

**MOCK TEST PAPER - 1**  
**INTERMEDIATE (IPC) COURSE**  
**PAPER – 4: TAXATION**  
**SECTION – A: INCOME TAX**  
**SOLUTIONS**

**Division A – Multiple Choice Questions**

- I. (c)
- II. (b)
- III. (b)
- IV. (c)
- V. (c)
- VI. (c)
- VII. (a)
- VIII. (a)
- IX. (d)
- X. (a)

**Division B – Descriptive Questions**

1. **Computation of total income of Mr. Satish for the A.Y. 2019-20**

Particulars	Rs.
Income from salaries <b>[Working Note (1)]</b>	9,66,000
Income from house property <b>[Working Note (2)]</b>	1,00,000
Capital gain <b>[(Working Note 3)]</b>	
Long-term capital gains	5,970
Short-term capital gains	2,490
Income from other sources: Interest on income-tax refund	750
<b>Gross Total Income</b>	<b>10,75,210</b>
<b>Less: Deduction under Chapter VIA</b>	
Deduction under section 80C	
- Public Provident Fund	1,30,000
- 5 years Term deposit (not allowed as deduction in the name of minor son)	-
- Repayment of housing loan (principal)	65,000
Restricted to	1,95,000
Deduction under section 80D <b>[Working Note (4)]</b>	25,000
<b>Total Income</b>	<b>9,00,210</b>

**Computation of tax payable by Mr. Satish for the A.Y. 2019-20**

Particulars	Rs.
Tax on LTCG of Rs.5,970 [Exempt u/s 112A]	-

Tax on STCG of Rs.2,490 u/s 111A @15%	374
Tax on balance income of Rs.8,91,750	90,850
	91,224
<i>Add: Health and Education cess@4%</i>	3,649
<b>Total tax payable</b>	<b>94,873</b>
<b>Tax liability (Rounded off)</b>	<b>94,870</b>

**Working Notes:**

**(1) Income from salaries**

Particulars	Rs.	Rs.
Basic Salary		5,40,000
HRA (computed)		1,80,000
Transport allowance		22,000
Perquisites (relating to sale of movable assets by employer)		
Laptop		
Cost [September, 2017]	1,20,000	
Less: Depreciation at 50% for one completed year	60,000	
WDV [September, 2018]	60,000	
Less: Amount paid to the employer	20,000	
<b>Perquisite value of laptop (A)</b>	<b>40,000</b>	
Car		
Cost [April, 2016]	8,50,000	
Less: Depreciation for the 1 <sup>st</sup> year (April,16 to March,17) @ 20% of WDV	1,70,000	
WDV [April, 2017]	6,80,000	
Less: Depreciation for the 2 <sup>nd</sup> year (April,17 to March,18) @ 20% of WDV	1,36,000	
WDV [April, 2018]	5,44,000	
Less: Amount paid to the employer	3,20,000	
<b>Perquisite value of car (B)</b>	<b>2,24,000</b>	
Perquisite value (A) + (B)		2,64,000
Gross Salary		10,06,000
Less: Standard Deduction under section 16(ia)		40,000
<b>Income chargeable under the head "Salaries"</b>		<b>9,66,000</b>

**(2) Income from house property**

Section 23(2) provides that the annual value of a self-occupied house shall be taken as Nil. However, section 23(3) provides that the benefit of self-occupation would not be available if the house is actually let during the whole or part of the previous year. This implies that the benefit of taking the annual value as 'Nil' would be available only if the house is self-occupied for the whole year.

In this case, therefore, the benefit of taking annual value as 'Nil' is not available since the house is self-occupied only for 3 months. In such a case, the gross annual value has to be computed

as per section 23(1). Accordingly, the fair rent for the whole year should be compared with the actual rent for the let-out period and whichever is higher shall be adopted as the Gross Annual Value.

Particulars	Rs.	Rs.
Gross Annual Value (higher of fair rent for the whole year and actual rent for the let-out period)		2,00,000
Fair rent for the whole year = $Rs. 1,50,000 \times 12/9$	2,00,000	
Actual rent received = $Rs. 15,000 \times 9$	1,35,000	
Less: Municipal taxes		Nil
<b>Net Annual Value (NAV)</b>		<b>2,00,000</b>
Less: Deductions under section 24		
30% of NAV	60,000	
Interest on loan [See Note below]	40,000	1,00,000
<b>Income from house property</b>		<b>1,00,000</b>

**Note:** It is presumed that the interest of Rs.40,000 paid on housing loan represents the interest actually due for the year.

### (3) Income chargeable as “Capital Gains”

Section 112A exempts long-term capital gain on sale of equity shares of a company upto Rs.1 lakh, if securities transaction tax is paid both at the time of sale and acquisition of such shares. Such long-term capital gain in excess of Rs.1 lakh is taxable @10%. Since Mr. Satish has held shares of A Ltd. for more than 12 months and securities transaction tax has been paid on such sale and at the time of acquisition of shares, the gains arising from sale of such shares is a long-term capital gain and the same would be taxable under section 112A. As per section 48, the benefit of indexation would not be applicable on such equity shares.

The long term capital gain arising from sale of shares of A Ltd.

Particulars	Rs.
Sale consideration (Rs.150 x 200)	30,000
Less: Brokerage @ 0.1%	30
Net sale consideration	29,970
Less: Cost of acquisition (Rs.120 x 200)	24,000
<b>long-term capital gains</b>	<b>5,970</b>

Since, the long term capital gain do not exceed Rs.1 lakh, the same would be exempt under section 112A.

Shares in B Ltd. are held for less than 12 months and hence the capital gains arising on sale of such shares is a short-term capital gain chargeable to tax @15% as per section 111A, since the transaction is subject to securities transaction tax. It may be noted, however, that securities transaction tax is not a deductible expenditure.

Short-term capital gains arising from sale of shares of B Ltd.

Particulars	Rs.
Sale consideration (Rs. 82 x 125)	10,250
Less: Brokerage @ 0.1%	10
Net sale consideration	10,240
Less: Cost of acquisition (Rs. 62 x 125)	7,750
<b>Short-term capital gains</b>	<b>2,490</b>

### (4) Deduction under section 80D

As per section 80D, in a case where mediclaim premium is paid in lumpsum for more than one year by an individual, to effect or keep in force an insurance on his health or health of his spouse, then, the deduction allowable under this section for each of the relevant previous year would be equal to the appropriate fraction of such lump sum payment. Hence, deduction under section 80D would be Rs.20,000 i.e,  $Rs.80,000 \times \frac{1}{4}$  in respect of mediclaim and Rs.8,000 for preventive health check up, subject to maximum of Rs.5,000. Thus, allowable deduction under section 80D would be Rs.25,000.

**2. (a) Taxability of certain receipts under the Income-tax Act, 1961**

Sl. No.	Taxable/ Not Taxable	Amount liable to tax (Rs.)	Reason
1	2	3	4
(i)	Taxable	20,00,000	Salaries payable by the Government to a citizen of India for service rendered outside India shall be deemed to accrue or arise in India as per section 9(1)(iii). Mr. Dinesh is a citizen of India. Therefore, salary paid by the Central Government to him for services rendered in London would be deemed to accrue or arise in India in his hands.
(ii)	Not Taxable	-	Royalty paid by a resident to a non-resident in respect of a business carried on outside India would not be taxable in the hands of the non-resident, as the same would <u>not</u> be deemed to accrue or arise in India as per the exception mentioned in section 9(1)(vi)(b). Therefore, royalty paid by Mukta, a resident, to Raja, a non-resident, for a business carried on in Sri Lanka would <u>not</u> be deemed to accrue or arise in India. <i>Note - It is assumed that the royalty was not received in India.</i>

**(b) Determination of residential status of Ms. Anjali for the A.Y. 2019-20**

Ms. Anjali is a resident since she has stayed in India for 365 days during the P.Y.2018-19. Therefore, she satisfies the condition of stay in India for a period of 182 days or more in the relevant previous year as per the requirement under section 6(1).

As per section 6(6), an individual is said to be "not ordinarily resident" in India in any previous year, if he has:

- (a) been a non-resident in India in nine out of ten previous years preceding the relevant previous year; or
- (b) during the seven previous years immediately preceding the relevant previous year, been in India for a period of, or periods amount in all to, 729 days or less.

Ms. Anjali must, therefore, satisfy either of the conditions to qualify as a not-ordinarily resident.

Ms. Anjali was a non-resident in India up to A.Y.2017-18.

She was resident in India only for P.Y. 2017-18 (A.Y.2018-19) out of the ten previous years preceding P.Y. 2018-19 (A.Y.2019-20). This implies that she has been a non-resident in India in nine out of ten previous years preceding P.Y. 2018-19 (A.Y. 2019-20).

Further, she was in India only for a period of 406 days [i.e., 10 days in February, 2017 + 31 days in March 2017 + 365 days during the P.Y.2017-18] in the seven previous years preceding

P.Y. 2018-19 (A.Y.2019-20).

Therefore, since Ms. Anjali satisfies both the conditions for "not-ordinarily resident", her residential status for A.Y.2019-20 would be "Resident but not ordinarily resident".

**3. Computation of capital gains and business income of Harsha for A.Y. 2019-20**

Particulars	Rs.
<b>Capital Gains</b>	
Fair market value of land on the date of conversion deemed as the full value of consideration for the purposes of section 45(2)	2,25,00,000
Less: Indexed cost of acquisition [Rs.45,00,000 × 272/129]	94,88,372
	1,30,11,628
Proportionate capital gains arising during A.Y.2019-20 [Rs.1,30,11,628 × 2/3]	86,74,419
Less: Exemption under section 54EC	50,00,000
<b>Capital gains chargeable to tax for A.Y.2019-20</b>	<b>36,74,419</b>
<b>Business Income</b>	
Sale price of flats [10 × Rs.40 lakhs]	4,00,00,000
Less: Cost of flats	
Fair market value of land on the date of conversion [Rs.225 lacs × 2/3]	1,50,00,000
Cost of construction of flats [10 × Rs.15 lakhs]	1,50,00,000
<b>Business income chargeable to tax for A.Y.2019-20</b>	<b>1,00,00,000</b>

**Notes:**

- (1) The conversion of a capital asset into stock-in-trade is treated as a transfer under section 2(47). It would be treated as a transfer in the year in which the capital asset is converted into stock-in-trade.
- (2) However, as per section 45(2), the capital gains arising from the transfer by way of conversion of capital assets into stock-in-trade will be chargeable to tax only in the year in which the stock-in-trade is sold.
- (3) The indexation benefit for computing indexed cost of acquisition would, however, be available only up to the year of conversion of capital asset into stock-in-trade and not up to the year of sale of stock-in-trade.
- (4) For the purpose of computing capital gains in such cases, the fair market value of the capital asset on the date on which it was converted into stock-in-trade shall be deemed to be the full value of consideration received or accruing as a result of the transfer of the capital asset.  
In this case, since only 2/3rd of the stock-in-trade (10 flats out of 15 flats) is sold in the P.Y.2018-19, only proportionate capital gains (i.e., 2/3rd) would be chargeable to tax in the A.Y.2019-20.
- (5) On sale of such stock-in-trade, business income would arise. The business income chargeable to tax would be the difference between the price at which the stock-in-trade is sold and the fair market value on the date of conversion of the capital asset into stock-in-trade.
- (6) In case of conversion of capital asset into stock-in-trade and subsequent sale of stock-in-trade, the period of 6 months is to be reckoned from the date of sale of stock-in-trade for the purpose of exemption under section 54EC [CBDT Circular No.791 dated 2.6.2000]. In this case, since the investment in bonds of NHAI has been made within 6 months of sale of flats, the same qualifies for exemption under section 54EC. With respect to long-term capital gains arising on land or building or both in any financial year, the maximum deduction under section 54EC would be Rs.50 lakhs,

whether the investment in bonds of NHAI or RECL are made in the same financial year or next financial year or partly in the same financial year and partly in the next financial year.

Therefore, even though investment of Rs.50 lakhs has been made in bonds of NHAI during the P.Y.2018-19 and investment of Rs.50 lakhs has been made in bonds of RECL during the P.Y.2019-20, both within the stipulated six month period, the maximum deduction allowable for A.Y.2019-20, in respect of long-term capital gain arising on sale of long-term capital asset(s) during the P.Y. 2018-19, is only Rs.50 lakhs.

#### 4. Computation of total income of Mr. Sahil for the A.Y. 2019-20

	Particulars	Rs.	Rs.
<b>I.</b>	<b>Income from house property</b>		
	Gross Annual Value	5,10,000	
	Less: Municipal taxes paid	50,000	
	Net Annual Value (NAV)	4,60,000	
	Less: Deductions under section 24		
	30% of NAV	1,38,000	
	Interest on housing loan	-	3,22,000
<b>II</b>	<b>Income from business</b>		
		2,50,000	
	Less : Current year depreciation under section 32(1)	30,000	
		2,20,000	
	Less: Set-off of brought forward business loss of A.Y. 2015-16 under section 72	85,000	
		1,35,000	
	Less:Unabsorbed depreciation set-off <b>[See Note 3]</b>	1,35,000	Nil
<b>III.</b>	<b>Capital gains</b>		
	Long-term capital gain on sale of debentures	1,35,000	
	Less: Long-term capital loss on sale of shares (STT is paid at acquisition and sale) <b>[See Note 1]</b>	90,000	
		45,000	
	Less: Unabsorbed depreciation set-off <b>[See Note 3]</b>	45,000	Nil
	Short term capital gain on sale of land <b>[See Note 2]</b>	1,80,000	
	Less:Unabsorbed depreciation set-off <b>[See Note 3]</b>	20,000	1,60,000
<b>IV.</b>	<b>Income from other sources</b>		
	Dividend on shares ( <b>whether held as stock-in-trade or from a company carrying on agricultural operations</b> ) – exempt under section 10(34)	-	Nil
	<b>Total income</b>		<b>4,82,000</b>

#### Notes:

- (1) Long-term capital loss on sale of listed equity shares through a recognized stock exchange on which STT is paid at the time of acquisition and sale of such shares can be set-off against long-term capital gains on sale of debentures applying the provisions of section 70(3).
- (2) Since land is held for a period of less than 24 months, the gain of Rs.1,80,000 arising from sale

of such land is a short-term capital gain.

(3) Brought forward unabsorbed depreciation can be adjusted against any head of income. However, it is more beneficial to set-off unabsorbed depreciation first against long-term capital gains, since it is taxable at a higher rate of 20% (the other income of the assessee falling in the 5% slab rate). Therefore, unabsorbed depreciation is first set-off against long-term capital gains to the extent of Rs.45,000. The remaining unabsorbed depreciation is adjusted against business income to the extent of Rs.1,35,000 and the balance of Rs.20,000 is adjusted against short-term capital gains.

In the alternative, the balance of Rs.20,000 may also be set-off against income from house property, in which case, the net income from house property would be Rs.3,02,000 and short-term capital gains would be Rs.1,80,000. The gross total income and total income would, however, remain unchanged.

**5. (a) Determination of Advance Tax Liability of Mr. Sameer**

Particulars		Rs.
Estimated tax liability for the financial year 2018-19		80,000
<b>Less:</b> Tax deducted at source		<u>12,000</u>
<b>Tax payable</b>		<b><u>68,000</u></b>
Due Date of installment	Amount payable	Rs.
On or before 15 <sup>th</sup> June, 2018	Not less than 15% of advance tax liability	10,200
On or before 15 <sup>th</sup> September, 2018	Not less than 45% of advance tax liability /less amount paid in earlier installment	20,400 (Rs.30,600, being 45% of Rs.68,000 - Rs.10,200)
On or before 15 <sup>th</sup> December, 2018	Not less than 75% of advance tax liability /less amount paid in earlier installment(s)	20,400 (51,000, being 75% of Rs.68,000 - Rs.30,600)
On or before 15 <sup>th</sup> March, 2019	Whole of the advance tax liability /less amount paid in earlier installment(s)	17,000 (68,000, being 100% of Rs.68,000 - Rs.51,000)

In case he is eligible for presumptive tax provisions under section 44AD and his entire tax liability is on account of such income, he can pay his entire advance tax liability in one installment on or before 15.3.2019, without attracting interest under section 243C.

(b) (i) **True** : Section 139A(2) provides that the Assessing Officer may, having regard to the nature of transactions as may be prescribed, also allot a PAN to any other person, whether any tax is payable by him or not, in the manner and in accordance with the procedure as may be prescribed.

(ii) **False** : Section 140(b) provides that where the Karta of a HUF is absent from India, the return of income can be verified by any other adult member of the family; such member can be a male or female member.

## SECTION B - INDIRECT TAXES (50 MARKS)

### SUGGESTED ANSWERS

#### Division A - Multiple Choice Questions Answer

1. (c)
2. (a)
3. (d)
4. (b)
5. (d)
6. (d)
7. (d)
8. (d)
9. (c)
10. (d)
11. (b)
12. (c)
13. (d)

#### Division B - Descriptive Answer

##### 1. (i) Computation of net GST payable for the financial year 20XX-XY

Particulars	Value (Rs.)	CGST (Rs.)	SGST (Rs.)
<b>Tax liability</b>			
Intra-State supplies made to registered persons	10,00,000	90,000	90,000
Intra State supplies made to unregistered persons	2,00,000	<u>18,000</u>	<u>18,000</u>
<b>Total (A)</b>		<b>1,08,000</b>	<b>1,08,000</b>
<b>Input Tax credit</b>			
Supply of iron in lots by M/s Hard Limited [Note-1]	10,00,000	-	-
Supply of IT engineering service [Note-2]	11,00,000	<u>99,000</u>	<u>99,000</u>
<b>Total (B)</b>		<b>99,000</b>	<b>99,000</b>
<b>Net GST payable (A)-(B)</b>		<b>9,000</b>	<b>9,000</b>

#### Notes:-

1. Section 16 of CGST Act, 2017 provides that where the goods against an invoice are received in lots or installments, the registered person shall be entitled to take credit upon receipt of the last lot or installment. Although 900 tonnes of iron are received in financial year 20XX-XY, the last lot of iron has been received after FY 20XX-XY only, i.e. on 5, April 20XY, thus no input tax credit is available in FY 20XX-XY.  
In view of above provisions, full input tax credit in respect of transaction (a) will be claimed in financial year 20XY-20YZ i.e. on receipt of last installment.
2. Section 16 of CGST Act, 2017 *inter alia* provides that every registered person is entitled to take credit of input tax charged on supply of services to him which are used in the course of business on receipt of the said services.

Thus, in view of the above mentioned provisions full input tax credit of Rs. 1,98,000/- can be claimed in financial year 20XX-XY.

(ii) Section 16 of CGST Act, 2017 provides that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of 180 days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in the prescribed manner.

However, the recipient shall be entitled to avail of the credit of input tax on payment made by him of the amount towards the value of supply of goods or services or both along with tax payable thereon.

Since the full amount of value alongwith tax payable thereon has not been paid by M/s Comfortable (P) Ltd. to M/s Dynamic Infotech (P) Ltd within a period of 180 days from the date of issue of invoice, the proportionate amount of input tax credit availed needs to be reversed. However, the reversal will be done in the financial year 20XY-YZ during when the time period of 180 days expire.

#### **Input tax credit to be reversed in financial year 20XY-YZ**

<b>Particulars</b>	<b>Amount (Rs.)</b>
Total value of procurement of IT engineering service	11,00,000
Add: Total GST on the above value @ 18%[CGST + SGST]	<u>1,98,000</u>
Value including GST	12,98,000
Amount paid for the said service including GST [Rs. 4,13,000 + Rs. 2,95,000]	<u>7,08,000</u>
Amount [value alongwith tax payable thereon] not paid for the said service	5,90,000
<b>ITC to be reversed [Rs. 5,90,000 x 18/118]</b>	<b>90,000</b>

**2. (a)**

#### **Computation of value of taxable supply**

<b>Particulars</b>	<b>(Rs.)</b>
Amount charged for loading, unloading, packing and warehousing of potato chips [Note-1]	25,000
Fees charged for yoga camp conducted by a charitable trust registered under section 12AA of the Income-tax Act, 1961 [Note-2]	Nil
Amount charged by business correspondent for the services provided to the rural branch of a bank with respect to Savings Bank Accounts [Note-3]	Nil
Amount charged by cord blood bank for preservation of stem cells [Note-4]	Nil
Service provided by commentator to a recognized sports body [Note-5]	6,00,000

**Notes:**

1. Services by way of loading, unloading, packing, storage or warehousing of agricultural produce are exempt from GST. Further, potato chips are manufactured through processes which alter the essential characteristic of agricultural produce, thus is not covered under definition of agricultural produce.
2. Services by an entity registered under section 12AA of the Income-tax Act, 1961 by way of charitable activities are exempt from GST. The activities relating to advancement of yoga

are included in the definition of charitable activities. So, such activities are exempt from GST.

3. Services by business facilitator or a business correspondent to a banking company with respect to accounts in its rural area branch have been exempted from GST.
4. Services provided by cord blood banks by way of preservation of stem cells or any other service in relation to such preservation are exempt from GST.
5. Services provided to a recognized sports body only by an individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body are exempt from GST. Thus, services provided by commentators are liable to GST.

**(b) (i)** In case of services provided by any person by way of sponsorship to any body corporate or partnership firm / limited liability partnership (LLP), GST is liable to be paid under reverse charge by such body corporate or partnership firm / LLP located in the taxable territory. Therefore, in the given case, Indian Love Cricket Academy is liable to pay GST under reverse charge.

**(ii)** In case of services provided by Goods Transport Agency (GTA) in respect of transportation of goods by road to, *inter alia*, any partnership firm whether registered or not under any law; GST is liable to be paid by such partnership firm. Therefore, in the given case, Amba & Co. is liable to pay GST under reverse charge.

**3. (a) (i)** Where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment.  
Thus, in the given case, the invoice should be issued on or before 30.03.20XY (date of receipt of payment by Mr. Mayank).

**(ii)** If payment is linked to the completion of an event, the invoice should be issued on or before the date of completion of that event.  
Since in the given case payment is linked to the completion of service, invoice should be issued on or before 31.01.20XY (date of completion of service).

**(iii)** Where the due date of payment is ascertainable from the contract, the invoice should be issued on or before the due date of payment.  
If M/s. Omega Limited has to make payment on 25.03.20XY as per the contract between them, the invoice should be issued on or before 25.03.20XY.

**(b)** A registered person paying tax under the provisions of section 10 [composition levy] shall issue, instead of a tax invoice, a bill of supply containing such particulars and in such manner as may be prescribed.  
Therefore, in the given case, Draupad Fabrics cannot issue tax invoice. Instead, it shall issue a Bill of Supply.

**(c)** A taxable person who makes an undue or excess claim of input tax credit shall pay interest @ 24% p.a. on such undue or excess claim in terms of section 50 of CGST Act, 2017. The period of interest will be from the date following the due date of payment to the actual date of payment of tax.  
Due date of payment is 20<sup>th</sup> May, 20XX.  
Period for which interest is due = 21<sup>st</sup> May, 20XX to 31<sup>st</sup> July, 20XX  
=72 days  
Thus, interest liability = Rs. 1,50,000 x 24% x 72/365  
=Rs. 7,101 (approx.)

4. (a) Computation of ITC available with Vasudev Pvt. Ltd. for the month of July, 20XX

Particulars	Rs.
Raw Material [Note-1]	Nil
Membership of a club availed for employees working in the factory [Note-2]	Nil
Inputs to be received in 5 lots, out of which 3rd lot was received during the month [Note-3]	Nil
Trucks used for transport of raw material [Note-4]	40,000
Capital goods [Note-5]	<u>70,000</u>
<b>Total ITC available</b>	<b>1,10,000</b>

**Notes:-**

1. ITC is not available as raw material is not received in July, 20XX.
2. The input tax credit in respect of membership of a club availed for employees working in the factory is blocked in terms of section 17(5) of the CGST Act, 2017.
3. In case of goods received in lots, ITC can be taken only upon receipt of the last lot.
4. ITC of GST paid on motor vehicles is allowed only when used, *inter alia*, for transportation of goods in terms of section 17(5) of the CGST Act, 2017.
5. ITC of GST paid on items for which invoice is missing is not available. So, ITC of Rs. 80,000 is not available.

(b) (i) Mr. Andrew, being a non-resident person, should apply for registration, irrespective of the threshold limit, at least 5 days prior to the commencement of business.

(ii) No, PAN is not mandatory for his registration.

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 available.

(iii) Registration Certificate granted to Mr. Andrew will be valid for:

- (a) Period specified in the registration application, or
- (b) 90 days from the effective date of registration

whichever is earlier.

(iv) Yes, Mr. Andrew can get the validity of his registration extended. Registration can be extended further by a period not exceeding 90 days.

5. (a) Title as well as possession both have to be transferred for a transaction to be considered as a supply of goods. In case title is not transferred, the transaction would be treated as supply of service in terms of Schedule II(1)(b) of the CGST Act. In some cases, possession may be transferred immediately but title may be transferred at a future date like in case of sale on approval basis or hire purchase arrangement. Such transactions will also be termed as supply of goods.

(b) In GST since the returns are built from details of individual transactions, there is no requirement for having a revised return. Any need to revise a return may arise due to the need to change a

set of invoices or debit/ credit notes. Instead of revising the return already submitted, the system allows changing the details of those transactions (invoices or debit/credit notes) that are required to be amended. They can be amended in any of the future GSTR- 1 in the tables specifically provided for the purposes of amending previously declared details.

As per section 39(9), omission or incorrect particulars discovered in the returns filed u/s 39 can be rectified in the return to be filed for the month/quarter during which such omission or incorrect particulars are noticed. Any tax payable as a result of such error or omission will be required to be paid along with interest. The rectification of errors/omissions is carried out by entering appropriate particulars in "Amendment Tables" contained in GSTR-1.