

Mock Test Paper - Series I: March, 2026

Date of Paper: 20th March, 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	MCQ No.	Most Appropriate Answer
1.	(i)	(a)	3.	(a)
	(ii)	(c)	4.	(d)
	(iii)	(b)		
2.	(i)	(a)		
	(ii)	(c)		
	(iii)	(d)		

Division B – Descriptive Questions

1. **Computation of total income of Mr. Ayush for A.Y. 2026-27 under default tax regime**

	Particulars	₹	₹	₹
I	Income from Salaries			
	Basic Pay (₹ 85,000 x 12)		10,20,000	
	Transport Allowance (₹ 5,000 x 12) [Fully taxable]		60,000	
	Cost of treatment for son in True Care Hospitals (P) Ltd. [Exempt, since value of medical treatment provided to an employee's family member in any hospital maintained by the employer is excluded from the definition of perquisite]		Nil	
	Gross Salary		10,80,000	

	<p>Less: Standard deduction u/s 16 [Actual salary or ₹ 75,000, whichever is less]</p>	75,000	
II	Income from House Property		10,05,000
	Let out portion [First floor]		
	Gross Annual Value [Rent received is taken as GAV = ₹ 40,000 p.m. x 6 months]	2,40,000	
	Less: Municipal taxes paid by him in the P.Y.2025-26 pertaining to let out portion [(₹ 5,000 + ₹ 5,000)/2], allowable since it is paid during the year, even if it relates to earlier years	5,000	
	Net Annual Value (NAV)	2,35,000	
	Less: Deduction u/s 24		
	(a) 30% of ₹ 2,35,000	70,500	
	(b) Interest on housing loan [(₹ 1,20,000 (+) ₹ 1,00,000)/2]	1,10,000	1,80,500
			54,500
	Self-occupied portion [Ground Floor]		
	Annual Value	Nil	
	Less: Deduction u/s 24		
	Interest on housing loan for reconstruction [Not allowed under default tax regime]	Nil	Nil
III	Profits and gains of business or profession		54,500
	Net profit as per Income and Expenditure account	55,34,000	

Less: Items of income to be treated separately under the respective head of income			
(i) Salary received from True Care Hospitals (P) Ltd.	10,80,000		
(ii) Rent from house property	2,40,000		
(iii) Dividend from foreign companies (gross)	60,000		
		13,80,000	
		41,54,000	
Less: Allowable expenditure			
• Depreciation on Clinic equipment On Opening WDV ₹ 5,00,000 @15% On additions during the year ₹ 75,000, no depreciation is allowable, since payment was made in cash and hence, it will not form part of actual cost.	75,000		
	Nil	75,000	
		40,79,000	
Add: Items of expenditure not allowable while computing business income			
(i) Interest on housing loan for reconstruction of residential house	2,20,000		
(ii) Interest on education loan for son	1,56,000		
(iii) Amount paid to scientific research association approved & notified under section 35, not allowed under default tax regime	1,50,000		
(iii) Conveyance expenses in relation to his employment with True Care Hospitals debited to Income and Expenditure A/c, not allowed	48,000		
(iv) Power and fuel expenses incurred for providing power back up to tenant not deductible	10,000		

	(v) Municipal tax paid relating to residential house included in administrative expenses, not deductible	10,000	5,94,000	46,73,000
IV	Income from Other Sources			
	Power back up charges from tenant (₹ 3,000 p.m. x 6 months)	18,000		
	Less: Actual expenditure incurred for providing power back up	10,000	8,000	
	Dividend from foreign companies		60,000	68,000
	Gross Total Income			58,00,500
	Less: Deduction under Chapter VI-A			
	Deduction under section 80C [Not allowed under default tax regime]		Nil	
	Deduction under section 80E [Not allowed under default tax regime]		Nil	Nil
Total income			58,00,500	

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

Particulars	₹
Gross Total Income under default tax regime	58,00,500
Add: Difference in standard deduction under section 16	25,000
	58,25,500
Less: Interest on housing loan for reconstruction of house [Self occupied portion], restricted to	30,000
Less: Amount paid to scientific research association approved & notified under section 35	1,50,000
Gross Total Income as per optional tax regime	56,45,500
Less: Deduction under Chapter VI-A	
Deduction under section 80C – Tuition fee paid for grand child is not allowable	Nil
Deduction under section 80E - Interest on loan taken for higher education of his son is deductible [principal repayment is not deductible]	1,56,000
Total Income as per optional tax regime	54,89,500

2. (a) Mr. Dhruv is a non-resident for the A.Y. 2026-27, since he was not present in India at any time during the previous year 2025-26.

A non-resident is chargeable to tax in India only in respect of following incomes:

- (i) Income received or deemed to be received in India; and
- (ii) Income accruing or arising or deemed to accrue or arise in India.

**Computation of total income of Mr. Dhruv, a non-resident,
for the A.Y. 2026-27**

Particulars	₹
Salaries received for services rendered in London (computed) [Taxable, since the 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)]	20,00,000
Foreign allowances [Allowances or perquisites paid or allowed as such outside India by the Government to a citizen of India for rendering service outside India is exempt under section 10(7)]	-
Interest on saving bank deposit in State Bank of India [Since interest income is from a source (i.e., bank deposit) in India, it is deemed to accrue or arise in India]	1,00,000
Short term capital gains on sale of shares of an Indian company received in London [Since income arises from transfer of a capital asset situated in India, it is taxable in the hands of a non-resident]	2,00,000
Dividend from PP Ltd., an Indian company, paid in London [Since the dividend paid by an Indian company outside India is deemed to accrue or arise in India, it is taxable in the hands of non-resident]	50,000
Rent from property in London deposited in a bank in London, later on remitted to India through approved banking channels [Not taxable, since neither the property is situated in India nor rent is received in India]	-
Gross Total Income	23,50,000
<i>Less: Deduction under section 80TTA</i>	
Interest on saving bank account subject to a maximum of ₹ 10,000	10,000
Total Income	23,40,000

- (b) (i) XYZ Limited is required to deduct tax at source under section 194-I @10% on rent of ₹ 75,000 per month exclusive of GST component, since the rent exceeds ₹ 50,000 per month.

Tax has to be deducted at the time of payment or credit, whichever is earlier.

- (ii) ABC Pvt. Ltd. is not required to collect tax at source on sale of car of ₹ 4,00,000 to Mrs. Shilpa since its value does not exceed ₹ 10 lakhs.

However, it is required to collect tax at source u/s 206C(1F) @1% on the sale consideration of ₹ 12 lakhs since the value of this car exceeds ₹ 10 lakhs.

Tax has to be collected at the time of receipt of ₹ 12 lakhs.

3. (a) As per section 50B, any profits and gains arising from the slump sale effected in the previous year shall be chargeable to income-tax as capital gains arising from the transfer of capital assets and shall be deemed to be the income of the previous year in which the transfer took place.

If the assessee owned and held the undertaking transferred under slump sale for more than 36 months before slump sale, the capital gain shall be deemed to be long-term capital gain. Indexation benefit is not available.

Computation of capital gain on slump sale of Unit 2

Particulars	₹
Full value of consideration for slump sale of Unit 2 [Fair market value of capital asset transferred by way of slump sale (i.e., ₹ 18,10,000) or fair market value of the consideration received (value of the monetary consideration received i.e., ₹ 18,00,000) whichever is higher]	18,10,000
Less: Expenses on sale [professional fees & brokerage]	<u>78,000</u>
Net full value of consideration	17,32,000
Less: Cost of acquisition, being the net worth of Unit 2 (Note 1)	<u>13,35,781</u>
Long term capital gains arising on slump sale	<u>3,96,219</u>
(The capital gains is long-term as the Unit 2 is held for more than 36 months)	

Notes

1. Computation of net worth of Unit 2

Particulars	₹
(1) Book value of non-depreciable assets	
(i) Land (Revaluation not to be considered)	5,00,000
(ii) Debtors	3,50,000
(2) Written down value of depreciable assets under section 43(6)	
(i) Furniture (See Note 2)	4,75,000
(ii) Patents (See Note 3)	<u>4,75,781</u>
Aggregate value of total assets	18,00,781
Less: Current liabilities of Unit 2	
Bank Loan [₹ 8,50,000 x 30%]	2,55,000
Trade Creditors [₹ 4,50,000 x 20%]	90,000
Unsecured Loan [₹ 4,00,000 x 30%]	1,20,000
	<u>4,65,000</u>
Net worth of unit 2	13,35,781

2. Written down value of furniture as on 1.4.2025

Value of patents	₹
Cost as on 1.12.2024	5,00,000
Less: Depreciation @ 10% x 50% for Financial Year 2024-25	<u>25,000</u>
WDV as on 1.4.2025	4,75,000

3. Written down value of patents as on 1.4.2025

Value of patents	₹
Cost as on 1.12.2023	7,25,000
Less: Depreciation @ 25% x 50% for F.Y. 2023-24	<u>90,625</u>
WDV as on 1.4.2024	6,34,375
Less: Depreciation@25% for F.Y. 2024-25	<u>1,58,594</u>
WDV as on 1.4.2025	4,75,781

(b) **Computation of taxable amount of Mr. Lalit for the A.Y.2026-27**

Particulars	₹
(i) Dividend from LMN Ltd. – Dividend would be chargeable to tax under the head “Income from Other Sources”. [₹ 45,000/90%]	50,000
(ii) Advance of ₹ 1,00,000 forfeited on 1.5.2025 - The advance received and forfeited on or after 1.4.2014 would be subject to tax under section 56(2)(ix) under the head “Income from Other Sources”.	1,00,000
(iii) Cash gifts from non-relative on marriage of son of ₹ 51,000 – Since gift is received by Mr. Lalit from a non-relative on the occasion of marriage of his son, it would be taxable in his hands under section 56(2)(x) under the head “Income from Other Sources”.	51,000
(iv) Pension from employer of deceased wife of ₹ 99,000 - Pension after deducting lower of ₹ 33,000 i.e., 1/3 of such income or ₹ 25,000, is chargeable to tax under the head “Income from Other Sources”. [₹ 99,000 – ₹ 25,000]	74,000
Taxable amount	2,75,000

4. (a) **Computation of total income of Mr. Shashank for A.Y.2026-27**

Particulars	₹	₹	₹
Income under the head “Salaries”			
Pension		7,80,000	
Less: Standard deduction u/s 16(ia)			
Lower of ₹ 50,000 or actual salary/pension		50,000	7,30,000
Income from Other Sources			
Interest from bank on fixed deposit (Gross)			2,35,000
Gross Total Income			9,65,000
Less: Deduction under Chapter VI-A			
Deduction under section 80C			
LIC premium of ₹ 25,500 (restricted to 10% of ₹ 2,50,000, being the sum assured, as the policy is taken after 31.3.2012)		25,000	
Deduction under section 80D			
Premium for health insurance for self and	36,000		

his wife paid by cheque, allowed upto ₹ 50,000 since Mr. Shashank is a senior citizen			
Preventive health check-up for self, ₹ 3,500, and for his mother, ₹ 4,500, restricted to ₹ 5,000 (deduction allowed even if the same is paid in cash)	5,000		
Deduction under section 80E		41,000	
Interest on loan taken from bank for MBA course pursued by his daughter		9,500	
Deduction under section 80G			
Donation to PM CARES Fund – 100% allowable		20,000	
Donation to an approved institution for promoting family planning – 100% allowable subject to qualifying limit of ₹ 83,950 i.e., 10% of ₹ 8,39,500 being the adjusted total income		83,950	
Deduction under section 80TTB			
Interest on fixed deposit with bank allowable as deduction upto ₹ 50,000, since Mr. Shashank is a senior citizen		50,000	2,29,450
Total Income			7,35,550

- (b) (i) Even though the total income of an individual does not exceed the basic exemption limit, he would be required to file his return of income if
- he has deposited an amount or aggregate of the amounts exceeding ₹ 1 crore in one or more current accounts maintained with a banking company or a co-operative bank during the previous year or
 - the deposit in one or more savings bank account of the person, in aggregate, is ₹ 50 lakhs or more during the previous year

In this case, he has deposited only ₹ 75 lakhs in current account in Axis account during the P.Y. 2025-26 but has deposited ₹ 65 lakhs in savings bank account (₹ 40 lakhs in SBI and ₹ 25 lakhs in HDFC) during the P.Y. 2025-26, hence, he is required to file a return of income for A.Y. 2026-27 on or before the due date under section 139(1).

- (ii) If an individual has aggregate TDS and TCS credit of ₹ 25,000 or more during the previous year, he would be required to file a return of income, even if his total income does not exceed the basic exemption limit.

In this case, TDS of ₹ 30,000 i.e., @2% on ₹ 15 lakhs, would have been deducted by HDFC Bank under section 194N on cash exceeding ₹ 1 crore withdrawn by Mr. Kumar during the P.Y. 2025-26. Hence, he is required to file his return of income for A.Y. 2026-27 on or before the due date under section 139(1).

OR

- (b) Since Mr. Vineet has income only under the heads "Salaries", "Income from house property" and "Income from other sources", he does not fall under the category of a person whose accounts are required to be audited under the Income-tax Act, 1961 or any other law in force. Therefore, the due date of filing return for A.Y.2026-27 under section 139(1), in his case, is 31st July, 2026. Since Mr. Vineet had filed his return under optional regime on 12.7.2026, the said return is within the time provided under section 139(1).

As per section 139(5), a return furnished under section 139(1) can be revised. Therefore, Mr. Vineet can revise the return of income filed by him under section 139(1) in December 2026, to claim deduction under section 80TTA, since the time limit for filing a revised return is three months prior to the end of the relevant assessment year, which is 31.12.2026.

However, he cannot revise return had he discovered this omission only on 21.03.2027, since it is beyond 31.12.2026.

SECTION B – GOODS AND SERVICES TAX (50 MARKS)

SUGGESTED ANSWERS

Division A - Multiple Choice Questions

Question No.	Answer
1	(a) 30 th June
2	(d) 25 th August
3	(c) CGST ₹ 56,250 & SGST ₹ 56,250
4	(a) 7 th August
5	(c) CGST ₹ 18,000 & SGST ₹ 18,000
6	(c) (i) & (iv)
7	(b) This transaction will be taxable under reverse charge hence Mangla Electronics need to pay tax under RCM.
8	(c) Both (a) and (b)

Division B - Descriptive Questions

1. (a) **Computation of GST payable on outward supplies**

S. No.	Particulars	CGST @ 9% (₹)	SGST @ 9% (₹)	IGST @ 18% (₹)
(i)	Intra-State supply of goods for ₹ 4,00,000 [Note-1]	36,000	36,000	Nil
(ii)	Services rendered by way of labour contracts for repairing a single residential unit otherwise than as a part of residential complex [Note-2]	9,000	9,000	Nil
(iii)	Services provided by way of training in recreational activities relating to sports [Note-3]	Nil	Nil	1,800
(iv)	Inter-State security services provided to Arjun higher secondary school for their annual day function to be held in Galib Auditorium. [Note-4]	Nil	Nil	2,700
	Total GST payable	45,000	45,000	4,500

Notes

1. A registered person (excluding composition supplier and registered persons making supply of specified actionable claims) has to pay GST on the outward supply of goods at the time of supply as specified in section 12 of the CGST Act, 2017, i.e. date of issue of invoice or the last date on which invoice ought to have been issued. Thus, liability to pay tax on the advance received in January will also arise in the month of February, when the invoice for the supply is issued.
2. Services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex are exempt. Labour contracts for repairing are thus, taxable.
3. Services by way of training in sports is exempt under GST, only if provided by charitable entities registered under section 12AA or section 12AB of the Income-tax Act, 1961. Thus, in the given case, said service is taxable.
4. Security services provided to Arjun higher secondary School for Annual Day function organised outside the school campus will be taxable as only the security services performed within the premises of the higher secondary school are exempt.

Computation of total ITC

Particulars	CGST @ 9% (₹)	SGST @ 9% (₹)	IGST @ 18% (₹)
Opening ITC	57,000	Nil	50,000
<i>Add:</i> Purchase of goods from a composition dealer [ITC is not available in case of supply of goods where tax has been paid under composition scheme]	Nil	Nil	Nil
<i>Add:</i> Membership of a club [Blocked credit]	Nil	Nil	Nil
<i>Add:</i> Goods transport services received from GTA [Input tax credit is available for the services received from GTA as the same are used in the course or furtherance of business.]	Nil	Nil	36,000

Add: Inputs to be received in 4 lots, out of which 2 nd lot was received during the month [In case of goods received in lots, ITC can be taken only upon receipt of the last lot]	Nil	Nil	Nil
Total ITC	57,000	Nil	86,000

Computation of minimum GST payable from electronic cash ledger

Particulars	CGST @ 9% (₹)	SGST @ 9% (₹)	IGST @ 18% (₹)
GST payable	45,000	45,000	4,500
Less: ITC [First ITC of IGST should be utilized in full - first against IGST liability and then against CGST and SGST liabilities in a manner to minimize cash outflow]	(36,500) IGST (3)	(45,000) IGST (2)	(4,500) IGST (1)
Less: ITC of CGST to be used against CGST	(8,500) CGST		
Minimum GST payable in cash	Nil	Nil	Nil

Note: Since sufficient balance of ITC of CGST is available for paying CGST liability and cross utilization of ITC of CGST and SGST is not allowed, ITC of IGST has first been used to pay SGST (after paying IGST liability) and then CGST to minimize cash outflow.

- (b) Section 10(2A) of the CGST Act, 2017 provides the turnover limit of ₹ 50 lakh in the preceding financial year for becoming eligible for composition levy for services. Royal Studio has started the supply of services in the current financial year (FY), thus, it's aggregate turnover in the preceding FY is Nil. Consequently, in the current FY, Royal Studio is eligible for composition scheme for services. A registered person opting for composition levy for services shall pay tax @ 3% [Effective rate 6% (CGST + SGST/UTGST)] of the turnover of supplies of goods and services in the State.

Further, Royal Studio becomes eligible for the registration when the aggregate turnover exceeds ₹ 20 lakh (the threshold limit of obtaining registration). While registering under GST, Royal Studio can opt for composition scheme for services.

The option of a registered person to avail composition scheme for services shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds the threshold limit of ₹ 50 lakh.

However, for the purposes of determining the tax payable under composition scheme, the expression “turnover in State” shall not include the value of supplies from the first day of April of a FY up to the date when such person becomes liable for registration under the CGST Act.

Thus, for determining the turnover of the State for payment of tax under composition scheme for services, turnover of April, 2025 – June, 2025 quarter [₹ 20 lakh] shall be excluded. On next ₹ 30 lakh [turnover of July, 2025 – September, 2025 quarter], it shall pay tax @ 6% [3% CGST and 3% SGST].

For the purposes of computing aggregate turnover of a registered person for determining his eligibility to pay tax under this section, aggregate turnover includes value of supplies from the 1st April of a FY up to the date of his becoming liable for registration.

Thus, while computing aggregate turnover for determining Royal Studio’s eligibility to pay tax under composition scheme, value of supplies from the first day of April of a financial year up to the date when it becomes liable for registration under this Act (i.e. turnover of April, 2025 – June, 2025 quarter), are included.

By the end of July, 2025 – September, 2025 quarter, the aggregate turnover reaches ₹ 50 lakh. Consequently, the option to avail composition scheme for services shall lapse by the end of July, 2025 – September, 2025 quarter and thereafter, it is required to pay tax at the normal rate of 18%.

Considering the above provisions, the tax payable for each quarter is as under:

S. No.	Quarter	GST rate [CGST + SGST]	Turnover (₹ in lakh)	GST payable (₹ in lakh)
1	April, 2025 – June, 2025	-	20	-
2	July, 2025 – September, 2025	6%	30	1.8
3	October, 2025 – December, 2025	18%	40	7.2

2. (a) **Computation of minimum net GST to be paid in cash by Prakash Limited for the month of October 2025**

Particulars	CGST (₹)	SGST (₹)
Output tax liability for the month	31,000	31,000
Less: Input tax credit (ITC) [Refer note below]	5,400 (IGST)	5,400 (IGST)
IGST credit is utilized first for payment of CGST and SGST liability in equal proportion. CGST credit is utilized for payment of CGST liability and SGST credit is utilized for payment of SGST liability.	<u>25,600 (CGST)</u>	<u>25,600 (SGST)</u>
Net GST payable (in cash)	Nil	Nil

Note: Person taking voluntary registration can avail ITC on inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date of grant of registration, i.e. on 23.10.2025, only within 1 year from date of issue of tax invoice by supplier.

Computation of eligible ITC available

Particulars	CGST (₹)	SGST (₹)	IGST (₹)
Capital goods [Person taking voluntary registration cannot avail ITC on capital goods held on the day immediately preceding the date of grant of registration.]	Nil	Nil	Nil
Input "A" procured on 13 th October 2024	Nil	Nil	Nil
Inputs "B" procured on 10 th June 2025	22,500	22,500	Nil
Input "C" procured on 1 st October 2025	3,750	3,750	Nil
Input "D" procured on 8 th October 2025	<u>Nil</u>	<u>Nil</u>	<u>10,800</u>
Total ITC	26,250	26,250	10,800

Note: In the above answer, minimum net GST to be paid in cash has been computed by setting off the IGST liability in equal proportion so as to minimize the amount of CGST and SGST payable in cash. Resultantly, Net GST payable (in cash) is Nil each under CGST and SGST.

However, since IGST credit can be set off against CGST and SGST liability in any order and in any proportion, the same can be set off against CGST and/or SGST liabilities in other possible ways as well.

- (b) (i) The place of supply of goods supplied on a board a conveyance like aircraft, train, vessel, motor vehicle is the location where such goods have been taken on board.

Place of supply of goods supplied on board a conveyance is determined under this provision even if the supply has been made by any of the passenger on board the conveyance and not by the carrier of the conveyance.

Thus, in the given case, the place of supply of goods is the location at which the goods are taken on board, i.e. New Delhi and not Jaipur where they have been sold.

- (ii) If the supply involves goods which are to be installed or assembled at site, the place of supply is the place of such installation or assembly.

This is a case of composite supply of goods wherein two supplies are involved, supply of goods and ancillary supply of installation/assembly service. The principal supply is supply of goods which are being installed.

Thus, the place of supply is the site of assembly of machine, i.e. Kutch even though PC Industries is located in Maharashtra.

3. (a) A user will not be able to generate e-way bill for a GSTIN if the said GSTIN is not eligible for e-way bill generation.

The blocking of GSTIN for e-way bill generation is only for the defaulting supplier GSTIN and not for the defaulting Recipient or Transporter GSTIN.

A person paying tax under regular scheme who has not furnished the returns for a consecutive period of 2 tax periods is considered as a defaulting person.

Suspended GSTIN cannot generate e-way bill as supplier. However, the suspended GSTIN can get the e-way bill generated as recipient or as transporter.

In other words, e-way bill generation facility is blocked only in respect of any outward movement of goods of the registered person who is not eligible for e-way bill generation. E-way bills can be generated in respect of inward supplies of said registered person.

Thus, applying the above provisions, there will be no restriction in generating e-way Bill by Mr. Rihaan as Mr. Rihaan who is making outward movement of goods is a regular return filer.

E-way bill generation is blocked in case of movement of goods made by Mr. Mayank to Mr. Manoj as it's an outward movement of goods of Mr. Mayank who has not filed GSTR-3B for past 2 months.

- (b) Section 49(3) of the CGST Act, 2017 provides that the amount available in the electronic cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of this Act or the rules made there under in prescribed manner.

Further, section 49(4) provides that the amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the Integrated Goods and Services Tax Act in prescribed manner.

Accordingly, as per the combined reading of the above provisions, late fees shall be paid only through electronic cash ledger and payment of the same is not possible through electronic credit ledger. Thus, contention of the accountant of M/s TMT & Co., is not correct and the amount of late fee shown on the common portal has to be deposited in Electronic Cash Ledger under appropriate minor head, through any of the specified modes.

4. (a) (i) GST on sponsorship services provided by any person other than body corporate to any body corporate or partnership firm located in the taxable territory is payable under reverse charge. Since in the given case, services have been provided by a body corporate to an individual, reverse charge provisions will not be attracted. GST is payable under forward charge by the supplier – company.
- (ii) GST on services supplied by Central Government excluding the Ministry of Railways (Indian Railways), State Government, Union territory or local authority by way of renting of immovable property to a person registered under CGST Act, 2017 is payable under reverse charge. Therefore, in the given case, GST is payable under reverse charge by the recipient – registered business entity.

Or

- (a) The term 'charitable activities' mean activities relating to-
- (i) public health by way of-
- (A) care or counseling of

- (I) terminally ill persons or persons with severe physical or mental disability;
 - (II) persons afflicted with HIV or AIDS;
 - (III) persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or
 - (B) public awareness of preventive health, family planning or prevention of HIV infection;
 - (ii) advancement of religion, spirituality or yoga;
 - (iii) advancement of educational programmes/skill development relating to,-
 - (A) abandoned, orphaned or homeless children;
 - (B) physically or mentally abused and traumatized persons;
 - (C) prisoners; or
 - (D) persons over the age of 65 years residing in a rural area;
 - (iv) preservation of environment including watershed, forests & wildlife.
- (b)** Yes, as per section 29(3) of the CGST Act, 2017, the cancellation of registration under this section shall not affect the liability of the person to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.

Further, every registered taxable person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher, calculated in prescribed manner.