**Revision under section 263 and 264**

**Multiple Choice Type Questions (MCQ)**

**[ In all the questions below, Act’ means the Income-tax Act,1961]**

**1.** Order passed by which of the following authorities cannot be revised section 263 of the Income -tax Act, 1961?

1. Assistant Commissioner of Income -tax
2. Additional Commissioner of Income- tax
3. Commissioner (Appeals) of Income- tax
4. Deputy Commissioner of Income-tax (Transfer Pricing).

**2.** As per the language of section 263, an order can be subject to revision under the said section if the order is

1. Erroneous in so far as it is prejudicial to the interest of revenue
2. Erroneous as also prejudicial to the interest of revenue
3. Erroneous or prejudicial to the interest of revenue
4. All the above.

 **3.** The competent authority has rejected the petition of an assessee filed under section 264 of the Act. What remedy is available to him now?

(a) He can file an appeal against the order before the jurisdictional Income -tax Appellate Tribunal (ITAT)

(b) He can file a writ petition before the jurisdictional High Court.

(c) He can file an appeal against the order before the jurisdictional High Court.

(d) All the above remedies are available to him.

**4**. In which sections of the Income tax Act, 1961, has the word ‘record’ has been defined for the specific purpose of the section?

(a) Section 119 of the Act.

(b) Section 154 of the Act

(c) Section 263 of the Act

(d) None of the above.

**5.** Which of the following orders provide examples of orders which may be revised under section 263?

(a) An assessment order under section 144 of the Income-tax Act

(b) An order of penalty under section 271(1)(c) of the Income-tax Act

(c) Both (a) and (b)

(d) None of the above.

**6**. An order passed under 143(3) was passed wherein deduction was allowed under section 35.AB. Later, the case was reopened on the issue of false claim of agricultural income. The reassessment order was passed within the stipulated time. Now the competent authority finds that the deduction under section 35 was allowed without conducting any inquiry. From which date will the time limit of passing order under section 263 be reckoned?

(a) Date of passing reassessment order

(b) Date of passing original assessment order

(c) Either of the above two dates, as long as the assessee does not challenge it

(d)Either of the above two dates for reasons recorded in writing.

 **7.** Which of the following case laws may be said to be a landmark case in respect of section 263 of the Income-tax Act,1961?

1. Abhisar Buildwell case
2. Poddar Cement case
3. Jet Airways case
4. Malabar Industrial Co case

**8.** What is the filing fee for filing petition under section 264 of the Income tax Act,1961?

(a) Rupees ten only

(b) Rupees five hundred only

(c) Rupees one thousand only

(d) None of the above.

**9**. Against which of the following orders, revision petition cannot be filed?

(a) Transfer Pricing order under section 92CA of the Act.

(b) Penalty order under section 271 (1) (c) of the Act.

(c) Assessment order under section 143 (3) of the x Act.

(d) Against all the above.

**10.** In which the following cases may the assessment order be revised under section 263 of the Income-tax Act, 1961?

(a) The order is barred by limitation

(b) The Assessing Officer did not have the jurisdiction to pass the order.

(c) The order has not been passed in accordance with any revenue favourable decision of the jurisdictional High Court.

(d) All of the above.

**Revision under section 263 and 264**

**Answer Key**

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| **Question No** | **Answer** | **Rationale** |
| 1 | (d) | Commissioner (Appeals) is an authority whose order can be challenged only before the Appellate Tribunal. |
| 2 | (a) | Please see section 263 |
| 3 | (b) | Petion under section 264has to be filed after withdrawing the right to file appeal. The only course available is filing writ petition |
| 4 | (c) | See Explanation 1 below section 263. |
| 5 | (c) | Any order passed by an Assessing Officer including assessment order and penalty order may be revised under section 263 of the Act. |
| 6 | (b) | See Chambal Fertisiers and Chemicals Ltd 170 taxmann.com 544 |
| 7 | (d) | Malabar is a celebrated case regarding power of the competent authority under the Income-tax Act,1961, in the matter of revisional power of Commissioner u/s 263 of the Act. |
| 8 |  | Please see section 264(5) of the Act, |
| 9 | (a) | Please see sec 264. The order of the TPO is not appealable. Further, it is an intermediary step in the assessment procedure. Not subject to revision u/s 264. |
| 10 | (c) | Please see Explanation 3 below section 264. |