

(ALL CA INTERMEDIATE BATCHES)**DATE: 04.01.2021****MAXIMUM MARKS: 100****TIMING: 3¼ Hours****TAXATION****GENERAL INSTRUCTIONS TO CANDIDATES**

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive type answers.
4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
5. Answers to Questions in Part I are to be marked on the OMR answer sheet only. Answers to questions in Part II are to be written on the descriptive type answer book. Answers to MCQs, if written in the descriptive type answer book, will not be evaluated.
6. OMR answer sheet will be in English only for all candidates, including for Hindi medium candidates.
7. The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive type answer book. No bar code sticker is to be affixed on the OMR answer sheet.
8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
9. Duration of the examination is 3 hours. You will be required to submit (a) Part I of the question paper containing MCQs, (b) OMR answer sheet thereon and (c) the answer book in respect of descriptive type answer book to the invigilator before leaving the exam hall, after the conclusion of the exam.
10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the above-mentioned items.
11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators will be expelled from the examination and will also be liable for further punitive action.

PART – II

1. Section-A comprises questions 1-4. In Section-A, answer Question No. 1 which is compulsory and any 2 questions from question No. 2-4. All questions in Section-A relate to assessment year 2019-20, unless otherwise stated.
Section-B comprises questions 5-8. In Section-B, answer Question No. 5 which is compulsory and any 2 questions from question No. 6-8.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.
4. All questions in Section B should be answered on the basis of position of GST law as amended by significant notifications / circulars issued upto 30th April, 2019.

SECTION – A

PART – I – MULTIPLE CHOICE QUESTIONS

TOTAL MARKS: 30 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. (i) Ans. b
(ii) Ans. a
(iii) Ans. c
(iv) Ans. b } {2 M Each}
2. (i) Ans. d
(ii) Ans. c
(iii) Ans. d }
3. Ans. b
4. Ans. d
5. Ans. a
6. Ans. b
7. Ans. c
8. Ans. a
9. Ans. b
10. Ans. b
11. Ans. b
12. Ans. c
13. Ans. d
14. Ans. d
15. Ans. a
16. Ans. d
17. Ans. b
18. Ans. d } {1 M Each}

SECTION – A

PART – II - DESCRIPTIVE QUESTIONS

QUESTIONS NO. 1 IS COMPULSORY

ATTEMPT ANY TWO QUESTIONS THE REMAINING THREE QUESTIONS

TOTAL MARKS: 42 MARKS

Answer 1:

Computation of total income of Mr. Hari : Since Mr. Hari follows cash system of accounting, only those income and expenses would be considered for computation of professional income, which have actually been received or paid, as the case may be. Accordingly, the computation is as follows, (amount in Rs.)-

Income from House Property :			
Let out portion :			
Actual Rent received/receivable [Rs. 40,000 x 12] (GAV)		4,80,000	
Less: Municipal Taxes paid by the assessee		-4,200	
Net Annual value		4,75,800	
Less: Deduction u/s 24 : (i) Standard Deduction @ 30% of NAV		-1,42,740	

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(ii) Interest on borrowed capital [10% of Rs. 10,00,000]		-1,00,000	2,33,060	}{2 M}
Profits & Gains of Business or Profession :				
Fee from professional services		39,60,000		
Less: Expenses allowable as deduction-				
Staff salary, bonus and stipend	-20,50,000			
Other administrative expenses	-12,00,000			
Office rent	-48,000			
Motor Car Maintenance [Rs. 12,000 x 3/4 th towards professional use]	-9,000			
Car loan interest [Not allowable, as not paid during the year]	-	-33,07,000		
Less: Depreciation-				
Motor Car [Rs. 4,00,000 x 30% x 50% as used for less than 180 days during the previous year x 3/4 th relating to professional use] [Since Motor car is acquired on or after 23.08.2019 but before 01.04.2020 and is put to use before 01.04.2020, hence, depreciation is admissible @ 30%]	-45,000			
Books bought of annual publications [40% of Rs. 22,000]	-8,800			
Computers [50% of 40% of Rs. 25,000 since put to use for less than 180 days]	-5,000	-58,800	5,94,200	}{1 M}
Speculation business Gains (Shares)		1,00,000		
Speculation business loss (Commodity)		1,50,000	-	
Balance speculation business loss to be carried forward since it cannot be set-off from general business profits.		-50,000		
Income from Other Sources :				
Gift received from friends [Rs. 40,000 x 4]			1,60,000	}{2 M}
Gross Total Income			9,87,260	}{2 M}
Less: Deduction u/s 80C-				
Life Insurance Premium	23,000			
Public Provident Fund [Subject to maximum of Rs. 1,50,000]	1,40,000	-1,50,000		
Deduction u/s 80GGC :		-3,00,000		
Donation to registered Political party [100% of Rs. 3,00,000]				
Deduction u/s 80G :				
Donation to Prime Minister's Drought Relief Fund [50% of Rs. 1,11,000]		-55,500	-5,05,500	}{1 M}
Total Income (rounded off)			4,81,760	}{2 M}
Tax on Income at normal rates			8,852	}{1 M}
Less: Tax rebate u/s 87A			8,852	}{1 M}
Tax payable			Nil	}{2 M}

Answer 2:

- (a) (i) In this case, since the programme is produced by the production house as per the specifications given by Moon TV, a television channel, and the copyright is also transferred to the television channel, the same falls within the scope of definition of the term 'work' under section 194C. Therefore, the payment of Rs. 50 lakhs made by Moon TV to the production house would be subject to tax deduction at source under section 194C. {3 M}
 If, however, the payment was made by Moon TV for acquisition of telecasting rights of the content already produced by the production house, there is no contract for "carrying out any work", as required in section 194C(1). Therefore, such payment would not be liable for tax deduction at source under section 194C.
- (ii) The issue of whether fees/charges taken or retained by advertising companies from media companies for canvassing/booking advertisements (typically 15% of the billing) is 'commission' or 'discount' to attract the provisions of tax deduction at source has been clarified by the CBDT vide its Circular No. 5/2016 dated 29.02.2016. {3 M}
 The relationship between the media company and the advertising agency is that of a 'principal-to-principal' and, therefore, not liable for TDS under section 194H. In view of the same, the CBDT has clarified that no liability to deduct tax is attracted on payments made by television channels to the advertising agency for booking or procuring of or canvassing for advertisements.
 Accordingly, in view of the clarification given by CBDT, no tax is deductible at source on the amount of Rs. 15 lakhs retained by Mudra Adco Ltd., the advertising company, from payment due to Cloud TV, a television channel.

Answer:

- (b) The answer is as follows –
- (i) Any movable property received for inadequate consideration by any person is chargeable to tax under section 56(2)(x); if the difference between aggregate Fair Market value of the property and consideration exceeds Rs. 50,000. Thus, share received by M/s. B. Co. (P) Ltd. from Mr. B for inadequate consideration is chargeable to tax under section 56(2)(x) to the extent of Rs. 2,00,000. {4 M}
 The indexed cost of acquisition (Rs. 4,45,000) less the actual sale consideration (Rs. 3,00,000) would result in a long term capital loss of Rs. 1,45,000 in the hands of Mr. B, which is eligible for set off against any other long term capital gain.
- (ii) Total Income of Chhaya = Rs. 50,000 + LTCG (Rs. 6 lakhs, being stamp value u/s 50C – Rs. 4 lakhs) = Rs. 2,50,000. {3 M}
 Total Income of Dayama = Rs. 2,05,000 + Rs. 1,75,000 = Rs. 3,80,000.
 [Difference between the stamp duty value of Rs. 6,00,000 and the actual consideration of Rs. 4,25,000 paid is taxable under section 56(2)(x) since the difference exceeds Rs. 50,000 being, the higher of Rs. 50,000 and 5% of consideration i.e. Rs. 21,250.]
- (iii) No, the cash gift so received by Mr. Cheqian shall not be taxable in his hands as any sum received without consideration i.e., as cash gift from a charitable trust registered u/s 12AA is specifically excluded u/s 56(2)(x). {1 M}

Answer 3:

- (a) Computation of Income from House Property of Mr. X (amount in Rs.)
 (1) In case of Unit-I (self-occupied) :

Net Annual Value	Nil	} {1 M}
Less : Interest on the borrowed capital u/s 24(b) (Rs. 1,500 x 12 x 1/2)	9,000	
Net Income from Unit-I	-9,000	

(2) In case of Unit-II (let-out):

Expected Rent	[WN-1]	81,000	} {1 1/2 M}
Actual rent received (Rs. 8,000 x 10)		80,000	
Proportionate Expected Rent (PER)	[WN-2]	67,500	
Gross Annual Value	[WN-3]	80,000	

Less : Municipal taxes paid (15% of Rs. 1,90,000 x 1/2)		14,250	} {2 M}
Net Annual Value		65,750	
Less : Deductions under section 24 -			
(a) Statutory deduction @ 30% of NAV		19,725	
(b) Interest on the borrowed capital (Rs. 1,500 x 12 x 1/2)		9,000	
Net Income from Unit - II		37,025	

Thus, total income from House Property = (Rs.) - 9,000 + 37,025 = Rs. 28,025.

Working Notes:

- (1) ER = Fair Rent Rs. 92,500 or Municipal Value Rs. 95,000, whichever is higher; subject to maximum of Standard Rent Rs. 81,000.
- (2) PER = Expected Rent x 10 ÷ 12 = Rs. 81,000 x 10 ÷ 12 = Rs. 67,500.
- (3) Since ARR is greater than PER, therefore, ARR is less than ER on account of vacancy hence ARR is GAV.

Answer:

- (b) (i) Belated return [Section 139(4)] : Any person who has not furnished a return within the time allowed to him under Section 139(1), may furnish the return for any previous year at any time-
- before the end of the relevant assessment year; or
 - before the completion of the assessment,
- whichever is earlier.
- (ii) Hence, for AY 2020-21, belated return can be furnished upto 31.03.2021. Yes, Mr. Sachin can revise the return. As per Section 139(5), if any person, having furnished a return u/s 139(1) or 139(4), discovers any omission or any wrong statement therein, he may furnish a revised return at any time-
- before the end of the relevant assessment year, or
 - before the completion of the assessment,
- whichever is earlier.
- Hence, belated return filed under Section 139(4) by Mr. Sachin can be revised under Section 139(5) upto 31.03.2021.

Answer:

- (c) The relevant provisions are discussed as under –
- (1) As per Section 139(3), If any person has sustained a loss in any previous year under the,-
- (a) "Profits and Gains of Business or Profession" under section 72(1), or
 - (b) Speculation loss under section 73(2), or
 - (c) Specified business loss under Section 73A(2), or
 - (d) "Capital Gains" under section 74(1), or

- (e) Loss from the activity of owning and maintaining race horses under section 74A(3), then, such loss can be carried forward and set-off, only if the person furnishes a return of loss in prescribed form and containing prescribed particulars on or before the due date specified in Section 139(1). {1 M}
- Notes:**
- (i) Loss from house property under section 71B can be carried forward and set off even if return of loss is not filed under section 139(3).
 (ii) "Unabsorbed depreciation" under section 32(2) can be carried forward and set off even if no return of loss is furnished under section 139(3). {1 M}
- (2) As per Section 80Ac, it is mandatory to furnish return of income on or before due date for claiming deduction under sections 80-IA to Section 80RRB. The effect of this provision is that in case of failure to file return of income on or before the stipulated due date, the assessee would lose the benefit of deduction under these sections. {1 M}
- (3) Conclusion : In this case since the return is filed on 29.09.2020 after due date of furnishing return of Income, hence, it is belated return. Thus, from the above,- {2 M}
- (a) Loss from the business carried on by him as a proprietor amounting Rs. 11,20,000 cannot be carried forward.
 (b) Deduction u/s 80-IB amounting Rs. 5,50,000 shall not be admissible as per provisions of Section 80AC.
 (c) Unabsorbed Depreciation amounting Rs. 4,80,000 shall be carried forward even if return is not furnished as per due dates under Section 139(1).
 (d) Loss from House property amounting Rs. 2,50,000 shall be carried forward even if return is not furnished as per due dates under Section 139(1).

Answer 4:

(a) Computation of capital gains / loss chargeable to tax (amount in Rs.)-

Full value of consideration	1,00,00,000	
Less : Expenses on transfer	1,15,000	
Net Consideration	98,85,000	{2 M}
Less: Indexed cost of acquisition (Rs. 21,00,000 x 289 ÷ 100)	60,69,000	
Less: Indexed cost of improvement (second floor) (Rs. 7,50,000 x 289 ÷ 105)	20,64,286	
Less: Indexed cost of improvement (Rs. 6,25,000 x 289 ÷ 122)	14,80,533	
Long-term Capital Gains	2,71,181	{4 M}

Answer:

(b) Computation of Income of Babu under the Head "Salaries" (amount in Rs.)-

Basic Salary (Rs. 25,000 x 10)		2,50,000
Dearness allowance (Rs. 10,000 x 10)	[WN-1]	1,00,000
Bonus (Rs. 50,000 x 10 months)		5,00,000
Value of Accommodation	[WN-2 & 3]	1,52,500
Sweeper Salary paid by employer (Rs. 1,500 x 10)		15,000
Watchman Salary paid by employer (Rs. 1,500 x 10)		15,000
Car facility	[WN-4]	27,000
Club facility	[WN-5]	Nil
Education facility to children	[WN-6]	Nil

Interest free housing Loan (Rs. 5,00,000 x 12.25% x 6 ÷ 12)	30,625	
Interest free Computer Loan (Rs. 50,000 x 15.25% p.a. x 3 ÷ 12)	1,906	
Gross Salary	10,92,031	}3 M}
Less : Standard Deduction u/s 16(ia)	50,000	
Income under the head salaries	10,42,031	}1 M}

Working Notes :

- It is assumed that DA forms the part of salary for retirement benefits.
- It is assumed that the place of accommodation has population exceeding 25 lakhs.
- Taxable value of Rent free furnished Accommodation :

Valuation of rent free accommodation	15% of Salary	
Value of rent free accommodation (Rs. 8,50,000 x 15%)	1,27,500	
Add : Furniture (10% p.a. of original cost of furniture) (Rs. 3,00,000 x 10% x 10/12)	25,000	
Taxable value of furnished accommodation	1,52,500	}2 M}
Salary for rent free accommodation :		
→ Basic Pay	2,50,000	
→ DA	1,00,000	
→ Bonus	5,00,000	
	8,50,000	}2 M}

- The car is used partly for personal and partly for official use. Assuming that the maintenance and running expenses are met by the owner-company, value of car facility = (Rs. 1,800 + Rs. 900) x 10 = Rs. 27,000.
- The initial fee for corporate membership is exempt from tax.
- It is assumed that the cost of education per child does not exceed Rs. 1,000 p.m.

SECTION – B - DESCRIPTIVE QUESTIONS**QUESTION NO. 5 IS COMPULSORY****ATTEMPT ANY TWO QUESTIONS OUT OF REMAINING THREE QUESTIONS.****TOTAL MARKS: 28 MARKS****Answer 5:**

Computation of GST payable by Flynn Industries for the month of November, 2019

Particulars	Ref. Note	CGST (Rs.)	SGST (Rs.)	IGST (Rs.)
Total tax payable before adjusting ITC	WN 1	4,66,500	4,66,500	1,98,000
Less: Input tax credit eligible for set-off	WN 2	2,87,000	2,44,900	4,85,000
Balance tax payable/ (Excess credit available)		1,79,500	2,21,000	(2,87,000)
Cross utilisation : Set-off of IGST excess credit against CGST & SGST	Note	(2,44,900)	(Nil)	2,87,000
Final GST liability for the month		{1/2 M} (65,400)	{1/2 M} 2,21,600	Nil

Note: As per the manner of utilisation mentioned u/s. 49(5), IGST credit shall be first used to set off against IGST output tax, and the balance thereafter if any, should be used to set off in any order against CGST output tax and SGST output tax. Accordingly, IGST credit Rs. 4,85,000 is adjusted first for IGST output tax payable of Rs. 1,98,000. And excess credit in IGST of Rs. 2,87,000 has been adjusted against the CGST output tax payable. Then the

CGST credit is adjusted against Balance CGST payable of Rs. 1,79,500. It may be noted that the SGST output tax payable, after taking the input of Rs. 2,44,900, Rs. 2,21,600 shall be paid through electronic cash ledger.

Computation of tax payable on outward supplies (WN 1)

Particulars	Amount (Rs.)	Rate	CGST (Rs.)	SGST (Rs.)	IGST (Rs.)
Taxable inter-state supplies	16,50,000	12%	-	-	1,98,000
Taxable intra-state supplies	68,00,000	12%	4,08,000	4,08,000	-
Exempt intra-state supply	8,00,000	Nil	-	-	-
Taxable intra-state supply	6,50,000	18%	58,500	58,500	-
Total tax payable before adjusting ITC			4,66,500 {1/2 M}	4,66,500 {1/2 M}	1,98,000 {1/2 M}

Computation of ITC credit available for the month of November (WN 2)

Particulars	Amount (Rs.)	Rate	Note	CGST (Rs.)	SGST (Rs.)	IGST (Rs.)
Intra-state purchases of goods from Theresa Traders	33,40,000	12%		2,00,400	2,00,400	-
Intra-state purchases from Hema, a composition trader	75,000	1%	A	-	-	-
Food purchased for the employees	24,000	5%	B	-	-	-
Inter-state purchases from Shreya Ltd.	27,50,000	12%				3,30,000
Intra-State purchases of goods from Vijay Ltd.	85,000	5%	C	-	-	-
Inter-state purchases from Ashwini Pvt. Ltd. in Bangalore	5,00,000	18%	D	-	-	90,000
Total input credit on the purchases for the month				2,00,400	2,00,400	4,20,000
Add: Opening credit				44,500	44,500	65,000
Total credit available for the purpose of set-off				2,44,900 {1 M}	2,44,900 {1 M}	4,85,000 {1 M}

Notes:

- A. Input tax on goods supplied by a supplier under composition scheme is not an eligible credit.
- B. Tax paid on food and beverages is not eligible credit as per Section 17(5).
- C. Tax paid on supplies used for exempted outward supplies is not an eligible credit.
- D. Tax paid on supplies used for exempted outward supplies is not an eligible credit. Since it was mentioned that half of the purchases are used to make exempted outward supplies, tax credit shall be eligible on the remaining supplies that were used for taxable outward supplies Rs. 5,00,000 i.e. 50% of Rs. 10,00,000 (total purchases).
- E. The recent amendment mandates that IGST credit must first be fully exhausted for the payment of tax liability and only then the particular input credits must be availed. (Rule 88A)

Answer 6:

(a) Computation of GST payable by M/s. Apna Bank Limited for the month of August, 2019.

Particulars	Amount (Rs.) in
Extended Housing loan to its customers	-
Processing fee collected from customers on sanction on loan	20
Commission collected from its customers on bank guarantee	30

Interest income on credit card issued by the bank	40	}{3 M}
Interest received on housing loan extended by the bank	-	
Minimum balance charges collected from current account and saving account holder	1	
TOTAL VALUE OF TAXABLE SUPPLY	91	

Note:

As per Entry No. 27 of exemption list under Goods and Service Act, Services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) is exempted. } {2 M}

Service charges, administrative charges or entry charges collected over and above interest on loan, advance or a deposit are not exempt and thus shall form part of taxable consideration.

Answer:

(b) Computation of taxable value of supply of A Ltd.

Particulars		Amount in (Rs.)	
Taxable value		2,50,000	
Inclusion :			
(a) Entry taxes & toll	5,000		
(b) Amount paid by the supplier	50,000		
(c) Subsidies	20,000	3,25,000	
Exclusions :			
(a) Discount		(5,000)	
Total taxable Value of Supply		3,20,000	}{2 M}

Notes:

1. Entry taxes and toll should be included if they are charged separately, hence not included.
2. Subsidies that are linked to the price alone should be included. [That is Rs. 20,000 (Balance Rs. 80,000 should not be included)].
3. The discount element is shown in the invoice which was raised on 13.10.2019. Hence the discount of Rs. 5,000 should be excluded from the taxable value. However the discount amount of Rs. 10,000 isn't reflected in the invoice. In addition, it had not been established in terms of agreement entered into at the time of Supply. Hence, Rs. 10,000 should not be excluded from the taxable value. } {1 M Each}

Answer 7:

(a) Supply of Goods or Services as per CGST

- (a) Supply of goods by a principal to its agent without any consideration to sell on his behalf is considered as Supply of Goods. In the given case. Ram (Principal) has sent goods to Maruthi (agent) without any consideration to sell on his behalf qualifies to be Supply of Goods.
- (b) Schedule I of CGST Act provides that gifts not exceeding the value of Rs. 50,000 in a financial year by an employer to an employee shall not be treated as supply of goods or services. In the given case, the value of gift by Humty (employer) to Dumty (employee) is Rs. 25,000, being less than Rs. 50,000 is not termed as supply of goods or services. If the value of gift is Rs. 55,000 (more than Rs. 50,000), it qualifies as supply of goods or services. } {1 M Each}

- (c) Transactions between different locations of same entity will qualify as Supply as per CGST Act. In the present case, Batman Ltd. transfers its goods from Chennai branch to Mumbai branch and hence qualifies as Supply of Goods under CGST Act.
- (d) Functions performed by Members of Parliament, Members of State legislatures are covered under "Negative List" (i.e. which are considered neither as supply of goods nor services) as per Schedule III. In the given case, Ram, a member of parliament attends a meeting in Delhi is covered under Negative list of CGST. Therefore, it is neither a supply of Goods nor Services.

Answer:

(b) Person liable to pay GST

- (a) Services provided by an insurance agent to person carrying on insurance business, located in taxable territory is covered under reverse charge. Therefore, Goodwill Insurance Company Ltd. is liable to pay GST.
- (b) Services of transportation of goods, provided by Central Government / State Government / Local Authority to any business entity is specifically excluded from reverse charge. Therefore, State Government is liable to pay GST.
- (c) Services provided by a music composer to a music company is covered under reverse charge. Therefore, Music Track Ltd. (Music Company) is liable to pay GST.
- (d) Sponsorship services provided by any person to a body corporate or a firm is covered under Reverse charge. In the given case, Sponsorship services provided by AGR Ltd. to Seshan (an individual) and is not covered by reverse charge. Therefore, AGR Ltd. is liable to GST.

{1 M Each}

Answer:

- (c) (i) Services by an unincorporated body or a non-profit entity to its own members by way of reimbursement of charges or share of contribution, upto an amount of Rs. 7,500 per month per member for sourcing of goods or services from a third person for the common use of its members in a housing society or a residential complex.
In this case as the monthly contribution per member exceeds Rs. 7,500. Therefore,
Case 1 : If aggregate turnover of association is more than Rs. 20 Lakhs-total amount of Rs. 9,000 is taxable.
Case 2 : If aggregate turnover of association is less than Rs. 20 Lakhs-total amount of Rs. 9,000 is exempted.
- (ii) Services by an artist by way of a performance in folk or classical art forms of Music or Dance or Theatre where the consideration charged for such performance is not more than Rs. 1,50,000 the amount is exempt from GST. However if consideration for such activities exceeds Rs. 1,50,000 entire consideration is subject to GST. Since, in the given case consideration received Rs. 1,58,000 is more than the limit Mr. Vikalp is fully taxable under GST.
Further all other activities by an artist in other art forms e.g. western music or dance, modern theatres, performance of actors in films or television serials would be taxable. Therefore, Rs. 90,000 received from acting in a TV serial during the month of June 2019 is taxable.

{1 M}

{1 M}

Answer 8:

- (a) Aspects in relation to the registration of a Non-resident taxable Person }

- (i) A non-resident taxable person shall apply for his registration at least five days prior to the commencement of the business.
- (ii) As per Sec. 25(6), every person must have a PAN in order to be eligible to apply for registration. However, a non-resident taxable person will generally not possess PAN of India. he may be granted registration on the basis of other prescribed documents: } {2 M}
- He has to submit a self attested copy of his valid passport, along with the application signed by his authorized signatory who is an Indian resident having valid PAN. However, in case of a business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its PAN, if applicable. } {2 M}
- (iii) Registration Certificate granted to a non-resident taxable person is valid for
 a) Period specified in the registration application, or
 b) 90 days from the effective date of registration, whichever is earlier. } {2 M}
- (iv) Yes, he will be able to extend the validity of his registration. It can extended further by a period not exceeding 90 days by making an application before the end of the validity of registration granted to him. }

Answer:

- (b) Input tax credit for purchases made from Akash limited of CGST Rs. 90,000 should first be utilized for the payment of CGST Rs. 40,000 and then IGST Rs. 50,000. The ITC on SGST of Rs. 90,000 should first be utilized towards payment of SGST Rs. 40,000 and then Rs. 10,000 towards balance IGST. } {2 M}

Answer:

- (c) (i) False. If a registered person is supplying taxable as well as exempted goods/services to an unregistered person, then he can issue a single "invoice-cum-bill of supply" for all such supplies. } {1 M}
- (ii) True. As per CGST Rules, a banking company or a financial institution or NBFC is allowed to issue single consolidated tax invoice for the supply of services made during a month at the end of the month under GST. } {1 M}

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