P15 Direct Tax Laws and International Taxation · Paper Map

Dec'26

What the paper is, what each module carries, where the Dec'26 questions are expected, and in which order the notes are printed (exam weight). Marks are from the 7 past papers (Jun'23 → Jun'26), out of the **128 printed marks**. **A prediction, not a promise.**

THE PAPER

- **Q1: 15 MCQs × 2 = 30, compulsory.** Mostly facts and limits; 3–8 are small computations.
- **Q2–Q8: seven questions of 7 + 7 marks; answer any 5** (you write 100 of 128).
- **Section A** Direct Tax Laws = Modules 1–11 · **Section B** International Taxation = 12 DTAA, 13 Transfer Pricing, 14 GAAR (47 marks of each of the last two papers).
- About **70 of the 128 marks are sums**. M1 (~44) + transfer pricing (~27) = two-thirds of the paper.
- Jun'23 used the old layout (12 MCQs, 15-mark questions); averages use Dec'23 onwards.

THE LAW FOR DEC 2026

- Income-tax Act 1961 as amended by the **Finance Act 2025**, **A.Y. 2026-27** (P.Y. 2025-26). The SM's formats are already for A.Y. 2026-27. [SM 6]
- **Jun'26 supplementary** (still applies): FA 2025 slabs, 87A rebate ₹60,000, trust registration 10 years, s.13(3) ₹1,00,000 / ₹10,00,000, s.72A / 72AA 8-year rule, multi-year ALP, updated return 48 months, block assessment, TDS thresholds, CII 376. [Supp J26 p.2–29]
- **Dec'26 supplementary**: DIN (Circular 4/2026, approval within 15 days), ITR-1 / ITR-4 two house properties, Rule 10U GAAR (investments before 1 April 2017). [Supp D26 p.2–4]
- ⚠ boxes in these notes = the SM is out of date or silent; the supplementary wins.

Modules: what they cover and what they carried

#	Module (SM pages) · what it covers	J23	D23	J24	D24	J25	D25	J26	Exp D26	Priority
M1	**Assessment of various entities** (6–108): individual + non-resident (regimes, NRI Chapter XII-A, s.115A / 115BBA, 44B–44BBD, TDS on NR) · company (115BAA / BAB, 80JJAA, MAT 115JB) · trust (s.11–13, 115BBC, 115TD) · mutual association	17	29	47	41	51	44	44	**40.9**	★★★
M13	**Transfer pricing** (515–611): AE u/s 92A, international transaction / SDT, ALP methods, APA + rollback, safe harbour, s.94B, secondary adjustment	30	27	20	27	30	27	27	**27.0**	★★★
M12	**DTAA** (452–508): types, OECD vs UN models, s.90 / 91 relief, PE, Articles, relief methods 23A / 23B	22	16	16	9	7	18	18	**17.1**	★★★
M3	**Grievance redressal** (204–230): appeals, rectification, revision 263 / 264, DRC, advance ruling	6	16	7	16	9	9	9	9.8	★★
M2	**Tax management, return, assessment** (112–200): filing triggers, 143(1)/(2), interest 234A/B/C, search and survey, refund, DIN	18	11	4	9.5	13	6	6	8.2	★★
M5	**Business restructuring** (258–292): amalgamation, demerger, slump sale, proprietor / firm → company, company → LLP	5	14	–	7	7	7	7	7.0	★★
M9	**ICDS** (361–396): ICDS I–X, situations and actual-cost / securities sums	2	–	7	1.75	–	9	9	6.2	★★
M6	**Tax planning** (295–320): planning vs management vs evasion / avoidance, financial decisions (debt vs equity, lease vs buy)	–	7	9	2	–	2	2	3.1	★
M11	**Case study** (409–443): SM case laws (royalty on software, 80-IA / 80AB, foreign tax …)	–	–	14	7	7	–	–	2.8	★
M10	**Black Money Act 2015** (399–406): tax, value of undisclosed foreign asset, penalties	3	–	2	3.75	–	2	2	2.2	★
M4	**Penalties and prosecutions** (233–254): 270A, 270AA, 271AAD, 271AA / BA / G …	19	4	2	4	2	2	2	1.7	★

M14	**GAAR** (615–632): impermissible avoidance arrangement, ₹3 crore, Approving Panel, Rule 10U	–	2	–	–	2	2	2	1.7	★
M7	**CBDT and other authorities** (323–334): powers of CBDT u/s 119	2	–	–	–	–	–	–	0.2	·
M8	**E-commerce and special cases** (337–358): equalisation levy	6	2	–	–	–	–	–	0.2	·

Exp D26 = expected marks in the Dec'26 printed paper (workbook "Marks by Topic"). Printed order of these notes = this table's order (exam weight). Firms are tested (Q2(b) in D25 and J26) but are not taught in the P15 SM: they sit inside M1 Part 1 with a ⚠.

Where the Dec'26 questions are expected (slot model since Dec'25)

Q	(a) 7 marks	(b) 7 marks	Notes pack
Q2	**Trust total income** (D25, J26); 115TD (MQP) unused; the old 14-mark **company P&L** may return	**Firm + partners**: interest 12%, remuneration limits, 40(a)(ia), 43B(h) (D25, J26)	M1 Part 3 · M1 Part 1
Q3	**Individual: old vs default regime** (5 of 6 papers)	**Company: normal vs 115BAA / 115BAB** + 80JJAA (every paper since D24)	M1 Part 1 · Part 2
Q4	**Restructuring** — rotates: amalgamation (due), proprietor → company (never asked), demerger, firm → company, company → LLP, slump sale	**Non-resident computation** (6 of 6): Chapter XII-A, 115A / 115BBA, 44B / 44BBB, first proviso s.48	M5 · M1 Part 1
Q5	**Grievance situation**: revision 263 / 264, appeal procedure, DRC, advance ruling	**ICDS** situations / sums, or **interest 234B / 234C**	M3 · M9 · M2
Q6	**DTAA theory**: relief methods, PE, OECD vs UN, or APA rollback	**Relief u/s 91 sum** (6 of 6)	M12 · M13
Q7	**ALP sum** (CUP with adjustments; RPM / cost plus) or secondary adjustment	**s.94B interest limitation sum** (6 of 6)	M13
Q8	**MAT 115JB sum** (D25, J26) or an SM case law	**AE / international transaction cases** (J25–J26) or APA	M1 Part 2 · M13 · M11

Q1 · THE 15 MCQ POSITIONS (D25 + J26 MENU)

i. Return filing triggers / ITR (M2)
ii. Interest 234A / B / C computation (M2)
iii. One fact: individual, trust or company (M1)
iv. Appeal time limit or Black Money (M3 / M10)
v. Penalty: 270A, 271AAD, 271G … (M4)
vi. Tax planning or search / survey (M6 / M2)
vii. ICDS or appeal (M9 / M3)
viii. Black Money or ICDS (M10 / M9)
ix. Search / survey or tax planning (M2 / M6)
x. Most appropriate TP method (M13)
xi. APA: years, fee (M13)
xii. Secondary adjustment / safe harbour (M13)
xiii. s.91 relief / juridical vs economic double taxation (M12)
xiv. OECD vs UN Model (M12)
xv. GAAR (M14)

YOUR 5 OF 7 (ANALYSIS §5)

- **Core: Q3, Q6, Q7, Q8** — repeatable sums (regime, 115BAA, s.91, ALP, 94B, MAT, AE cases): ~56 marks. Start with transfer pricing.
- **Fifth: Q2** (trust + firm): same type in D25 and J26.
- **Spare: Q5** (revision / appeal / DRC + ICDS).
- **Drop if you must: Q4** — the restructuring half changes type every paper.

STUDY ORDER (FIRST 10 ROWS ≈ 67% OF THE PAPER)

1. 1.1 Individual + non-resident (+ firm)
2. 1.2 Company: 115BAA / BAB, MAT
3. 13.4 s.94B, secondary adjustment, safe harbour
4. 12.3 s.90 / 91 relief
5. 13.2 ALP methods
6. 9.0 ICDS
7. 1.3 Trust
8. 13.1 AE, international transaction, SDT
9. 13.3 APA (rollback)
10. 3.3 Revision 263 / 264

Then 2.3 interest, 12.2 OECD vs UN, 12.4 PE + relief methods, 3.1 appeal, 6.0 planning (first 15 ≈ 81%).

Rates card for A.Y. 2026-27 — learn this page first

Default regime u/s 115BAC (individual / HUF / AOP / BOI / AJP) [Supp J26 p.2]	
Up to ₹4,00,000	Nil
₹4,00,001 – ₹8,00,000	5%
₹8,00,001 – ₹12,00,000	10%
₹12,00,001 – ₹16,00,000	15%
₹16,00,001 – ₹20,00,000	20%
₹20,00,001 – ₹24,00,000	25%
Above ₹24,00,000	30%

REBATE u/s 87A (RESIDENT INDIVIDUAL)

- **Default regime:** total income ≤ **₹12,00,000** → rebate = lower of 100% of tax or **₹60,000**. Not on special-rate income (111A / 112 / 112A, 115BB). **Marginal relief** up to **₹12,70,587**: tax cannot exceed the income above ₹12,00,000. [Supp J26 p.2]
- **Old regime:** total income ≤ **₹5,00,000** → lower of tax or **₹12,500**; not on 112A gains. [Supp J26 p.4]

Surcharge (individual etc.) on total income	**Default**	**Old**
Above ₹50 lakh – ₹1 crore	10%	10%
Above ₹1 crore – ₹2 crore	15%	15%
Above ₹2 crore – ₹5 crore	25%	25%
Above ₹5 crore	25%	37%
Cap **15%** on the tax on dividend and 111A / 112 / 112A gains (and an AOP of only companies). Marginal relief applies. **Cess 4%** on tax + surcharge, every assessee. [Supp J26 p.3–5]		

Old regime slabs	**Other individual / HUF**	**Senior (60+)**	**Super senior (80+)**
Nil up to	₹2,50,000	₹3,00,000	₹5,00,000
5%	2.5 – 5 lakh	3 – 5 lakh	–
20%	5 – 10 lakh (₹12,500 +)	5 – 10 lakh (₹10,000 +)	5 – 10 lakh
30% above ₹10 lakh	₹1,12,500 +	₹1,10,000 +	₹1,00,000 +
Senior / super senior = **resident** individual aged 60 / 80 at any time in the P.Y. A non-resident always uses the "other individual" slab. [Supp J26 p.3–4]			

Firm / LLP · companies [Supp J26 p.5]	
Firm / LLP	30%; surcharge 12% if total income > ₹1 crore; cess 4%
Domestic company, turnover of P.Y. 2023-24 ≤ ₹400 crore	25%
Other domestic company	30%
Foreign company	35%
Surcharge, income ₹1–10 crore / above ₹10 crore	domestic 7% / 12% · foreign 2% / 5%

Special rates and options (SM)	
Casual income (115BB) · STCG 111A · LTCG	30% · 20% · 12.5% / 20% / 0% [SM 6]
LTCG u/s 112A	12.5% on the gain above ₹1.25 lakh [SM 6, SM 20]
s.115BAA (domestic company)	22% + SC 10% (any income) + cess [SM 41]
s.115BAB (new manufacturer)	15% + SC 10% + cess [SM 43]
MAT u/s 115JB	15% of book profit + SC + cess [SM 52]

⚠ WHAT COULD GO WRONG (ANALYSIS §7)

- **Rates:** a wrong slab or rebate spoils every individual sum — learn the rates card above first.
- **Old slots return:** the 14-mark company P&L computation (Q2) and the case-law Q8 were the template until Jun'25.
- **Outside the SM** (~10 marks a paper): firms, Inter-level MCQs (44AD, VDA, s.57). Accept losing an MCQ or two.

MEMORY HOOK · DEFAULT REGIME

"**Every 4 lakh, add 5%**": 0 · 5 · 10 · 15 · 20 · 25 · 30 on steps of ₹4 lakh up to ₹24 lakh. Tax at exactly ₹12 lakh before rebate = 20,000 + 40,000 = ₹60,000 — that is why the rebate is ₹60,000.