCD Inc., a Danish company, in which it holds 25% of nominal value of equity share capital- ₹65,000;
- b. from shares held in EFG Inc., an English company, in which it holds 31% of nominal value of equity share capital-₹1,50,000.
- c. From shares held in HIJ Inc., a Dutch company, in which it holds 62% of the nominal value of equity share capital- ₹1,07,000.
- d. From shares held in Indian subsidiaries, - ₹47,000.

ABC Ltd. has paid remuneration of ₹16,000 for realising dividend, the breakup of which is as follows

- i. ₹4,000 (BCD Inc.);
- ii. ₹7,000 (EFG Inc.)
- iii. ₹5,000(Indian subsidiaries)

The business income of ABC Ltd. computed under the provisions of the Act is ₹48 lakh. Compute the total income and tax liability of ABC Ltd., ignoring MAT. Assuming that ABC Ltd. has distributed dividend of ₹4,20,000 in February, 2025.

Ignore the provisions of double taxation avoidance agreement, if any, applicable in this regard. T/O of company for PY 2022-23 is 450 Crores. Ignore the provisions of section 115BAA.

**Question 6C. (4 Marks)**

The Assessing Officer conducted a survey at 9:30 p.m. at a well-known gym under his jurisdiction called "Silver" for collecting information which may be useful for the purpose of Income-tax Act, 1961. The concerned gym is kept open for business every day between 5 a.m. and 10 p.m. The owner of the gym claims that the A.O. could not enter his business premises after sunset and late in the night. The Assessing Officer wanted to take away with him the books of account and cash kept at the premises of the Gym. Determine whether the Gym's owner's claim is correct and whether the Assessing Officer's suggested course of action is appropriate.