

(GI-11, GI-12+15, GI-13+14, SI-5)

DATE: 20.01.2020

MAXIMUM MARKS: 100

TIMING: 3¼ Hours

TAXATION**SECTION – A : INCOME TAX LAW (60 MARKS)**

Working Notes should form part of the answer. Whenever necessary, suitable assumptions may be made by the candidates and disclosed by way of a note. However, in answers to Question in Division A, working notes are not required.

Your answers should be based on the provisions of Income-tax law as amended by the Finance Act, 2018. The relevant assessment year is A.Y. 2019-20

DIVISION A – MULTIPLE CHOICE QUESTIONS**Total Marks: 18 Marks**

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given, All questions are compulsory.

1. Ans. a
 2. Ans. a
 3. Ans. a
 4. Ans. b
 5. Ans. b
 6. Ans. b
 7. Ans. b
 8. Ans. b
 9. Ans. c
 10. Ans. c
 11. Ans. d
 12. Ans. d
 13. Ans. d
 14. Ans. d
 15. Ans. d
 16. Ans. d
 17. Ans. d
 18. Ans. d
- { 1 M each }

DIVISION B : DESCRIPTIVE QUESTIONS

Questions No. 1 is compulsory

Attempt any two questions the remaining three questions

Total Marks: 42 Marks**Answer 1:****(a)****Computation of Tax Liability**

	Rs.
Business income	88,00,000

Long term capital gains	9,50,000
Total Income	97,50,000
Tax on Rs.88,00,000 @ 30%	26,40,000
Tax on Rs.9,50,000 @ 20%	1,90,000
Add: HEC @ 4%	1,13,200
Tax Liability	29,43,200 } {2 M}
(Tax liability excluding capital gains Rs.97,50,000 - Rs.9,50,000 = Rs.88,00,000 x 30% + HEC@ 4% 27,45,600)	

Interest u/s 234C

Since capital gains arises on 1st December 2019, installment for 15th June and 15th September shall be checked without including tax on capital gain and shall be as given below:

Amount payable Rs.	Amount actually paid Rs.	Shortfall Rs.
Upto 15.06 2019 (27,45,600 x 15%) 4,11,840	4,15,000	NIL
Interest u/s 234C = Nil		
Upto 15.09 2019 (27,45,600 x 45%) 12,35,520	8,25,000	4,10,520

Rounded off under rule 119A = 4,10,500

Interest u/s 234C = 4,10,500 x 1% x 3 month = 12,315 } {2 M}

Installments for 15th December and 15th March shall be including tax on capital gains and is as given below:

Upto 15.12.2019 (29,43,200 x 75%) 22,07,400	16,64,000	5,43,400
Interest u/s 234C = 5,43,400 x 1% x 3 month = 16,302		
Upto 15.03.2020 (29,43,200 x 100%) 29,43,200	26,23,000	3,20,200

Interest u/s 234C = 3,20,200 x 1% x 1 month = 3,202	
Total Interest u/s 234C	Rs. 31,819 } {2 M}

Interest u/s 234B (01-04-2020 to 30-09-2020)

3,20,200 x 1% x 6	Rs. 19,212 } {1 M}
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Answer :

(b) Computation of total income of Mr. X for the A.Y.2020-21

(i) Computation of tax liability (age 45 years)

Particulars	Rs.
Income under the head salary	3,40,000
Income under the head house property	3,00,000
Gross Total Income	6,40,000
Less: Deductions under Chapter VI-A	Nil
Total Income	6,40,000
Agricultural income (1,80,000 – 1,20,000) =	60,000
Computation of tax liability	
Step 1: Tax on (Rs.6,40,000 + Rs. 60,000 = Rs. 7,00,000)	52,500
Step 2: Tax on (Rs. 2,50,000 + Rs. 60,000) = Rs. 3,10,000)	(3,000)
Step 3: Rs. 52,500 – Rs. 3,000	49,500
Tax before health & education cess	49,500
Add : HEC @ 4%	1980
Tax Liability	51,480 } {2 M}

(ii) Computation of tax liability (age 70 years)

Step 1: Tax on (Rs. 6,40,000 + Rs. 60,000 = Rs. 7,00,000)	50,000	
Step 2: Tax on (Rs. 3,00,000 + Rs. 60,000 = Rs. 3,60,000)	(3,000)	
Step 3: Rs. 50,000 – Rs. 3,000	47,000	
Tax before health & education cess	47,000	
Add : HEC @ 4%	1880	
Tax Liability	48,880	{2 M}

Answer :

(c) Computation of Amount of Income of minor children to be clubbed in the income of Mr. X

(i)	Income of First Daughter	10,000	
Less:	Scholarship received exempt u/s 10(16) (assumed received for education)	(5,000)	
Less:	Exempt u/s 10(32)	(1,500)	
		3,500	{1 M}
(ii)	Income of Second Daughter	8,500	
Less:	Exempt u/s 10(32)	(1,500)	
		7,000	{1 M}
(iii)	Income of Third Daughter who is suffering from disability shall not be clubbed		
(iv)	Income of Son	40,000	
Less:	Exempt u/s 10(32)	(1,500)	
		38,500	{1 M}
Total Income to be clubbed (3,500 + 7,000 + 38,500)		49,000	

Answer 2:

(a) Situation 1: Computation of Gross Annual Value

		Rs.
(a)	Fair Rent (10,000 x 12)	1,20,000
(b)	Municipal Valuation (11,000 x 12)	1,32,000
(c)	Higher of (a) or (b)	1,32,000
(d)	Standard Rent (12,000 x 12)	1,44,000
(e)	Expected Rent {Lower of (c) or (d)}	1,32,000
(f)	Rent Received/Receivable(7,000 x 11)	77,000
GAV = Higher of (e) or (f)		1,32,000
Gross Annual Value		1,32,000

Situation 2: Computation of Gross Annual Value

		Rs.
(a)	Fair Rent (12,000 x 12)	1,44,000
(b)	Municipal Valuation (10,000 x 12)	1,20,000
(c)	Higher of (a) or (b)	1,44,000
(d)	Standard Rent (11,000 x 12)	1,32,000
(e)	Expected Rent {Lower of (c) or (d)}	1,32,000
(f)	Rent Received/Receivable (11,500 x 10)	1,15,000

In this case, if there was no vacancy, rent received/receivable would have been {1 M} Rs.1,38,000 hence rent received/receivable is lower in this case due to vacancy, therefore GAV shall be the rent received/receivable.

Gross Annual Value

Situation 3: Computation of Gross Annual Value

		Rs.
(a)	Fair Rent (13,000 x 12)	1,56,000
(b)	Municipal Valuation (8,000 x 12)	96,000
(c)	Higher of (a) or (b)	1,56,000
(d)	Standard Rent (7,000 x 12)	84,000
(e)	Expected Rent {Lower of (c) or (d)}	84,000
(f)	Rent Received/Receivable (20,000 x 8)	1,60,000

In this case, rent R/R is higher than the expected rent, GAV shall be Rent R/R
Gross Annual Value

Situation 4: Computation of Gross Annual Value

		Rs.
(a)	Fair Rent (15,000 x 12)	1,80,000
(b)	Municipal Valuation (17,000 x 12)	2,04,000
(c)	Higher of (a) or (b)	2,04,000
(d)	Standard Rent (16,000 x 12)	1,92,000
(e)	Expected Rent {Lower of (c) or (d)}	1,92,000
(f)	Rent Received/Receivable (16,000 x 8)	1,28,000

If there was no vacancy, in that case rent received/receivable would have been
{1 M} Rs.1,76,000 and it was still less than expected rent, therefore GAV shall be expected
rent.

Gross Annual Value = 1,92,000}{1 M}

Answer :

(b)

Computation of total income and income tax liability of Mr. X Income under the head Business Profession	Rs.
Income under the head Capital gains	1,00,000.00
LTCG	50,000.00
Income under the head House property	
(Since asset is transferred to son's wife hence clubbing shall be done)	
Gross Annual Value	1,20,000.00
Less: Municipal Taxes	(5,000.00)
Net Annual Value	1,15,000.00
Less: 30% of NAV u/s 24(a)	(34,500.00)
Less: Interest on capital borrowed u/s 24(b)	Nil
Income under the head house property	80,500.00
Income under the head other sources	1,50,000.00
Gross Total Income	3,80,500.00
Less: Deduction u/s 80C to 80U	Nil
Total Income	3,80,500.00
Computation of Tax Liability	
Tax on Rs.3,30,500 at slab rate	1,525.00
Tax on capital gains @ 20%	10,000.00
Less: Rebate u/s 87A	(11,525.00)
Tax Liability	Nil
Computation of total income and tax liability of Mrs. X	
Income from house property	Nil
Loss from business profession	(75,000.00)
Income under the head Other Sources	50,000.00

Income under the head Capital Gains (STCG)	2,00,000.00	
Gross Total Income	1,75,000.00	
Less: Deduction u/s 80C to 80U	Nil	
Total Income	1,75,000.00	{1 M}
Tax Liability	Nil	

Answer :

(c) As per section 5, All Global Income of ROR shall be taxable in India but in case of NOR income accruing arising in India or received in India shall be taxable in India. In case of NOR, income accruing / arising aboard and received aboard but from a business controlled from India or from a profession which was set up in India shall be taxable in India.

S.No.	Particulars	ROR	NOR
(i)	Income from business in India, controlled from London	2,00,000	2,00,000
(ii)	Profit from business in Japan, controlled from India	70,000	70,000
(iii)	Past years untaxed foreign income brought to India	-	-
(iv)	Royalty Income from a resident for technical service to run business outside India	4,00,000	4,00,000
(v)	Agriculture Income from Bhutan (i.e. outside India) assumed received in Bhutan	90,000	-
(vi)	Income from house property in Dubai received in Dubai	73,000	-
	Gross Total Income	{2 M} 8,33,000	6,70,000 {2 M}

Answer 3:

(a) **Computation of Gross Total Income for the A.Y. 2020-21**

Income under the head Salary		
Taxable salary income (computed)	3,60,000	
Less: Loss from property X	(2,00,000)	{1 M}
Income under the head salary	1,60,000	{1 M}
Income under the head House property		
Income from Property X	1,20,000	
Less: Loss from property Y	(1,20,000)	
Income under the head house property	Nil	{1 M}
Income under the head business profession		
Income from Business P	2,30,000	
Less: Loss from Business Q	(12,000)	
Income from normal business	2,18,000	
Income from Business R (speculative)	15,000	
Less: Loss from Business Q (speculative)	(15,000)	
Income from speculative business	Nil	
Income under the head business profession	2,18,000	{1 M}
Income under the head other sources		
Interest income	5,000	
Income from card games	16,000	
Income under the head other sources	21,000	{1 M}
Gross total income		
Income under the head salary	1,60,000	{1 M}

Income under the head business profession	2,18,000
Income under the head other sources	21,000
Gross total income	3,99,000
Losses to be carried forward House property	20,000
Speculative business loss	10,000
Loss from owning and maintain of race horses	7,000

Notes:

1. Loss from house property can be adjusted from other head income maximum upto 2,00,000 and balance can be carried forward. (Section 71)
 2. Speculative loss can be adjusted only from speculative income and balance can be carried forward. (section 73)
 3. Loss from owning and maintain race horses can be adjusted only from such income and not allowed from other income. (section 74A)
 4. In the above solution HP loss is adjusted from salary income. Student can adjust such loss from business income also.
- } {1 M}

Answer :

- (b)**
- (i) As per section 194DA, in general payment on maturity of Life policy is exempt from income tax under section 10(10D) however sometimes the amount is taxable (if premium paid has exceeded the prescribed percentage (i.e. 10% / 15% / 20%)) and in that case tax has to deducted at source @ 5% on the amount of income provided the amount paid or payable to any resident during a particular financial year is Rs. 1,00,000 or more. In the given case, premium paid is more than 10% and the maturity proceeds is taxable but the amount is less than 1,00,000 hence TDS shall not be deducted.

} {1 M}
 - (ii) As per section 194J, every person, who is responsible for paying to a resident any sum by way of –
 - (i) fees for Professional services
 - (ii) fees for Technical services
 - (iii) any Remuneration or fees or commission to a director of a company (in case salary is being paid to a director, tax shall be deducted at source under section 192).
 - (iv) Royalty
 - (v) Non-compete fee referred to in section 28 shall deduct tax at source at the rate of 10% if amount paid or payable is more than Rs. 30,000 and limit shall be separately applicable for each of the above payments but there is no limit for payment to a director. In the given case, amount paid is less than limit prescribed above hence no TDS shall be required to be deducted.

} {2 M}
 - (iii) As per section 194C, every person responsible for making payment to a resident contractor in connection with any work shall deduct tax at source @ 2 % and in case of payment to individual or Hindu Undivided Family, the rate of TDS shall be 1 %. Tax shall be deducted at source only if the amount being paid is exceeding Rs. 30,000 or the amount paid or payable during a particular financial year to a particular person exceeds Rs. 1,00,000. If any person making payment for purchase of goods, no tax shall be deducted at source but if such person has supplied raw material etc. and contract is only for labour etc., tax shall be deducted at source. In the given case, material is not supplied hence TDS is not required to be deducted.

} {2 M}
 - (iv) As per section 194J, TDS is required to be deducted if payment is made to a director and no limit of Rs.30,000 is applicable in case of payment to director.

} {1 M}

- In the given case, payment is made to director hence TDS is applicable and required to be deducted @ 10% on Rs. 12,000.
- (v) As per section 194J, TDS is required to be deducted @ 2% instead of 10% in case of person engaged in business of call centre . In the given case Radha Limited is engaged only in the business of operation of call centre. TDS is required to be deducted @ 2% on Rs. 70,000 **{1 M}**

Answer 4:

(a)

	Rs.	
Income under the head Business/Profession	6,00,000.00	
Income under the head Capital Gain (LTCG)	4,00,000.00	
Income under the head Capital Gain (STCG u/s 111A)	2,00,000.00	
Income under the head Other Sources (casual income)	1,00,000.00	
Gross Total Income	13,00,000.00	
Less: Deduction u/s 80CCC Less:	(7,000.00)	{1 M}
Deduction u/s 80G		
(i) National Defence Fund	(12,000.00)	
(ii) Rajiv Gandhi Foundation	(2,000.00)	
(iii) Charitable Institution/ Social organization/ Religious organization	(34,650.00)	
Working Note:		
Charitable Institution	3,00,000	
Social organization	1,00,000	
Religious organization	4,00,000	
	8,00,000	
AGTI = GTI - LTCG - STCG u/s 111A - Deduction u/s 80C to 80U (except 80G) = 13,00,000 - 4,00,000 - 2,00,000 - 7,000 = 6,93,000 Qualifying amount = 10% of AGTI or donation whichever is less = 69,300 or 8,00,000 whichever is less = 69,300 50% of the qualifying amount = 34,650 {2 M}		
Total Income	12,44,350.00	{1 M}

Computation of Tax Liability

Tax on casual income Rs.1,00,000 @ 30% u/s 115BB	30,000.00	
Tax on STCG Rs.2,00,000 @ 15% u/s 111A	30,000.00	
Tax on LTCG Rs.4,00,000 @ 20% u/s 112	80,000.00	
Tax on normal income Rs.5,44,350 at slab rate	21,370.00	
Tax before health & education cess	1,61,370.00	
Add: HEC @ 4%	6,454.80	
Tax Liability	1,67,824.80	{1 M}
Rounded off u/s 288B	1,67,820.00	

Answer :

(b) Previous Year 2016-17

- {July - 31, August - 31, September - 11, October - 31, November - 1, December - 1, January - 31, February - 7}
- Days of stay in India are 144
- As per section 6(1), Stay in India is less than 182 days but more than 60 days during the relevant previous year but Stay in India is less than 365 days during 4 years preceding the relevant previous year, hence he is not complying even a single condition of section 6(1) hence he is Non - resident. **{2 M}**

Previous Year 2017-18

{May – 24, June – 30, July – 11, October – 11, November – 1, December – 1, January – 31, February – 10} Days of stay in India are 119.

As per section 6(1), Stay in India is less than 182 days but more than 60 days during the relevant previous year but Stay in India is less than 365 days during 4 years preceding the relevant previous year, hence he is not complying even a single condition of section 6(1) hence he is Non – resident.

{1 M}

Previous Year 2018-19

{July – 9, August – 31, September – 30, October – 31, November – 1, December – 1, January – 31, February – 11}

Days of stay in India are 145

As per section 6(1), Stay in India is less than 182 days but more than 60 days during the relevant previous year but Stay in India is less than 365 days during 4 years preceding the relevant previous year, hence he is not complying even a single condition of section 6(1) hence he is Non – resident.

{1 M}

Previous Year 2019-20

{June – 19, July – 31, August – 31, September – 30, October – 31, November – 1, December – 1, January – 31, February – 1}

Days of stay in India are 176. During the preceding 4 years, his stay is for 365 days or more so he is resident. His stay during 7 years is 729 days or less, hence he is resident but not ordinarily resident.

{1 M}

Answer :

(c) (i) Tax liability and additional tax liability of the company shall be as given below:

	Rs.
Profit before tax	150,00,000.00
Income tax on Rs.150,00,000 @ 30%	45,00,000.00
Add: Surcharge @ 7%	3,15,000.00
Add: HEC @ 4%	1,92,600.00
Income tax liability	50,07,600.00
Dividend	55,00,000.00
Additional Income Tax (55,00,000 / 82.528% x 17.472%)	11,64,404.81
Rounded off u/s 288B	11,64,400.00
Tax liability of the shareholder shall be nil.	

{2 M}

(ii) Tax liability and additional tax liability of the company shall be as given below:

	Rs.
Profit before tax	150,00,000.00
Income tax on Rs.150,00,000 @ 40%	60,00,000.00
Add: Surcharge @ 2%	1,20,000.00
Add: HEC @ 4%	2,44,800.00
Income tax liability	63,64,800.00
Additional income tax of the foreign company shall be nil.	
Tax liability of the shareholder shall be as given below:	
Dividend from foreign company	7,00,000.00
Tax on Rs.7,00,000 at slab rate	52,500.00
Add: HEC @ 4%	2,100.00
Tax Liability	54,600.00

{2 M}

SECTION B - INDIRECT TAXES (40 MARKS)

QUESTIONS

- (i) Working Notes should form part of the answers. However, in answer to Question in Division A, working notes are not required.
- (ii) Wherever necessary, suitable assumptions may be made by the candidates, and disclosed by way of note.
- (iii) All questions should be answered on the basis of the position of GST law as amended up to 31st October, 2018.
- (iv) The GST rates for goods and services mentioned in various questions are hypothetical and may not necessarily be the actual rates leviable on those goods and services. Further, GST compensation cess should be ignored in all the questions, wherever applicable.

DIVISION A - MULTIPLE CHOICE QUESTIONS

Write the most appropriate answer to each of the following multiple choice questions by choosing one of the four options given. All questions are compulsory.

Total Marks: 12 Marks

- 1. Ans. c
 - 2. Ans. a
 - 3. Ans. d
 - 4. Ans. b
 - 5. Ans. d
 - 6. Ans. d
 - 7. Ans. d
 - 8. Ans. d
 - 9. Ans. c
 - 10. Ans. d
- {2 M each}
- {1 M each}

DIVISION B - DESCRIPTIVE QUESTIONS

Question No. 1 is compulsory.

Attempt any two questions out of remaining three questions.

Total Marks: 28 Marks

Answer 1:

- (a) Computation of net GST payable by Mr. Bholenath for the month of January, 2020
Working of GST payable on Outward supplies

S.No.	Particular	Rs.	GST Rs.
(i)	Inter-State taxable supply of goods		
	IGST @ 18% on Rs. 10,00,000		1,80,000
(ii)	Intra-State taxable supply of goods		
	CGST @ 9% on Rs. 2,00,000	18,000	
	SGST @ 9% on Rs. 2,00,000	18,000	36,000

Computation of total ITC

Particulars	CGST 9% Rs.	SGST 9% Rs.	IGST 18% Rs.

Opening ITC	20,000	30,000	25,000
Add: ITC on Intra-State Purchases of taxable goods valuing 5,00,000	45,000	45,000	
Total ITC	65,000	75,000	25,000

Computation of GST payable from cash ledger

Particulars	CGST 9% Rs.	SGST 9% Rs.	IGST 18% Rs.
GST payable	18,000	18,000	1,80,000
Less: ITC	(18,000) CGST	(18,000) CGST	(25,000) IGST
			(47,000) CGST
			(57,000) CGST
Net GST payable	{2 M}{Nil}	{2 M}{Nil}	51,000 }{2 M}

Note: ITC of IGST, CGST & SGST have been used to pay IGST in that order.

Answer :

(b) Computation of ITC available with Shridhar Co. Ltd. for the month of March

S.No.	Items ITC	Rs.
(i)	Sweets for consumption of employees working in the factory [Note-1]	Nil
(ii)	Raw material [Note-2]	1,00,000
(iii)	Trucks used for the transport of raw material [Note-3]	2,00,000
(iv)	Electrical transformers [Note-4]	4,00,000
	Total ITC	7,00,000 }{½ M each}

Notes:-

1. ITC on food or beverages is specifically disallowed unless the same is used for making outward taxable supply of the same category or as an element of the taxable composite or mixed supply-Section 17(5).
2. Being goods used in the course or furtherance of business, ITC thereon is available in terms of section 16(1).
3. Though ITC on motor vehicles has been specifically disallowed under section 17(5), ITC on motor vehicles used for transportation of goods is allowed under section 17(5).
4. Being goods used in the course or furtherance of business, ITC thereon is available in terms of section 16(1).

Answer 2:

(a) Computation of value of special machine

Particulars	Rs.
Price of machinery	5,00,000
Add: Freight [Note 1]	13,000
Packing charges [Note 2]	10,000
Designing charges [Note 3]	17,000
Total	5,40,000 }{1 M}
Less: 2% cash discount on price of machinery [` 5,00,000 x 2%] [Note 4]	10,000 }{1 M}
Value of taxable supply	5,30,000 }{2 M}

Notes:

- (1) Supply of machinery (goods) with supply of ancillary services like freight is a composite supply, the principle supply of which is the supply of machinery. Thus, value of such ancillary supply is includible in the value of composite supply.
- (2) All incidental expenses including packing charged by the supplier to the recipient of a supply are includible in the value of supply in terms of section 15(2) of CGST Act, 2017.
- (3) Designing charges are includible in the value of supply as any amount charged for anything done by the supplier in respect of the supply of goods at the time of, or before delivery of goods is so includible in terms of section 15(2) of CGST Act, 2017.
- (4) Cash discount was given at the time of supply and also recorded in invoice, so the same is not to be included while computing value of supply in terms of section 15(3) of CGST Act, 2017.

(1/2 M each)

Answer :

(b) The following four conditions are to be satisfied by the registered person for obtaining input tax credit:-

- (i) He is in possession of tax invoice or debit note or such other taxpaying documents as may be prescribed;
- (ii) He has received the goods or services or both;
- (iii) The supplier has actually paid the tax charged in respect of the supply to the Government; and
- (iv) He has furnished the return under section 39.

(1/2 M each)

Answer 3:

- (a)**
- (i) Services provided by a tour operator to a foreign tourist are exempt from GST provided such services are in relation to a tour conducted wholly outside India. Thus, since in the given case, services provided by Relax & Co. are in relation to a tour conducted within India, the same are not exempt from GST. }{3 M}
 - (ii) Services provided by a coach to a recognised sports body for participation in a sporting event are exempt from GST provided said sporting event is organised by a recognized sports body. Thus, since in the given case, the sporting event is not organised by a recognised sports body, the services provided by Ms. Sneha are not exempt from GST. }{3 M}

Answer :

- (b)** As per Notification No. 66/2017 CT dated 15.11.2017, a registered person (excluding composition supplier) has to pay GST on the outward supply of goods at the time of supply as specified in section 12 of CGST Act, 2017 i.e., date of issue of invoice or the last date on which invoice ought to have been issued in terms of section 31. }{2 M}
- Therefore, the time of supply of goods is 3rd December which is the date on which the invoice for the consignment was issued. }{2 M}

Answer 4:

- (a)** As per section 50 of the CGST Act, 2017, interest is payable in the following cases: }{2 M}
- Failure to pay tax, in full or in part within the prescribed period,
 - Undue or excess claim of input tax credit,
 - Undue or excess reduction in output tax liability.
- The maximum rate of interest chargeable for the same is as under -
- (i) 18% p.a. in case of failure to pay full/part tax within the prescribed period. }{1 M}

- (ii) 24% p.a. in case of undue or excess claim of input tax credit or undue or excess reduction in output tax liability. } {1 M}

Answer :

- (b) Every registered person who is required to furnish a return under section 39 of the CGST Act, 2017 and whose registration has been surrendered or cancelled shall file a Final Return electronically in the prescribed form through the common portal. Final Return has to be filed within 3 months of the: } {1 M}
- (i) Date of cancellation } {1 M}
- (ii) Date of order of cancellation whichever is later } {1 M}

Answer :

- (c) Yes, as per section 29 of the CGST Act, every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi -finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher. } {3 M}
