

(GI-1, GI-2, GI-3, GI-6, VI-1, SI-1, VDI-1)

DATE: 13.09.2021

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.

MITTAL COMMERCE CLASSES CA INTERMEDIATE – MOCK TEST

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. c | } | {2 M Each} |
| 2. | Ans. d | | |
| 3. | Ans. a | | |
| 4. | Ans. c | | |
| 5. | Ans. d | | |
| 6. | Ans. b | | |
| 7. | Ans. c | | |
| 8. | Ans. a | | |
| 9. | Ans. d | | |
| 10. | Ans. d | } | {1 M Each} |
| 11. | Ans. c | | |
| 12. | Ans. c | | |
| 13. | Ans. b | | |
| 14. | Ans. a | | |
| 15. | Ans. d | | |
| 16. | Ans. c | | |
| 17. | Ans. a | | |
| 18. | Ans. a | | |
| 19. | Ans. c | | |
| 20. | Ans. a | | |
| 21. | Ans. a | | |

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:

	Rs.
Computation of Capital Gains of Mr. X	
Original Shares	
Full value of consideration (100 x 300)	30,000.00
Less: Cost of Acquisition	(20,000.00)
Higher of (i) COA = 100 x 10 = 1,000 (ii) lower of (a) FMV as on 31-01-2018 = 100 x 200 = 20,000 (b) sale value = 100 x 300 = 30,000 COA = 20,000	
Long Term Capital Gain u/s 112A	10,000.00}{1 M}

1st Bonus Shares

Full value of consideration (100 x 300)	30,000.00
Less: Cost of Acquisition	(20,000.00)

Higher of
 (i) COA (7 x 100) = 700
 (ii) lower of
 (a) FMV as on 31-01-2018 = 100 x 200 = 20,000
 (b) sale value = 100 x 300 = 30,000
 COA = 20,000

10,000.00 }{1 M}

Long Term Capital Gain u/s 112A

2nd Bonus Shares

Full value of consideration (100 x 300)	30,000.00
Less: Cost of Acquisition	(20,000.00)

Higher of
 (i) COA = Nil
 (ii) lower of
 (a) FMV as on 31-01-2018 = 100 x 200 = 20,000
 (b) sale value = 100 x 300 = 30,000
 COA = 20,000

10,000.00 }{1 M}

Long Term Capital Gain u/s 112A

Right Shares

Full value of consideration (50 x 300)	15,000.00
Less: Cost of Acquisition (50 x 140)	(7,000.00)

Short Term Capital Gain u/s 111A

8,000.00 }{1 M}

Renouncing of right to purchase shares

Full value of consideration	1,000.00
Less: Cost of acquisition	Nil
Short Term Capital Gain	1,000.00 }{1 M}

Computation of Total Income

Income under the head House Property	2,20,000.00
Income under the head Capital Gains	
Long term capital gains 112A	30,000.00
Short term capital gains 111A	8,000.00
Short term capital gains	1,000.00
Income under the head Capital Gains	9,000.00
Income under the head Other Sources	50,000.00
Gross Total Income	3,09,000.00
Less: Deduction u/s 80C	(1,00,000.00)
Total Income	2,09,000.00 }{1 M}

Computation of Tax Liability

Tax on casual income Rs.50,000 @ 30%	15,000
Tax on (30,000 – 30,000) @ 10% u/s 112A	Nil
Tax on (8,000 – 8,000) @ 15% u/s 111A	Nil
Tax on normal income Rs.1,21,000 at slab rate	Nil
Less: Rebate u/s 87A	(12,500)
Tax before health & education cess	2,500
Add: HEC @ 4%	100
Tax Liability	2,600 }{1 M}

Mr. Y

Full value of consideration	15,000.00
Less: Cost of acquisition (50 x 160)	(8,000.00)
Short Term Capital Gain u/s 111A	7,000.00
Computation of Total Income	
Income under the head House Property	3,50,000.00
Income under the head Capital Gains	7,000.00
Gross Total Income	3,57,000.00
Less: Deduction u/s 80C	(30,000.00)
Total Income	3,27,000.00 }{1 M}
Computation of Tax Liability	
Tax on Rs. 7,000 @ 15% u/s 111A	1,050.00
Tax on Rs. 3,20,000 at slab rate	3,500.00
Less: Rebate u/s 87A	(4,550.00)
Tax Liability	Nil }{1 M}

Answer (b):

	Rs.
Computation of Capital Gains of Mr. X	
Original Shares	
Full value of consideration (100 x 300)	30,000.00
Less: Indexed Cost of Acquisition (100 x 10)/100 x 301	(3,010.00)
Long Term Capital Gain	26,990.00 }{1 M}
1st Bonus Shares	
Full value of consideration (100 x 300)	30,000.00
Less: Indexed Cost of Acquisition (100 x 7)/100 x 301	(2,107.00)
Long Term Capital Gain	27,893.00 }{1 M}
2nd Bonus Shares	
Full value of consideration (100 x 300)	30,000.00
Less: Indexed Cost of Acquisition	Nil
Long Term Capital Gain	30,000.00 }{1 M}
Right Shares	
Full value of consideration (50 x 300)	15,000.00
Less: Cost of Acquisition (50 x 140)	(7,000.00)
Short Term Capital Gain	8,000.00 }{1 M}
Renouncing of right to purchase shares	
Full value of consideration	1,000.00
Less: Cost of acquisition	Nil
Short Term Capital Gain	1,000.00
Computation of Total Income	
Income under the head House Property	2,20,000.00
Income under the head Capital Gains	
Long Term Capital Gain	84,883.00

Short Term Capital Gain	9,000.00
Income under the head Other Sources	50,000.00
Gross Total Income	3,63,883.00
Less: Deduction u/s 80C	(1,00,000.00)
Total Income	2,63,883.00
Rounded off u/s 288A	2,63,880.00

Computation of Tax Liability

Tax on casual income Rs. 50,000 @ 30%	15,000.00
Tax on (84,880 – 84,880) @ 20% u/s 112	Nil
Tax on Rs. 1,29,000 at slab rate	Nil
Less: Rebate u/s 87A	(12,500.00)
Tax before health & education cess	2,500.00
Add: HEC @ 4%	100.00
 Tax Liability	 2,600.00

Mr. Y

Full value of consideration	15,000.00
Less: Cost of acquisition (50 x 160)	(8,000.00)
Short Term Capital Gain	7,000.00
<u>Computation of Total Income</u>	
Income under the head House Property	3,50,000.00
Income under the head Capital Gains	7,000.00
Gross Total Income	3,57,000.00
Less: Deduction u/s 80C	(30,000.00)
Total Income	3,27,000.00 }{1 M}
<u>Computation of Tax Liability</u>	
Tax on Rs. 3,27,000 at slab rate	3,850.00
Less: Rebate u/s 87A	(3,850.00)
Tax Liability	Nil

Answer 2:

(a)

	Rs.
Computation of Total Income	
Income under the head Business/Profession	
Profit as per profit and loss account	5,06,600.00
Add: Inadmissible expenses	
Proprietor's salary	15,000.00
Charity to poor student	300.00
Interest on proprietor capital	2,000.00
Provision for bad debts	2,000.00
Reserve for GST	10,000.00
Advance income-tax	9,500.00
Out of motor car expenses	300.00
Total	5,45,700.00 }{2 M}
Less:	
Bad debts recovered	(2,000.00)
Interest on company's deposit	(5,000.00)
Donation to scientific institution	(500.00)

Long term capital gains	(5,00,000.00)	}{1 M}
Income from business	38,200.00	
Income under the head Other Sources	5,000.00	
Income under the head Capital Gains (LTCG)	5,00,000.00	
Gross Total Income	5,43,200.00	}{1 M}
Less: Deduction u/s 80C to 80U	Nil	
Total Income	5,43,200.00	}{2 M}
Computation of Tax Payable		
Tax on LTCG Rs. 2,93,200 (Rs. 5,00,000 – 2,06,800) @ 20% u/s 112	58,640.00	
Tax on Rs. 43,200 at slab rate	Nil	
Add: HEC @ 4%	2,345.60	
Tax Liability	60,985.60	
Less: Income tax paid	(9,500.00)	
Tax Payable	51,485.60	
Rounded off u/s 288B	51,490.00	}{2 M}

Answer:

(b) Computation of total income of Mr. Rajmohan for the A.Y. 2021-22

	Rs.	
Gross Total Income	6,40,000	
Less: Deduction under Chapter VI-A		
Under section 80C		
Stamp duty paid on acquisition of residential house	50,000	}{1 M}
Five year time deposit with Post Office	20,000	}{1 M}
Under section 80E		
Interest on loan taken for higher education of spouse, being a relative.	10,000	}{1 M}
Under section 80G (See Note below)		
Donation to recognized charitable trust (50% of Rs. 25,000)	12,500	}{1 M}
Total Income	5,47,500	}{1 M}

Note: In case of deduction under section 80G in respect of donation to a charitable trust, the net qualifying amount has to be restricted to 10% of adjusted total income, i.e., gross total income less deductions under Chapter VI-A except 80G. The adjusted total income is, therefore, Rs. 5,60,000 (i.e. 6,40,000 – Rs. 80,000), 10% of which is Rs. 56,000, which is higher than the actual donation of Rs. 25,000. Therefore, the deduction under section 80G would be Rs. 25,000, being 50% of the actual donation of Rs. 25,000. }{1 M}

Answer 3:

(a) Computation of Relief under section 89 for the Previous Year 2020-21

		Rs.
Step 1.	Previous Year 2020-21	
	Salary for the year excluding the arrears	10,00,000
	Add: Arrears relating to Previous Year 2019-20	2,00,000
	Gross Salary	12,00,000
	Less: Standard deduction u/s 16(ia)	(50,000)
	Income under the head salary	11,50,000
	Tax before health & education cess	1,57,500
	Add: HEC @ 4%	6,300
	Tax Liability	1,63,800

Step 2.	Previous Year 2020–21	
	Salary for the year excluding the arrears	10,00,000
	Gross Salary	10,00,000
	Less: Standard deduction u/s 16(ia)	(50,000)
	Income under the head salary	9,50,000
	Tax before health & education cess	1,02,500
	Add: HEC @ 4%	4,100
	Tax Liability	1,06,600
Step 3.	Difference between Step 1 and Step 2 (1,63,800 – 1,06,600)	57,200
Step 4.	Previous Year 2019–20	
	Salary	8,00,000
	Add: Arrears	2,00,000
	Gross Salary	10,00,000
	Less: Standard deduction u/s 16(ia)	(50,000)
	Income under the head Salary	9,50,000
	Tax before health & education cess	1,02,500
	Add: HEC @ 4%	4,100
	Tax Liability	1,06,600
Step 5.	Previous Year 2019–20	
	Salary	8,00,000
	Gross Salary	8,00,000
	Less: Standard deduction u/s 16(ia)	(50,000)
	Income under the head Salary	7,50,000
	Tax before health & education cess	62,500
	Add: HEC @ 4%	2,500
	Tax Liability	65,000
Step 6.	Difference between Step 4 and Step 5 (1,06,600 – 65,000)	41,600
Step 7.	Relief under section 89 Step 3 – Step 6 (57,200 – 41,600)	15,600
	Tax after adjusting relief u/s 89 [1,63,800– 15,600]	1,48,200

Answer:

(b) Mr. X is a foreign citizen. He was in India during the previous year 2020-21 for 120 (30 + 31 + 28 + 31) days. Thus, he does not satisfy the first condition of 182 days. The second condition is also not satisfied as Mr. X came to India for first time during the previous year 2020-21.

Mr. X is therefore non-resident in India. The total income of Mr. X for the assessment year 2021-22 will be:

		Rs.
(1)	Salary (computed) received in India for three months	
	Taxable on receipt basis	1,00,000
(2)	Income from house property in London (received there)	
	Not taxable as income is accruing & arising outside India and is also received outside India	--
(3)	Amount brought in India out of the past untaxed-profits earned in Germany	
	Not taxable as it is not income	--
(4)	Income from agriculture in Sri Lanka being invested there	
	Income accrued and received outside India	--
(5)	Income from business in Nepal, being controlled from India	

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	Not taxable in the case of non- resident	--	}{1/2 M}
(6)	Income from house property in USA received in USA (Rs. 76,000 is used in Canada or meeting the educational expenses of Mr. X's daughter and Rs. 10,000 is later on received in India)		
	Income accrued and received outside India	--	}{1/2 M}
	Gross Total Income	1,00,000	
	Less: Deduction u/s 80C to 80U	Nil	
	Total Income	1,00,000	}{1 M}

Answer:

(c) In this case, Mr. X has the option to set off the loss under the head House Property either from normal income or from LTCG and tax liability in two options shall be:

Option-1: Set off from normal income:

Computation of Total Income	Rs.	
Income under the head Salary	8,00,000	}{1/2 M Each}
Less: Loss under the head House Property	(2,00,000)	
Income under the head Salary	6,00,000	
Income under the head Business/Profession	6,00,000	
Long term capital gain	20,00,000	
Casual income	5,00,000	
Gross Total Income	37,00,000	
Less: Deduction u/s 80C to 80U	Nil	
Total Income	37,00,000	

Answer 4:

(a) **Computation of taxable income of Mr. E for the A.Y. 2021-22**

Particulars	Rs.	Rs.	
Income under the head salary		1,50,000	}{1 M}
Income from speculation business	60,000		
Less: Loss from non-speculation business	(40,000)	20,000	}{1 M}
Short-term capital gain		80,000	}{1 M}
Winning from lotteries		20,000	}{1 M}
Taxable income		2,70,000	

Note: Long term capital loss can be set off only against long term capital gain. Therefore, long term capital loss of Rs. 30,000 has to be carried forward to the next assessment year. } {1 M}

Answer:

(b) **Return of Loss Section 139(3)**

If any person has sustained any loss under the head Business/Profession or under the head capital gains or the loss is from owning and maintaining of race horses and such person claims that the loss is to be carried forward, such person has to file a return of loss and such return shall be examined by the Assessing Officer and the loss computed by the assessee shall be confirmed by the Assessing Officer by sending an intimation under section 157 and only after that carry forward of loss shall be allowed to the assessee. } {2 M}

Return under section 139(3) has to be submitted within the time allowed under section 139(1).

Under section 80, if return of loss has been filed after the last date of filing of return of income, In that case carry forward of losses is not allowed. E.g. For }

previous year 2020-21 ABC Ltd. has incurred business loss of Rs.90 lakhs. In this case, the company must file return of loss under section 139(3) maximum upto 31.10.2021, otherwise carry forward of the loss is not allowed.

The above provisions are not applicable with regard to loss under the head house property and also it is not applicable with regard to unabsorbed depreciation.

If any return is filed under section 139(3), it will be considered to be a return under section 139(1).

{2 M}

Answer:

(c)

	Taxable/ Non-taxable	Amount liable to tax (Rs.)	Reason
(i)	Taxable	75,000	Sum of money exceeding Rs. 50,000 received without consideration from a non-relative is taxable under section 56(2)(x). Daughter of Mr. X's sister is not a relative of X HUF, since she is not a member of X HUF.
(ii)	Non-taxable	Nil	Immovable property received without consideration by a HUF from its relative is not taxable under section 56(2)(x). Since Miss. X is a member of the HUF, she is a relative of the HUF.
(iii)	Taxable	55,000	As per provisions of section 56(2)(x), in case the aggregate fair market value of property, other than immovable property, received without consideration exceeds Rs. 50,000, the whole of the aggregate value shall be taxable. In this case, the aggregate fair market value of shares (Rs. 10,000) and jewellery (Rs. 45,000) exceeds Rs. 50,000. Hence, the entire amount of Rs. 55,000 shall be taxable.
(iv)	Non-taxable	Nil	Car is not included in the definition of property for the purpose of section 56(2)(x), therefore, the same shall not be taxable.

{1 M}

{1 M}

{2 M}

{1 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 –R1	
Purchase price	2,00,000.00
Add: CGST @10%	20,000.00
Add: SGST @10%	20,000.00
	2,40,000.00
Input Tax Credit	
CGST	20,000.00
SGST	20,000.00
Cost of Raw Material	2,00,000.00

{1 M}

Raw material –R2		
Purchase price	3,00,000.00	
Add: IGST @ 20%	60,000.00	
	3,60,000.00	
Input Tax Credit		
IGST	60,000.00	
Cost of Raw Material	3,00,000.00	}{1 M}
Plant & Machinery		
Purchase price	10,00,000.00	
Add: IGST @ 10%	1,00,000.00	
	11,00,000.00	
Input Tax Credit		
IGST	1,00,000.00	
Cost of Asset	10,00,000.00	}{1 M}
Services		
	3,00,000.00	
Add: CGST @ 9%	27,000.00	
Add: SGST @ 9%	27,000.00	
	3,54,000.00	
Input Tax Credit		
CGST	27,000.00	
SGST	27,000.00	
Cost of service	3,00,000.00	}{1 M}
Cost of final product		
<u>Raw material –R1</u>	2,00,000.00	
<u>Raw material –R2</u>	3,00,000.00	
<u>Depreciation on Capital goods (10,00,000 @ 20%)</u>	2,00,000.00	
<u>Services</u>	3,00,000.00	
<u>Other processing charges</u>	5,00,000.00	
<u>Profit</u>	3,00,000.00	
<u>Transaction Value</u>	18,00,000.00	
<u>Add: CGST @ 10%</u>	1,80,000.00	
<u>Add: SGST @ 10%</u>	1,80,000.00	
	21,60,000.00	

Computation of Net Tax Payable

	CGST Rs.	
Output Tax	1,80,000.00	
Less:		
ITC Raw material – R2 –IGST	(60,000.00)	}{1/2 M Each}
ITC Plant and machinery – IGST	(73,000.00)	
ITC Raw material – R1 – CGST	(20,000.00)	
ITC – Services – CGST	(27,000.00)	
Net tax payable	Nil	
	SGST Rs.	
Output Tax	1,80,000.00	
Less:		
ITC Plant and machinery – IGST	(27,000.00)	}{1/2 M Each}
ITC Raw material – R1 –SGST	(20,000.00)	
ITC Services – SGST	(27,000.00)	
Net tax payable	1,06,000.00	

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Assessee has the option to adjust ITC of IGST either from output CGST or from output SGST.

Answer 6:

(a) Computation of Value of Taxable Supply and GST payable

(1)	Running a boarding school is an exempted service	Nil	} {1 M Each}
(2)	Fees from prospective employer for campus interview is taxable	1,70,000	
(3)	Education Services for obtaining the qualification recognised by law of foreign country	3,10,000	
(4)	Renting of Furnished Flats for Temporary Stay to different persons (Rent per day is less than 1000 per person).	Nil	
(5)	Conducting Modular Employable Skill Course. Approved by National Council of Vocational Training is an exempted service	Nil	
(6)	Conducting Private Tuitions	3,00,000	
	Value of Taxable Supply	7,80,000	
	GST @ 18%	1,40,400	

Answer:

- (b) (i) As per section 22,** every supplier of services shall be liable to be registered if his aggregate turnover in a financial year exceeds Rs. 20,00,000 and limit is applicable if person is providing inter state services. In the given case aggregate turnover is less than specified limit hence Aadhav Computers is not liable for registration though Aadhav computers providing inter state supply. } {2 M}
- (ii) As per section 24,** if any person making inter state supply of goods then registration is compulsory irrespective of turnover. In the given case, Soft wings of west bengal is supplying inter-state hence registration is compulsory irrespective of turnover. } {2 M}

Answer 7:

(a) Computation of ITC available with XYZ Ltd. for the month of October, 2020

S. No.	Inward supplies	GST (Rs.)	
(i)	Inputs 'A' [ITC cannot be taken on missing invoice. The registered person should have the invoice in its possession to claim ITC]	90,000	} {1 M Each}
(ii)	Inputs 'B' [When inputs are received in instalments, ITC can be availed only on receipt of last instalment]	Nil	
(iii)	Capital goods [Input tax paid on capital goods cannot be availed as ITC, if depreciation has been claimed on such tax component]	Nil	
(iv)	Input services [ITC on an invoice cannot be availed after the due date of furnishing of the return for the month of September following the end of financial year to which such invoice pertains or the date of filing annual return, whichever is earlier.	1,75,000	
	Since the annual return for the FY 2019-20 has been filed on 15th September, 2020 (prior to due date of filing the return for September, 2020 i.e., 20th October, 2020), ITC on the invoice pertaining to FY 2019-20 cannot be availed after 15th September, 2020.		} {2 M}
	Total	2,65,000	

Answer:

(b) Computation of value of taxable supply

Particulars	Rs.

List price of the goods (exclusive of taxes and discounts)	50,000	
Tax levied by Municipal Authority on the sale of such goods	5,000	
[Includible in the value as per section 15]		
Packing charges [Includible in the value as per section 15]	1,000	
Subsidy received from a non-Government body	2,000	
[Since subsidy is received from a non-Government body, the same is included in the value in terms of section 15]		
Total	58,000	}{2 M}
Less: Discount @ 2% on Rs. 50,000 [Since discount is known at the time of supply, it is deductible from the value in terms of section 15]	(1,000)	
Value of taxable supply	57,000	}{2 M}
CGST @ 10%	5,700	
SGST @ 10%	5,700	

Answer 8:

- (a)
1. First bill issued after 30 days of rendering of service hence TOS is 01/05/2020 and GST should be paid upto 20th June 2020.
 2. Second bill issued within 30 days of rendering of service hence TOS is 30/06/2020 and GST should be paid upto 20th July 2020.
 3. Third bill issued after 30 days of rendering of service hence TOS is 12/07/2020 and GST should be paid upto 20th August 2020.
 4. Fourth bill issued after 30 days of rendering of service but payment has been received prior to rendering of service hence TOS is 18/11/2020 and GST should be paid upto 20th December 2020.

Tax Liability for the Month of May	Rs.	
First Bill (TOS 01/05/2020)	6,00,000.00	
Add: CGST @ 9%	54,000.00	
Add: SGST @ 9%	54,000.00	
	7,08,000.00	}{2 M}
GST should be paid upto 20 th June 2020		
Tax Liability for the Month of June	Rs.	
Second Bill (TOS 30/06/2020)	15,00,000.00	
Add: CGST @ 9%	1,35,000.00	
Add: SGST @ 9%	1,35,000.00	
	17,70,000.00	}{2 M}
GST should be paid upto 20 th July 2020.		
Tax Liability for the Month of July	Rs.	
Third Bill (TOS 12/07/2020)	30,00,000.00	
Add: CGST @ 9%	2,70,000.00	
Add: SGST @ 9%	2,70,000.00	
	35,40,000.00	}{1 M}
GST should be paid upto 20 th August 2020		
Tax Liability for the Month of November	Rs.	
Fourth Bill (TOS 18/11/2020)	60,00,000.00	
Add: CGST @ 9%	5,40,000.00	
Add: SGST @ 9%	5,40,000.00	
	70,80,000.00	}{1 M}
GST should be paid upto 20 th December 2020		

Answer:

- (b)** Section 37 of the CGST Act, 2017 stipulates that GSTR-1 for a particular month is required to be filed on or before the 10th day of the immediately succeeding month, i.e. on a monthly basis.
- However, presently, as a measure of easing the compliance requirement for small tax payers, GSTR-1 has been allowed to be filed quarterly by small tax payers with aggregate annual turnover up to Rs. 1.5 crore in the preceding financial year or the current financial year. Tax payers with annual aggregate turnover above Rs. 1.5 crore will however continue to file GSTR- 1 on a monthly basis. **{2 M}**
- In view of the same, M/s Cavenon Enterprises can file its GSTR-1 on quarterly basis as its aggregate turnover does not exceed Rs. 1.5 crore in the preceding financial year.
- Further, GSTR-1 needs to be filed even if there is no business activity in a tax period. Thus, in the present case, even if no supply has been made by M/s Cavenon Enterprises, a nil return is required to be filed for therelevant tax period. **{2 M}**

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