

**(CA INTERMEDIATE MOCK TEST MAY 2021)**

**DATE: 06.03.2021**

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

19.   (i)    Ans. a    **{2 Marks}**

Aggregate turnover of Shanky consultants	
Security services	2,00,00,000
Manpower services	5,00,000
Auditing services	1,00,00,000
Total	3,05,00,000

(ii)    Ans. a    **{2 Marks}**

GST liability under reverse charge	
Sponsorship fees and payment of Rent to MCD is covered under reverse charge.	
Sponsorship fees	70,000
Rent of immovable property	6,00,000
Total	6,70,000
CGST @ 9%	60,300
SGST @ 9%	60,300

(iii)    Ans. a    **{2 Marks}**

20. Ans. a {2 Marks}  
 As per section 16(3), While claiming depreciation on capital assets, such ITC shall not form part of actual cost i.e. if registered person has taken tax credit, input tax shall not be added to the cost of capital assets. If person has added tax on costs of the asset then ITC shall not be allowed.
21. Ans. d {2 Marks}  
 Hint: In case of movement of goods of consignment value 1,05,000 e-way bill is required.
22. Ans. d {2 Marks}

**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:**

- (a) 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	
(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 <sup>th</sup> 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 15% x 50% as used for less than 180 days during the previous year x 3/4 <sup>th</sup> relating to professional use]	-22,500		

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	-36,300	6,16,700	}{2 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	
Gross Total Income			10,09,760	}{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	
Total Income (rounded off)			5,04,260	}{2 M}
Tax on Income at normal rates			13,352	
Less: Tax rebate u/s 87A			534	
Tax payable			13,890	}{2 M}

**Answer:**

**(b)** Computation of Total Income of Mr. X (amount in Rs.):

Basic Salary	4,00,000		
Dearness Allowance	2,00,000		
Servant Allowance	15,000		
Contribution by employer to Pension Scheme of Central Government [WN-1]	84,000		
Gross Salary	6,99,000		
Less: Standard Deduction u/s 16(ia)	50,000		
Salary Income/Gross Total Income			6,49,000}{1 M}
Less: Deductions under Chapter VI A-			
(i) Employee's contribution to Pension Scheme of Central Govt. [Sec. 80CCD(1B)] [WN-3]			50,000
(ii) Employee's contribution to Pension Scheme of Central Govt. [Sec. 80CCD(1)] [WN-3]	34,000		
(iii) Life Insurance premium (10% of capital sum assured shall qualify for deduction) [Sec. 80C]	25,000		
(iv) Payment of Public Provident Fund [Sec. 80C]	1,00,000		
Total [WN-2]	1,59,000	1,50,000	}{1 M}

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(v)	Employer's contribution to Pension Scheme of Central Government [Sec. 80CCD(2)] [WN-4]		84,000	}{1 M}
	Total Income		3,65,000	

**Working Notes:**

- (1) Contribution by employer to Pension Scheme of Central Government will be deemed to be income received in India under Section 7 and hence taxable.
- (2) As per Section 80CCE, the aggregate amount of deduction under section 80C, 80CCC and 80CCD(1) shall not exceed Rs. 1,50,000.
- (3) The deduction under section 80CCD(1B) would not be subject to overall limit of Rs. 1,50,000 under section 80CCE. Therefore, it is more beneficial for Mr. X to claim deduction of Rs. 50,000 under section 80CCD(1B) first in respect of contribution to NPS. Thereafter, the remaining amount of Rs. 34,000 can be claimed as deduction under section 80CCD(1), subject to a maximum of 10% of salary.
- (4) Deduction in respect of employer's contribution to pension scheme of Central Government, shall not exceed 14% of salary (Basic salary + DA). Also it is not covered by limit of Rs. 1,50,000 specified in section 80CCE.

**Answer 2:**

**(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 301/100)	60,20,000		
Less: Indexed cost of improvement (second floor) (Rs. 7,50,000 x 301/105)	21,50,000		
Less: Indexed cost of improvement (Rs. 6,25,000 x 301/122)	15,42,008		
Long-term Capital Gains	1,72,992		}{2 M}

**Answer:**

- (b)** As per Section 194-IA, Any person, being a transferee, responsible for paying to a resident transferor any sum by way of consideration for transfer of any immovable property [i.e. any land (other than rural agricultural land) or any building or part of a building, shall be liable to deduct tax at source @ 0.75% where the total amount of consideration for the transfer of immovable property is not less than Rs. 50 lakh. Since the sale consideration of house property exceeds Rs. 50 lakh, Mr. Dhanpal is required to deduct tax at source under section 194-IA. The tax to be deducted under section 194-IA would be Rs. 60,000, being 0.75% of Rs. 80 lakh. TDS provisions under section 194-IA are not attracted in respect of transfer of rural agricultural land.

**Answer:**

**(c)** Computation of taxable income of Mr. Ram (amounts in Rs.)-

Net profit as per Profit and Loss A/c		3,57,900	
Add: Expenses not allowable			
Household expenses	10,000		}{1/2 M}
Income-tax for the financial year 2019-20	30,000		}{1/2 M}

Interest on capital	8,400		
Depreciation on furniture	12,000		
Reserve for bad debts	1,200	61,600	{2 M}
Add: Undervaluation of closing stock (Rs. 25,200 x 1/9)		2,800	
Less: Undervaluation of opening stock (Rs. 20,700 x 1/9)		-2,300	{1 M}
Less: Allowable depreciation		-10,000	{1 M}
		4,10,000	
Less: Deduction u/s 80C for contribution to PPF		1,500	{1 M}
Total income		4,08,500	{1 M}

**Answer 3:**

(a) The total interest payable by Ms. Priyanka is computed as under –

Interest for -	Calculation	Rs.	
Default in payment of advance tax u/s 234B	Rs. 1,50,000 x 1% x 8 months (April to Nov)	12,000	{1 M}
Deferment of advance tax u/s 234C	15% of Rs. 1,50,000 i.e. Rs. 22,500 x 1% x 3 months	675	{1 M}
	45% of Rs. 1,50,000 i.e. Rs. 67,500 x 1% x 3 months	2,025	{1 M}
	75% of Rs. 1,50,000 i.e. Rs. 1,12,500 x 1% x 3 months	3,375	{1 M}
	100% of Rs. 1,50,000 i.e. Rs. 1,50,000 x 1% x 1 month	1,500	{1 M}
<b>Total Interest Payable</b>		<b>19,575</b>	<b>{1 M}</b>

**Answer:**

(b) Mr. Sharma has received cash and various items of property, which are covered by Section 56(2)(x). Hence, the taxability of these amounts in view of said section is as follows-

Cash gifts received from Mr. A and Mr. Z	[WN-1]	64,000	{1 M}
Gift of plot of land from Mr. B (fully taxable, as stamp value exceeds Rs. 50,000)		3,50,000	{1 M}
Gift of plot of land from Mr. C (not taxable, as stamp value doesn't exceed Rs. 50,000)		Nil	{1 M}
Residential house acquired for inadequate consideration	[WN-2]	1,50,000	{1 M}
Sculpture and jewellery gifted by Mr. E and Mr. F	[WN-3]	85,000	{1 M}
Silver coin and shares purchased by him from Mr. G and Mr. H	[WN-4]	80,000	{1 M}
Diamond ring purchased from M/s. Pearl Jewels	[WN-5]	Nil	{1 M}
<b>Total Income</b>		<b>7,29,000</b>	<b>{1 M}</b>

**Working Notes:**

- (1) Aggregate of cash gifts received by Mr. Sharma = Rs. 32,000 x 2 = Rs. 64,000 i.e. exceeding Rs. 50,000, hence fully taxable.
- (2) Difference between the stamp duty value of Rs. 7,50,000 and the actual consideration of Rs. 6,00,000 paid is taxable under section 56(2)(x) since the difference exceeds Rs. 50,000 being, the higher of Rs. 50,000 and 10% of consideration i.e. Rs. 60,000.

- (3) Aggregate value of gift in form of movable properties = Rs. 50,000 + Rs. 35,000 = Rs. 85,000 i.e. exceeding Rs. 50,000, hence fully taxable.
- (4) Aggregate value of inadequate consideration of movable properties = (Rs. 10.5 lakhs – Rs. 10 lakhs) + (Rs. 3.3 lakhs – Rs. 3 lakhs) = Rs. 80,000 i.e. exceeding Rs. 50,000, hence, whole of the difference will be taxable.
- (5) Purchase of diamond ring for business purposes at less than fair market value cannot be treated as gift in hands of Mr. Sharma since the said ring is held as stock-in-trade by Mr. Sharma, hence cannot be regarded as property in the hands of Mr. Sharma, as the same is specifically excluded from the definition of capital asset. Accordingly, inadequacy of consideration is not taxable.

**Answer 4:**

**(a)** Computation of Income from House Property (amount in Rs.)-

Annual value	[WN-1]	7,20,000	}{1 M}
Less: Municipal taxes paid (Rs. 7,50,000 x 12%)		90,000	}{1 M}
Net Annual Value (NAV)		6,30,000	}{1 M}
Less: Deductions u/s 24 -			
(a) Standard deduction @ 30% of NAV		1,89,000	}{1 M}
(b) Interest on borrowed capital		35,000	}{1 M}
Income from House Property		4,06,000	}{1 M}

**Working Notes:**

- (1) Where the property is let for a part of a year and self-occupied for remaining period, the benefit of self-occupation shall not be available and the annual value shall be determined as per Section 23(1)(a).  
Thus, annual value =
  - (a) Expected Rent i.e. Municipal Value (Rs. 7,50,000) or Fair Rent (Rs. 6,30,00) whichever is higher subject to maximum of Standard Rent (Rs. 7,20,000) i.e. Rs. 7,20,000; or
  - (b) Actual Rent i.e. Rs. 75,000 x 9 = Rs. 6,75,000; whichever is higher.
- (2) Unrealised Rent cannot be deducted from actual rent since the conditions of Rule 4 have not been satisfied.

**Answer:**

**(b)**

	Taxable/ Not Taxable	Amount liable to tax (Rs.)	Reason
(i)	Taxable	15,00,000	As per Section 9(1)(iii), salaries payable by the Government to a citizen of India for service rendered outside India shall be deemed to accrue or arise in India. Therefore, salary paid by Central Government to Mr. David for services rendered outside India would be deemed to accrue or arise in India since he is a citizen of India.
(ii)	Taxable	7,50,000	Legal charges paid to Mr. Johnson, a lawyer of London, who visited India to represent a case at the Supreme Court, since it accrues or arises in India.



(iii)	Not taxable	--	Royalty paid by a resident to a non-resident in respect of a business carried outside India would not be taxable in the hands of the non-resident provided the same is not received in India. This has been provided as an exception to deemed accrual mentioned in Section 9(1)(vi)(b).	{1/2 M}
(iv)	Taxable	1,00,000	As per Section 9(1)(v)(c), interest payable by a non-resident on moneys borrowed and used for the purposes of business carried on by such person in India shall be deemed to accrue or arise in India in the hands of the recipient.	{1/2 M}

**Answer:**

**(c)**

- (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.
- Hence, for AY 2021-22, belated return can be furnished upto 31.03.2022. {2 M}
- (ii) 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 31.03.2022. {2 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:**

Raw Material 'A'	Rs.
Transaction Value	1,00,000.00
Add: IGST @ 15%	15,000.00
	1,15,000.00
Raw Material 'B'	
Transaction Value	3,00,000.00
Add: CGST @ 10%	30,000.00
Add: SGST @ 10%	30,000.00
	3,60,000.00
Services	3,00,000.00
Add: CGST @ 7.5%	22,500.00
Add: SGST @ 7.5%	22,500.00
	3,45,000.00
Cost of finished product	



Raw Material A	1,00,000.00
Raw Material B	3,00,000.00
Services	3,00,000.00
Processing	4,00,000.00
Cost	11,00,000.00
Add: Profit	5,00,000.00
Transaction value	16,00,000.00
Add: CGST @ 10%	1,60,000.00
Add: SGST @ 10%	1,60,000.00
	19,20,000.00

**Computation of Net Tax**

Particulars	CGST Rs.	
Output Tax	1,60,000	{1 M}
Less : ITC Raw Material A - IGST	(15,000)	{1 M}
Less: ITC Raw Material B – CGST	(30,000)	{1 M}
Less: ITC Services – CGST	(22,500)	{1 M}
Tax Payable	92,500	{1 M}

**Computation of Net Tax**

Particulars	SGST Rs.	
Output Tax	1,60,000	{1 M}
Less: ITC Raw Material B – SGST	(30,000)	{1 M}
Less: ITC Services – SGST	(22,500)	{1 M}
Tax Payable	1,07,500	

**Answer 6:**

- (a) Services provided by the Government or a local authority are not chargeable to GST as they are included in the Exemption. However, following services provided to a person other than Government, by the Department of Posts are excluded from the exemption:-
- (i) Speed post
  - (ii) Express parcel post
  - (iii) Rural postal Life Insurance
  - (iv) Agency services which include distribution of mutual funds, bonds, collection of telephone and electricity bills, etc.
- Hence, the aforesaid services are taxable.
- Thus, the amount of GST payable by the Department of Posts for the month of March would be as follows:-

	Amount (Rs. in lakh)
Basic mail services	Nil
Transfer of money through money orders	Nil
Operation of saving accounts	Nil
Rural postal life insurance services	200
Distribution of mutual funds, bonds	500
Issuance of postal orders	Nil
Collection of telephone and electricity bills	100
Pension payments	Nil
Speed post services	500
Express parcel post	200

Value of taxable service	1,500	
CGST @ 9% [15,00,00,000×9%]	135	}{2 M}
SGST @ 9% [15,00,00,000×9%]	135	}{2 M}

**Answer:**

**(b)**

	Rs.
Purchase goods	30,00,000
Add: CGST @10%	3,00,000
Add: SGST @10%	3,00,000
<b>Total</b>	<b>36,00,000</b>
ITC	
CGST	3,00,000
SGST	3,00,000
<b>Plant and Machinery</b>	
Transaction Value	32,00,000
Add: CGST @12%	3,84,000
Add: SGST @12%	3,84,000
<b>Total</b>	<b>39,68,000</b>
ITC	
CGST	3,84,000
SGST	3,84,000

<b>Output Tax</b>	
Transaction Value	22,00,000
Add: CGST @10%	2,20,000
Add: SGST @10%	2,20,000
<b>Total</b>	<b>26,40,000</b>

<b>Net tax Payable</b>	
	<b>CGST</b>
Output tax	2,20,000
Less: ITC on Goods	(2,20,000)
<b>Net Tax</b>	<b>Nil</b>
Excess Credit to be carried forward (3,00,000 + 3,84,000 - 2,20,000)	4,64,000
	<b>SGST</b>
Output tax	2,20,000
Less: ITC on Goods	(2,20,000)
<b>Net Tax</b>	<b>Nil</b>
Excess Credit to be carried forward (3,00,000 + 3,84,000 - 2,20,000)	4,64,000

**Computation of ITC to be reversed when opting for composition scheme**

<b>ITC of Goods (50%)</b>	
CGST (3,00,000 x 50%)	1,50,000
SGST (3,00,000 x 50%)	1,50,000
	<b>}{1 M}</b>
<b>ITC on Plant and Machinery shifted on 01/04/2020</b>	
Asset used (22/09/19 to 01/04/2020) = 6 month and 10 days	
Remaining life = 60 months – 6 month and 10 days = 53 months and 20 days ignoring no. of days	
53 months	
CGST (3,84,000/60 x 53)	3,39,200

SGST (3,84,000/60 x 53)	3,39,200	}{1 M}
<b>Total ITC to be reversed</b>		
CGST (1,50,000 + 3,39,200)	4,89,200	
Less: ITC	(4,64,000)	
Net Payable	25,200	}{1 M}
SGST (1,50,000 + 3,39,200)	4,89,200	
Less: ITC	(4,64,000)	
Net Payable	25,200	
<b>Output tax under composition scheme</b>		
Turnover	38,00,000	
CGST @ 0.5%	19,000	}{1 M}
SGST @ 0.5%	19,000	

**Answer 7:**

- (a) In the given illustration, ABC can issue a Consolidated Tax Invoice only with respect to supplies made to O Orphanage [worth Rs. 188] and A [worth Rs. 158] as the value of goods supplied to these recipients is less than Rs. 200 as also these recipients are unregistered and don't require a tax invoice. } {1 M}
- As regards the supply made to R Traders, although the value of goods supplied to it is less than Rs. 200, R Traders is registered under GST. So, Consolidated Tax Invoice cannot be issued. } {1 M}
- Consolidated Tax Invoice can also not be issued for supplies of goods made to D Enterprises and G although both of them are unregistered, because the value of goods supplied is not less than Rs. 200. } {1 M}

**Answer:**

**(b) Computation of eligible tax credit to M/s Dina Ltd. for the month of March 2021**

(i)	Purchase of iron which is used as a raw material	Nil	}{1/2 M}
(ii)	Purchase of accessories which were delivered directly to the Dealers of the company. Only invoice was received by Dina Ltd. (ITC is allowed)	90,000	}{1/2 M}
(iii)	Purchase of Bus (seating capacity 15) for the transportation of employees from their residence to company and back (ITC is allowed)	1,97,000	}{1/2 M}
(iv)	Input tax credit on general insurance taken on a car used by Executives of the company for official purposes	Nil	}{1/2 M}
(v)	Payment made to M/s Tasty Caterers for providing daily breakfast & lunch to the employees of the company, as voluntary staff welfare measure.	Nil	}{1/2 M}
	<b>Total</b>	<b>2,87,000</b>	<b>}{1<sup>1/2</sup> M}</b>

**Notes:**

- (i) As per 16(2), If the goods are received in installments, tax credit shall be allowed only when last installment has been received. In the given case last installment is received in April 2021 hence credit shall be allowed in the month of April. } {1 M}
- (ii) As per 17(5), ITC of motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver) is not allowed in the given case bus is of 15 seating capacity. } {1 M}
- (iii) As per 17(5), ITC of food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor } {1 M}

vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance is not allowed.

**Answer 8:**

- (a) (i) **As per section 2 (20), "casual taxable person"** means a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in a State or a Union territory where he has no fixed place of business. }{1 M}
- (ii) **As per rule 5,** a casual taxable person cannot opt for composition scheme. }{1 M}
- (iii) **As per section 24, Every casual taxable person** shall also be required to take registration irrespective of the turnover and procedure shall be same. He should apply for registration **atleast 5 days** prior to commencement of business. Registration shall be granted only after the applicant has paid estimated amount of GST in advance. }{1 M}
- (iv) **As per section 27,** Certificate shall be valid for the specified period but **maximum 90 days.** }{1 M}
- (v) Yes it can be extended. Proper officer may extend it further but for **maximum 90 days** i.e. total period can be **maximum 180 days.** Such person shall make advance deposit of GST as estimated by him. }{1 M}

**Answer:**

- (b) In the given scenario, only one e-way bill is required to be issued. Part A can be filled by either Mr. Shah or recipient of goods or Mehta Transporter on the appropriate authorisation. Where the goods are transferred from one conveyance to another, the consignor or the recipient, who has provided information in Part A, or the transporter shall, before such transfer and further movement of goods, update the details of conveyance in the e-way bill on the common portal in Part B. }{2 M}
- Thus, on reaching Kheda, Mr. Shah or the recipient of the goods, who has filled Part A of the e-way bill, or Mehta Transporter can, before the transfer and further movement of goods, update the details of conveyance in Part B of the e-way bill. Further, the consignor or the recipient, who has furnished the information in Part A, or the transporter, may assign the e-way bill number to another registered or enrolled transporter for updating the information in Part B for further movement of the consignment. Thus, on reaching Kheda, Mr. Shah or the recipient of the goods, or Mehta Transporter can assign the said e-way bill to Parikh Transporter who will thereafter update the details of conveyance in Part B. However, upon updation of the details of the conveyance by Parikh transporter in Part B, Mr. Shah or recipient, as the case may be, who has furnished the information in Part A shall not be allowed to assign the e-way bill number to another transporter. }{3 M}

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