Mock Test Paper - Series II: April, 2026

Date of Paper: 6th April, 2026

Time of Paper: 10 A.M. to 1 P.M.

INTERMEDIATE COURSE: GROUP - I

PAPER – 3: TAXATION

SECTION – A: INCOME TAX LAW

SOLUTIONS

Division A – Multiple Choice Questions

MCQ No.	Sub-part	Most Appropriate Answer
1.	(i)	(a)
	(ii)	(c)
	(iii)	(c)
	(iv)	(d)
	(v)	(b)
	(vi)	(a)

MCQ No.	Most Appropriate Answer
2.	(a)
3.	(b)

Division B – Descriptive Questions

1. Computation of total income of Mrs. Natasha for A.Y. 2026-27 under default tax regime

	Particulars	₹	₹	₹
I	**Income from business or profession**			
	Net Profit as per profit and loss account		15,61,000	
	***Add*: Disallowances not considered while computing business income**			
	- Job charges without deduction of tax [30% of ₹ 90,000] [Mrs. Natasha's turnover for the P.Y. 2024-25 exceeds ₹ 1 crore, hence, she is liable to deduct tax at source u/s 194C on job charges of ₹ 90,000. Since Mrs. Natasha has not deducted tax at source on ₹ 90,000, 30% would be disallowed u/s 40(a)(ia).	27,000		
	- Payment to creditor in cash [Payment to creditor in cash is not allowable as	25,000	52,000	

	business expenditure as per section 40A(3), since such amount exceeds ₹ 10,000 and paid in cash]		
			16,13,000
	***Less*: Items credited but not taxable while computing business income**		
	- Subsidy on new machinery [20% x ₹ 7,25,000] [Subsidy received from Central Government on new machinery is to be reduced from actual cost.]	1,45,000	
	- Interest on capital from partnership firm [₹ 2,00,000/15% x 3%] [Since interest on capital from M/s Ramji textiles is authorized by partnership deed, interest@12% p.a. would be allowed as deduction in the hands of firm u/s 40(b) even for sleeping partner. Consequently, interest @ 12% p.a. would be the business income of Mrs. Natasha u/s 28. Hence, 3% would not be taxable as business income of Mrs. Natasha]	40,000	1,85,000
			14,28,000
	***Add*: Items not credited but taxable while computing business income**		
	- Commission from agent on settlement [Since deduction was allowed in respect of commission in earlier year and during the P.Y. 2025-26, Mrs. Natasha received back such amount due to settlement, the same would be deemed as her income u/s 41(1)]		50,000
			14,78,000
	Less: Depreciation as per Income-tax Rules		
	Opening WDV of machinery 4,75,000		
	Add: Purchase of machinery for ₹ 7,25,000 during the P.Y. 2025-26 by A/c payee cheque. Subsidy of ₹ 1,45,000, being 20% of cost, received from Central 5,80,000		

	Government on new machinery is to be reduced from actual cost (₹ 7,25,000 – ₹ 1,45,000).				
		10,55,000			
	Less: Sale proceeds	75,000			
	WDV as on 31.3.2026 before depreciation for P.Y. 2025-26	9,80,000			
	Depreciation @15% on ₹ 9,80,000		1,47,000		
	Additional Depreciation [Not allowable under default tax regime]		-	1,47,000	
				13,31,000	
	Less: Loss from eligible transaction carried out in respect of trading in derivatives in a recognized stock exchange is not a speculative business and hence, the same is allowed to be set off from textile business income			1,17,500	
					12,13,500
II	**Capital Gains**				
	Long term capital gain on sale of vacant land since it is held for more than 24 months				
	Sales consideration			15,25,000	
	Less: Cost of acquisition			4,80,000	
					10,45,000
III	**Income from Other Sources**				
	Fair market value of gold coin received from cousin [Taxable u/s 56(2)(x), since cousin is not a relative and the fair market value exceeds ₹ 50,000]				55,000
	Gross Total Income				**23,13,500**
	***Less:* Deduction under Chapter VI-A**				
	Deduction under section 80DD [Not allowable under default tax regime]				-
	Total Income				**23,13,500**

Computation of tax liability of Mrs. Natasha for A.Y.2026-27 under default tax regime

Particulars	₹
Tax on total income of ₹ 23,13,500	
Tax on LTCG on sale of vacant land	
As the asset is a long-term capital asset, being land acquired before 23.07.2024 and transferred on or after 23.07.2024 by a resident individual, the tax shall be computed @20% with indexation benefit or @12.5% without indexation benefit, whichever is more beneficial to the assessee.	
Tax @20% with indexation	
Sale consideration = ₹ 15,25,000	
Cost of acquisition = ₹ 4,80,000 x 376/220 = ₹ 8,20,364	
Gain = ₹ 7,04,636	
Tax @20% = ₹ 7,04,636 x 20% = ₹ 1,40,927	
Tax @12.5% without indexation	
Tax @12.5% = ₹ 10,45,000 x 12.5% = ₹ 1,30,625	
Tax on LTCG on sale of vacant land @12.5% without indexation	1,30,625
Tax on other income of ₹ 12,68,500 at slab rates	70,275
	2,00,900
Add: Health and education cess@4%	8,036
Tax liability	**2,08,936**
Tax liability (rounded off)	**2,08,940**

Computation of total income of Mrs. Natasha for A.Y. 2026-27 under optional tax regime

Particulars	₹
Gross Total Income as per default tax regime	**23,13,500**
Less: Additional depreciation on new machinery @20% on ₹ 5,80,000	1,16,000
Gross Total Income as per optional tax regime	21,97,500
***Less:* Deduction under Chapter VI-A**	
Deduction under section 80DD [Sum deposited with LIC for the maintenance of her dependent mother and suffering from severe disability [Eligible for higher deduction ₹ 1,25,000 in case of severe disability irrespective of amount deposited with LIC]	1,25,000
Total Income as per optional tax regime	**20,72,500**

Computation of tax liability of Mrs. Natasha for A.Y.2026-27 under optional tax regime

Particulars	₹
Tax on total income of ₹ 20,72,500	
Tax on LTCG on sale of vacant land @12.5% without indexation (as computed above)	1,30,625
Tax on other income of ₹ 10,27,500 at slab rates	1,20,750
	2,51,375
Add: Health and education cess@4%	10,055
Tax liability	**2,61,430**

2. (a) Computation of gross total Income of Mrs. Reshma for the A.Y. 2026-27

	Particulars of income	Resident but not ordinarily Resident (₹)	Non-Resident (₹)
1	Salary income received in Malaysia for services rendered there (Note 1)	2,00,000	2,00,000
	Less: Standard deduction under section 16(ia)	50,000	50,000
		1,50,000	1,50,000
2	Profit from business carried on in Orissa [Since it accrues or arises in India]	80,000	80,000
3	Profit from business carried on in Paris (income is earned and received in Sydney and business is controlled from Paris) [Since it accrues or arises outside India]	Nil	Nil
4	Loss from business carried on in Canada (business is controlled from Dehradun)	(46,000)	Nil
5	Unabsorbed depreciation of business in Canada	(16,000)	Nil
6	Profit from Indonesia business (business is controlled from Delhi)	70,000	28,000
Gross Total Income		**2,38,000**	**2,58,000**

Note 1 - Income from "Salaries" payable by the Government to a citizen of India for services rendered outside India is deemed to accrue or arise in India as per section 9(1)(iii). Standard deduction under section 16(ia) is allowable, irrespective of residential status.

Note 2 – In case of a non-resident, only income received or deemed to be received in India and income accruing or arising or deemed to accrue or arise in India is chargeable to tax. However, in case of a resident but not ordinarily resident, income derived from a business controlled in or profession set up in India is also taxable even though it accrues or arises outside India.

Therefore, income referred to in S. No. 1 and 2 are taxable in the hands of Mrs. Reshma in both cases if she is a resident but not ordinarily resident or if she is a non-resident.

Loss of business carried on in Canada, unabsorbed depreciation of business in Canada and Profit from Indonesia business would be fully chargeable to tax in India if she is a resident but not ordinarily resident as it derived from a business controlled in India. However, Profit from Indonesia business is taxable in case of non-resident to the extent of such profits received in India.

(b) (i) ABC Pvt. Ltd. is required to deduct tax at source u/s 194J @10% on ₹ 2,49,000 paid to Manoj, a part time director, as commission, which is not in the nature of salary on which tax is deductible under section 192.

Therefore, ₹ 24,900 (₹ 2,49,000 x 10%) is required to be deducted at source.

(ii) Bank of Baroda, being a specified bank notified by the Central Government u/s 194P, is required to deduct tax at source at the rates in force on the total income of Mr. Aggarwal, being a specified senior citizen (75 years or more) computed as follows:

Computation of total income and tax liability of Mr. Aggarwal for A.Y.2026-27 under optional tax regime

	Particulars	₹	₹
I	**Salaries**		
	Pension (₹ 72,000 x 12)	8,64,000	
	Less: Standard deduction u/s 16(ia)	50,000	8,14,000
II	**Income from Other Sources**		
	Interest on savings account	15,000	
	Interest on fixed deposit (₹ 10 lakh x 7% x 9/12)	52,500	67,500
	Gross total income		8,81,500

	***Less*: Deductions under Chapter VI-A**		
	Under section 80C		
	Deposit in 5 years term deposit, restricted to	1,50,000	
	Under section 80TTB		
	Interest on fixed deposit and savings account, restricted to ₹ 50,000, since Mr. Aggarwal is a resident Indian of the age of 60 years or more	50,000	2,00,000
	Total Income		**6,81,500**
	Computation of tax liability for A.Y. 2026-27		
	Tax on ₹ 6,81,500 [20% on income exceeding ₹ 5 lakhs, being the basic exemption limit, since Mr. Aggarwal is of the age of 80 years or more]		36,300
	Add: Health and Education Cess@4%		1,452
	Tax liability		**37,752**
	Tax liability (Rounded off)		**37,750**

3. (a) Computation of Gross total income of Mr. Aditya for the A.Y. 2026-27

	Particulars		**₹**	**₹**
I	**Income from House Property**			
	Unit-II (75% of floor area)			
	Gross Annual Value			
	(a) Actual rent received (₹ 8,500 x 12)	₹ 1,02,000		
	(b) Expected rent	₹ 1,27,500		
	[Higher of municipal value (i.e. ₹ 1,60,000) and fair rent (i.e. ₹ 1,70,000) but restricted to standard rent (i.e. ₹ 1,90,000) ₹ 1,70,000 x 75%]			
	Higher of (a) or (b) is GAV		1,27,500	
	Less: Municipal taxes (₹ 1,60,000 x 8% x 75%)		9,600	
	NAV		1,17,900	
	Less: Deductions u/s 24			
	(a) 30% of NAV	₹ 35,370		
	(b) Interest on loan (See note)	₹ 96,750	1,32,120	(14,220)

II	**Profits & Gains of business & profession**			
	Income from Profession		8,00,000	
	Less: Light & Water Charges (25% of ₹ 2,000)	₹ 500		
	Municipal taxes (25% of ₹ 12,800)	₹ 3,200		
	Repairs (25% of ₹ 1,45,000)	₹ 36,250		
	Interest on loan taken for repair (25% of ₹ 36,000)	₹ 9,000		
	Interest on loan taken for construction of house property (25% of ₹ 60,000)	₹ 15,000		
	Depreciation	₹ 8,000	71,950	7,28,050
Gross Total Income				**7,13,830**

Note:

Computation of Interest on loan

	₹
Interest for the year (₹ 5,00,000 x 12%)	60,000
Pre-construction period Interest- 12% of ₹ 5,00,000 for 33 months = ₹ 1,65,000	
To be allowed in 5 equal instalments from the year of completion (₹ 1,65,000 x 1/5)	33,000
Interest on loan taken for repair (no restriction for let out property)	36,000
Total Interest deduction u/s 24(b)	**1,29,000**
Total Interest deduction u/s 24(b) for let out property (75% x ₹ 1,29,000)	**96,750**

(b) (i) Computation of Capital Gains on sale of unlisted shares for A.Y. 2026-27

Particulars	₹
Net Sales Consideration [₹ 10,00,000 – ₹ 2,000]	9,98,000
Less: Cost of acquisition	2,00,000
	7,98,000
***Less*: Exemption u/s 54F**	
Deposit in Capital Gains Accounts Scheme on or before the due date of filing return of income would be deemed	

to be cost of new asset. Accordingly, exemption u/s 54F would be ₹ 3,99,800 [₹ 5,00,000 x ₹ 7,98,000 / ₹ 9,98,000]	3,99,800
Capital Gains chargeable to tax	**3,98,200**

(ii) Tax treatment of unutilized amount in Capital Gains Accounts Scheme

The unutilized amount will be chargeable to tax as capital gains on proportionate basis in the previous year in which the 3 years period from the date of transfer expires. In this case, the 3 years period from 17.5.2025 expires on 16.5.2028. Consequently, the proportional capital gains on the unutilized amount will be taxable in the F.Y. 2028-29.

The amount of capital gains for F.Y. 2028-29 would be ₹ 39,980 [₹ 3,99,800 – ₹ 3,59,820 (₹ 4,50,000 x ₹ 7,98,000 / ₹ 9,98,000).

4. (a) Computation of total income of Mrs. Kiran for A.Y.2026-27

Particulars	₹	₹
Salary		
Gross salary	2,75,000	
Less: Standard deduction under section 16(ia)	75,000	2,00,000
Income from house property		
Interest on loan paid for self occupied house property [Not allowable under section 115BAC]	-	
Loss from let out house property	2,85,000	
[Loss from house property is not allowed to be set off against income under any other head nor carried forward while computing income under section 115BAC.]	2,85,000	
Profits and gains from business and profession		
Income from sale of rubber products from rubber plants [₹ 70,000 (35% of ₹ 2,00,000) is business income and ₹ 1,30,000 (65% of ₹ 2,00,000) is agricultural income which is exempt from tax]	70,000	
Business Income - Retail business	1,20,000	
	1,90,000	
Less: Set-off of wholesale business loss of ₹ 1,00,000	1,00,000	
	90,000	

Less: Set-off of brought forward business loss of ₹ 1,35,000 of A.Y.2023-24 allowable to the extent of ₹ 90,000 by virtue of section 72(1)	90,000	Nil
[Balance brought forward business loss of ₹45,000 (i.e., ₹ 1,35,000 – ₹ 90,000) to be carry forward to A.Y. 2027-28 for set-off against business income of that year]		
Capital Gains		
Long-term capital gain on sale of listed equity shares on which STT is paid	2,00,000	
Less: Set-off of short term capital loss of ₹ 1,10,000	1,10,000	90,000
Income from Other Sources		
Dividend from Indian companies [13,500/90 x 100]	15,000	
Lottery winnings	45,000	
Income of minor son from special talent [Not included in Kiran's income since it is earned from special talent]	-	
Interest from bank received by minor son on deposit made out of his income from special talent [Includible in the income of Mrs. Kiran, since her income is higher than of her husband]	10,000	
Less: Exemption under section 10(32) [Not allowable under section 115BAC]	-	70,000
Gross Total Income		**3,60,000**
Less: Deduction under section 80C [Not allowable under section 115BAC		-
Total Income		**3,60,000**

(b) (i) The due date of filing return of income of Awesome Ltd for the A.Y. 2026-27 is 31st October, 2026 since it is a company.

However, it filed its return of income on 15.12.2026, which is a belated return.

If any omission is discovered even in a belated return, the same can also be revised up to 31.12.2026, being the date 3 months prior to the end of the relevant assessment year i.e. 31.03.2027 or completion of assessment, whichever is earlier.

However, it cannot file a revised return on 02.01.2027 since it is beyond

31.12.2026. Hence, the action of accountant of Awesome Ltd is not valid.

(ii) Since Mr. Mahesh is a resident individual, not being a company or a person whose accounts are required to be audited under section 44AB for the P.Y. 2025-26, and therefore he can file his return of income for A.Y. 2026-27 through a Tax Return Preparer.

OR

(b) Every person who is eligible to obtain Aadhaar number is required to mandatorily quote Aadhaar Number in the application form for allotment of Permanent Account Number and in the return of income.

The provisions of section 139AA relating to quoting of Aadhaar Number would not apply to an individual who does not possess the Aadhaar number and is:

(i) residing in Assam, Jammu & Kashmir and Meghalaya;

(ii) a non-resident as per the Income-tax Act, 1961;

(iii) of the age of 80 years or more at any time during the previous year;

(iv) not a citizen of India

SECTION B – GOODS AND SERVICES TAX (50 MARKS)

SUGGESTED ANSWERS

Division A - Multiple Choice Questions

Question No.	Answer
1.	**(d)** Maharashtra
2.	**(b)** ₹ 1,50,000
3.	**(c)** ₹ 900
4.	**(c)** Credit Note
5.	**(c)** 31-03-2025 and ₹ 1,20,000
6.	**(d)** ₹ 53,100
7.	**(a)** Separate GST registration is not required mandatorily
8.	**(b)** 25th October

Division B - Descriptive Questions

1. (a) Computation of net GST payable in cash by BSM Private Limited for the month of March

Particulars	Value (₹)	CGST (₹)	SGST (₹)
GST payable under forward charge			
Advance received from Mr. Shantanu for business support services [Tax is payable at the time of receipt of advance for supply of services.]	2,00,000	18,000 [2,00,000 × 9%]	18,000 [2,00,000 × 9%]
Commissioning services under pure labour contract for multi-storied residential complex [Taxable, since pure labour contract services pertain to a multi-storyed residential complex.]	5,00,000	45,000 [5,00,000 × 9%]	45,000 [5,00,000 × 9%]
Intra-State branch transfer [Such transfer is not a supply as the branch has the same GSTIN as that of the head office and thus, is not a distinct person.]	--	--	--

Intra-State supply of goods to unrelated persons [Transaction value is the value of supply]	5,75,000	51,750 [5,75,000 × 9%]	51,750 [5,75,000 × 9%]
Total output tax		1,14,750	1,14,750
Less: ITC available		94,500	94,500
Net GST payable **[A]**		**20,250**	**20,250**
GST payable under reverse charge			
Services of an independent director availed **[B]** [Tax on services provided by a director to a company is payable under reverse charge. Further, tax payable under reverse charge cannot be set off against ITC and thus, has to be paid in cash since the tax payable under reverse charge is not an output tax.]	50,000	4,500 [50,000 × 9%]	4,500 [50,000 × 9%]
Net GST payable in cash [A] + [B]		**24,750**	**24,750**

Working Note:

Computation of ITC available

Particulars	Value (₹)	CGST (₹)	SGST (₹)	IGST (₹)
Car rental services [Tax is not payable under reverse charge mechanism since supplier is a body corporate. Further, no tax is payable under forward charge also since supplier is unregistered and thus, no ITC is available.]	--			
Intra-State inward supply of goods [ITC of goods used in the course/furtherance of business is available.]	7,50,000	67,500 [7,50,000 × 9%]	67,500 [7,50,000 × 9%]	

Intra-State inward supply of services [ITC of services used in the course/ furtherance of business is available.]	2,50,000	22,500 [2,50,000 × 9%]	22,500 [2,50,000 × 9%]	
Services of an independent director availed [ITC of services used in the course/ furtherance of business is available.]	50,000	4,500 [50,000 × 9%]	4,500 [50,000 × 9%]	
Donation made to local old age home there's no *quid pro quo* and thus, it is not a supply [Since the name of donor – the company - is displayed in such a manner: • which can be said to be an expression of gratitude and public recognition of donor's act of philanthropy • which is not aimed at giving publicity/ advertisement/ promotion to the donor's business Hence, no ITC is available.]	--			
Total		**94,500**	**94,500**	

(b) Computation of value of taxable supply made by M/s Alpha Tech Ltd.to Beta Ltd.

Particulars	**Amount (₹)**
Price of the machinery	5,50,000
Packing charges [Being incidental expenses, the same are includible in the value as per section 15(2)(c)]	15,000
Subsidy received from Nav Chetna Jagriti Trust	50,000

[Since the subsidy is received from a non-Government body and directly linked to price, the same is includible in the value in terms of section 15(2)(e)]	
Freight charges for delivery of the machinery [Since arranging freight is the liability of supplier, it is a case of composite supply and thus, freight charges are includible in the value of principal supply.]	2,000
Late fees for delayed payment [Not includible since the same is waived off]	Nil
Total	**6,17,000**
Less: Discount @ 2% on the price of machinery [₹ 5,50,000 x 2%] [Since discount is given at the time of supply of machinery and recorded in the invoice, the same is deductible from the value of the supply in terms of section 15(3)(a).]	11,000
Value of taxable supply	**6,06,000**

2. (a) Determination of place of supply:

✅ (i) Transportation of Goods – Place of Supply

👉 Law (in simple words):
If recipient is registered → Place of supply = Location of recipient
If recipient is unregistered → Place of supply = Place where goods are handed over for transport
👉 Application to case:
Mr. Sanjay Bisaria is unregistered
Goods are handed over at Kanpur
👉 Conclusion:
Place of supply = Kanpur (Uttar Pradesh)
✅ **(ii) Passenger Transportation Service – Place of Supply**
👉 Law (in simple words):
For unregistered person → Place of supply = Place where passenger starts (embarks) the journey
Return journey = treated as separate journey
👉 Application to case
Mr. Sundar is unregistered
✔️ Outward journey (Delhi → Mumbai):
Passenger starts from New Delhi
➡️ Place of supply = New Delhi
✔️ Return journey (Mumbai → Delhi):
Passenger starts from Mumbai
➡️ Place of supply = Mumbai

Concept: Distinct Person & Movement of Conveyance

👉 Law (simple words):

As per section 25, if a person has multiple GST registrations, each registration is treated as a distinct person.
As per Schedule I, supply between distinct persons is taxable even without consideration, if done in course of business.

👉 Exception (Important – CBIC Circular):

Inter-State movement of conveyances (like trucks, buses, etc.)
Between distinct persons
Not for further supply (only for use/repair)

➡️ Then it is treated as:

"Neither supply of goods nor supply of services"

➡️ Hence, No GST applicable

👉 BUT:

GST will apply on repair/maintenance services done on such conveyances

✅ Application to Case

KayPee Engineering Pvt. Ltd. has multiple registrations → treated as distinct persons

Trucks are moved from Haryana workshop to repair centres in other States
Movement is only for repair (not for sale/supply)

✅ Conclusion (Final Answer)

The inter-State movement of trucks between different registrations of the same entity qualifies as movement between distinct persons.

However, since the movement is only for repair and not for further supply, it is covered under the CBIC circular and shall be treated as neither supply of goods nor supply of services.

Therefore, no GST (IGST) is payable on such movement.
However, GST shall be applicable on repair and maintenance services provided on such trucks.

Section 49(3): Money in Electronic Cash Ledger (ECL) can be used for:

✔️ Tax
✔️ Interest
✔️ Penalty
✔️ Late fee
✔️ Any other amount

👉 Section 49(4): Money in Electronic Credit Ledger (ITC) can be used ONLY for output tax

🎯 Key Conclusion

👉 Late fee cannot be paid using ITC
👉 It must be paid only through Electronic Cash Ledger

💯 Final Answer (Exam Ready)

As per section 49(3), the balance in the electronic cash ledger can be used for payment of tax, interest, penalty, fees and other dues.
Further, as per section 49(4), the electronic credit ledger can be used only for payment of output tax.
Therefore, late fee cannot be paid through the electronic credit ledger and must be paid through the electronic cash ledger.
Hence, the contention of the accountant is incorrect

(b) **(i)** The registered person, whose aggregate turnover in the preceding financial year does not exceed ₹ 1.5 crore, may opt to pay tax under composition levy, under section 10(1) and 10(2) of the CGST Act, 2017.

The scheme can be availed by an intra-State supplier of goods and supplier of restaurant service.

However, the composition scheme permits supply of marginal services (other than restaurant services) for a specified value along with the supply of goods and restaurant service, as the case may be.

Thus, M/s Goel Electronics can opt for composition scheme for the current financial year as its aggregate turnover is less than ₹ 1.5 crore in the preceding financial year and it is not engaged in inter-State outward supplies.

(ii) The registered person opting for composition scheme, under section 10(1) and 10(2) of the CGST Act, 2017, can also supply services (other than restaurant services) for a value up to 10% of the turnover in the preceding year or ₹ 5 lakh, whichever is higher, in the current financial year.

Thus, M/s Goel Electronics can supply repair and maintenance services up to a value of ₹ 12 lakh [10% of ₹ 120 lakh or ₹ 5 lakh, whichever is higher] in the current financial year.

4. (a) The term 'charitable activities' mean activities relating to

Charitable activities" include:

1. Public Health

Care / counselling of:
- ✓ Terminally ill persons
- ✓ Disabled persons
- ✓ HIV/AIDS patients
- ✓ Drug/alcohol addicted persons

Public awareness on:
- ✓ Preventive health
- ✓ Family planning
- ✓ HIV prevention

2. Religion / Spirituality / Yoga

Activities for advancement of:
- ✓ Religion
- ✓ Spirituality
- ✓ Yoga

3. Education / Skill Development

For:
- ✓ Orphan / abandoned / homeless children
- ✓ Abused or traumatized persons
- ✓ Prisoners
- ✓ Senior citizens (65+ in rural area)

4. Environment Protection
- ✓ Forests
- ✓ Wildlife
- ✓ Watershed
- ✓ Environment preservation

The statement is incorrect.

👉 In case of services:
As per section 13, time of supply is earlier of:

Date of invoice / provision of service, or
Date of receipt of payment

Therefore, if advance is received, GST is payable on advance.

———

👉 In case of goods:
As per Notification No. 66/2017, time of supply is:

Date of issue of invoice or
Last date to issue invoice

Hence, GST is NOT payable on advance for goods.

———

🎯 Conclusion

✔️ Services → GST on advance
❌ Goods → No GST on advance

(b) The person-in-charge of a conveyance has to carry -

(a) the invoice or bill of supply or delivery challan, as the case may be; and

(b) a copy of the e-way bill in physical form or the e-way bill number in electronic form or mapped to a Radio Frequency Identification Device embedded on to the conveyance [except in case of movement of goods by rail or by air or vessel] in such manner as may be notified by the Commissioner

Consignment value of goods shall be the value:

- determined in accordance with the provisions of section 15 of the CGST Act, 2017,
- declared in an invoice, a bill of supply or a delivery challan, as the case may be, issued in respect of the said consignment and
- also includes the Central tax, State or Union territory tax, integrated tax and cess charged, if any, in the document and
- shall exclude the value of exempt supply of goods where the invoice is issued in respect of both exempt and taxable supply of goods.