

Mock Test Paper - Series I: July, 2025

Date of Paper: 23rd July, 2025

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)	(b)	2.	(c)
	(ii)	(c)	3.	(c)
	(iii)	(b)		
	(iv)	(b)		
	(v)	(c)		
	(vi)	(a)		

Division B – Descriptive Questions

1. Computation of Total Income of Mr. Subhash for the A.Y. 2025-26 under default tax regime

Particulars	₹	₹	₹
Income from house property			
Annual value (Rent received has been taken as annual value, due to absence of information relating to expected rent in the question)		7,20,000	
Less: Deduction u/s 24(a) 30% of Annual Value		<u>2,16,000</u>	5,04,000
Profits and gains of business or profession			
Net profit as per profit and loss account		75,43,815	

Add: Expenses/Payments debited to profit and loss account but not allowed			
- Fee for late filing of income-tax return for A.Y. 2024-25 – disallowed under section 37	5,000		
- Salary paid to an accountant in cash exceeding ₹ 10,000 – disallowed under section 40A(3)	15,000		
- Interest paid to NBFC on loan which is used for personal purposes (₹ 1,20,000 x 2,00,000/10,00,000) – not allowed as per section 37	24,000		
- Interest paid to NBFC on which tax is not deducted attracts disallowance @30% of ₹ 96,000 [Since Mr. Subhash's turnover for the immediately preceding previous year i.e., P.Y. 2023-24 exceeds ₹ 1 crore, he is required to deduct tax at source. Disallowance@30% of interest is attracted for non-deduction of tax at source]	28,800		
- Advertisement expenses towards an advertisement in a souvenir published by local political party [Disallowed under section 37(2B)]	20,000		
- Income-tax paid for F.Y. 2023-24	3,45,000		
- Interest paid on late payment of GST - allowed, since it is not for infraction of law but is compensatory in nature.	-	4,37,800	
Add: Undervaluation of Closing stock		<u>25,000</u>	
		80,06,615	
Less: Income chargeable under other heads and income not chargeable to tax but credited to profit and loss account			
- Dividend income from Indian companies	17,20,000		

- Interest on FDs (Net of taxes) (Taxable under the head "Income from other sources")	1,08,000		
- Rent received (Taxable under the head "Income from house property")	7,20,000		
- Income-tax refund	<u>18,000</u>	<u>25,66,000</u>	
		54,40,615	
Less: Depreciation on machinery purchased and put to use on 23.9.2024 [₹ 3,10,000 x 15%] [Additional depreciation not available under default tax regime]		<u>46,500</u>	53,94,115
Income from Other Sources			
Dividend income		17,20,000	
Interest on fixed deposits (₹ 1,08,000 x 100/90)		1,20,000	
Interest on income-tax refund		<u>2,000</u>	<u>18,42,000</u>
Gross Total Income			77,40,115
Less: Deduction under Chapter VI-A			
Section 80D [Not available under default tax regime]			-
Section 80GGC [Not available under default tax regime]			<u>-</u>
Total Income			<u>77,40,115</u>
Total Income (Rounded off)			77,40,120

**Computation of tax liability of Mr. Subhash for the A.Y.2025-26
under default tax regime**

Particulars	₹
Upto ₹3,00,000	Nil
₹ 3,00,001 – ₹ 7,00,000 [i.e., ₹ 4,00,000@5%]	20,000
₹ 7,00,001 – ₹ 10,00,000 [i.e., ₹ 3,00,000@10%]	30,000
₹10,00,001 – ₹ 12,00,000 [i.e., ₹ 2,00,000@15%]	30,000
₹12,00,001 – ₹ 15,00,000 [i.e., ₹ 3,00,000@20%]	60,000
₹ 15,00,001 above [i.e., 62,40,120 @30%]	<u>18,72,036</u>
	20,12,036

Add: Surcharge @10%, since total income exceeds ₹ 50,00,000 but does not exceed ₹ 1 crore	<u>2,01,204</u>
	22,13,240
Add: Health and Education cess@4%	<u>88,530</u>
Tax Liability	<u>23,01,770</u>

**Computation of Total Income of Mr. Subhash for the A.Y. 2025-26
under optional tax regime**

Particulars	₹	₹	₹
Gross Total Income as per default tax regime			77,40,115
Less: Additional depreciation on machinery [₹ 3,10,000 x 20%]			<u>62,000</u>
Gross Total Income under optional tax regime			76,78,115
Less: Deduction under Chapter VI-A			
Section 80D			
Health insurance premium of ₹ 45,000 paid for self, spouse and his children allowable as deduction since Mr. Subhash is a senior citizen		45,000	
Section 80GGC			
Expenditure towards advertisement in a souvenir published by local political party not allowable as deduction		<u>-</u>	<u>45,000</u>
Total Income			<u>76,33,115</u>
Total Income (rounded off)			76,33,120

**Computation of tax liability of Mr. Subhash for the A.Y.2025-26
under optional tax regime**

Particulars	₹
Upto ₹3,00,000	Nil
₹ 3,00,001 – ₹ 5,00,000 [i.e., ₹ 2,00,000@5%]	10,000
₹ 5,00,001 – ₹ 10,00,000 [i.e., ₹ 5,00,000@20%]	1,00,000
₹ 10,00,001 above [i.e., ₹ 66,33,120 @30%]	<u>19,89,936</u>
	20,99,936

Add: Surcharge @10%, since total income exceeds ₹ 50,00,000 but does not exceed ₹ 1 crore	<u>2,09,994</u>
	23,09,930
Add: Health and Education cess@4%	<u>92,397</u>
Tax Liability	<u>24,02,327</u>
Tax Liability (Rounded off)	24,02,330

2. (a) **Computation of gross total income of Mr. Rohan for the A.Y. 2025-26**

	Particulars	Resident & ordinarily resident	Resident but not ordinarily resident	Non-Resident
		₹	₹	₹
(a)	Income earned from business in Iran, which is controlled from Delhi, out of which ₹ 65,000 is received in India	80,000	80,000	65,000
(b)	Pension for services rendered in India but received in Iran (Computed)	24,000	24,000	24,000
(c)	Dividend received in Dubai from an Oil company, an Iran based company	15,000	-	-
(d)	Interest on money borrowed by Mr. Deepender, a non-resident, for the purpose of investment in shares of XYZ Ltd., an Indian company	55,000	-	-
	Gross Total Income	1,74,000	1,04,000	89,000

Notes:

- (a) As per section 5(1), global income is taxable in case of a resident. However, as per section 5(2), in case of a non-resident, only the following incomes are chargeable to tax in India:

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

Further, the income which accrues or arise outside India would be chargeable to tax in case of resident but not ordinarily resident in India, only if such income is derived from a business controlled in India.

Accordingly, the entire income earned from business in Iran which is controlled from Delhi would be chargeable to tax in the hands of Mr. Rohan if he is a resident in India or resident but not ordinarily resident. However, if he is non-resident then only that part of income which is received in India would be taxable in his hands.

- (b) Dividend from an Iran based company, received in Iran and interest on money borrowed by Mr. Deepender, a non-resident, for the purpose of investment in shares of XYZ Ltd., an Indian company, would be taxable in the hands of Mr. Rohan, only if he is resident and ordinarily resident in India. If he is a resident but not ordinarily resident or a non-resident, the same would not be taxable in his hands in India since it has neither accrued nor arisen in India nor is it received in India.

- (b) (i) The provisions of section 194-I are not applicable in this case since Mr. Ram's turnover from business does not exceed ₹ 1 crore in the P.Y. 2023-24.

Further, Mr. Ram is not required to deduct tax at source under section 194-IB since Mr. Ram has paid rent for hiring of machinery for his business operation and section 194-IB covers only rent on land or building or both.

Accordingly, Mr. Ram is not required to deduct tax at source on rent paid for hiring machinery for his business purpose.

- (ii) Section 206C(1C) requires to collect tax by every person who grants a lease or a licence or enters into a contract or otherwise transfers any right or interest in any parking lot to another person (other than a public sector company) for the use of such parking lot for the purposes of business. The tax under section 206C(1C) shall be collected at the rate of 2%.

In the present case, since PQR Ltd. is a public sector company, M/s XYZ Ltd. is not required to collect tax at source under section 206C(1C).

3. (a) (i) Computation of depreciation for A.Y.2025-26

Particulars	₹
W.D.V. of the block as on 1.4.2024	7,70,000
Add: Purchase of second hand plant during the year [In December, 2024]	<u>6,10,000</u>
	13,80,000

Less: Sale consideration of old machinery during the year [In July, 2024]	<u>10,00,000</u>
W.D.V of the block as on 31.03.2025	<u>3,80,000</u>
Depreciation @ 15% but restricted to 50% thereon [Since the value of the block as on 31.3.2025 represents part of actual cost of second hand plant purchased in December, 2024, which has been put to use for less than 180 days, depreciation is restricted to 50% of the prescribed percentage of 15% i.e. depreciation is restricted to 7½%. Therefore, the depreciation allowable for the year is ₹ 28,500 being 7½% of ₹ 3,80,000]	28,500

- (ii) In the given case, no capital gains would arise, since the block of asset continues to exist and some of the assets were sold for a price which was lesser than the written down value of the block as increased by the actual cost of asset purchased during the year.
- (iii) If the two machines are sold in July, 2024 for ₹ 15,00,000, then short term capital gains would arise, since the sale consideration is more than the aggregate of the written down value of the block at the beginning of the year and the additions made during the year.

Particulars	₹	₹
Sale consideration		15,00,000
Less: W.D.V. of the machines as on 1.4.2024	7,70,000	
Purchase of second plant during the year	<u>6,10,000</u>	13,80,000
Short term capital gains		1,20,000

- (b) **Computation of income from house property of Mr. Arjun for A.Y. 2025-26 under normal provision of the Act**

Particulars	₹	₹
Annual value is nil (since house is self-occupied)		Nil
Less: Deduction under section 24(b)		
Interest on borrowed capital ₹ 15,00,000 @ 12%	1,80,000	
Pre-construction interest [Interest from 1.4.2022 to 31.3.2024 in 5 equal installments] [₹ 3,60,000/5]	<u>72,000</u>	
	2,52,000	

As per second proviso to section 24(b), interest deduction restricted to		<u>2,00,000</u>
Loss under the head “Income from house property” of Mr. Arjun		<u>(2,00,000)</u>

Computation of income from house property of Mr. Rohit for A.Y. 2025-26 under normal provision of the Act

Particulars	Ground floor (Self occupied) ₹	First floor ₹
Gross annual value (See Note below)	Nil	60,000
Less: Municipal taxes (for first floor)		<u>4,000</u>
(A) Net annual value	Nil	56,000
Less: Deduction under section 24		
(a) 30% of net annual value		16,800
(b) Interest on borrowed capital		
Current year interest		
₹10,00,000 x 10% = ₹1,00,000	50,000	50,000
Pre-construction interest		
₹ 10,00,000 x 10% x 21/12 = ₹ 1,75,000		
₹ 1,75,000 allowed in 5 equal installments		
₹ 1,75,000/5 = ₹35,000 per annum	<u>17,500</u>	<u>17,500</u>
(B) Total deduction under section 24	<u>67,500</u>	<u>84,300</u>
Income from house property (A)-(B)	<u>(67,500)</u>	<u>(28,300)</u>
Loss under the head “Income from house property” of Mr. Rohit (both ground floor and first floor)	(95,800)	

Note: Computation of Gross Annual Value (GAV) of first floor of Rohit's house

The Expected Rent is the higher of fair rent and municipal value. This should be considered for 6 months since the construction of property was completed only on 30.9.2024.

Expected rent = ₹ 50,000 being higher of -

Fair rent = $1,00,000 \times 6 / 12 = ₹ 50,000$

Municipal value = $72,000 \times 6 / 12 = ₹ 36,000$

Actual rent = ₹ 60,000 (₹ 20,000 p.m. for 3 months from October to December, 2024)

Gross Annual Value = ₹ 60,000 (being higher of Expected Rent of ₹ 50,000 and actual rent of ₹ 60,000)

4. (a) In the given case, Mr. Rajesh kumar gifted a sum of ₹ 3 lakhs to his brother's wife on 14.06.2024 and simultaneously, his brother gifted a sum of ₹ 3 lakhs to Mr. Rajesh kumar's minor son on 12.07.2024. The gifted amounts were invested as fixed deposits in banks by Mr. Rajesh kumar's son and his brother's wife. These transfers are in the nature of cross transfers. Accordingly, the income from the assets transferred would be assessed in the hands of the deemed transferor because the transfers are so intimately connected to form part of a single transaction and each transfer constitutes consideration for the other by being mutual or otherwise.

If two transactions are inter-connected and are part of the same transaction in such a way that it can be said that the circuitous method was adopted as a device to evade tax, the implication of clubbing provisions would be attracted. It was so held by the Apex Court in *CIT vs. Keshavji Morarji* (1967) 66 ITR 142.

Accordingly, the interest income on fixed deposits arising to Mrs. Neha of ₹ 18,000 [$₹ 3,00,000 \times 9\% \times 8/12$] would be included in the total income of Mr. Rakesh Kumar. However, as per section 64(1A), all the income of a minor son is, in any case, to be included in the income of the parent, whose total income before including minor's income, is higher. Therefore, ₹ 30,000 [$₹ 5,00,000 \times 9\% \times 8/12$] would be included in the total income of Mrs. Anjali since her income before including minor's income, is higher than of Mr. Rajesh's income.

Additionally, Mrs. Anjali is entitled to exemption of ₹ 1,500 under section 10(32) with respect to income included in her hands on account of minor's income.

If Mr. Rakesh gifted ₹ 5,00,000 to Mrs. Anjali instead of minor son, then the interest income includible in the hands of Mr. Rajesh would be restricted to the extent of cross transfer. Accordingly, only interest ₹ 18,000 [$₹ 3,00,000 \times 9\% \times 8/12$] would be includible in the hands of Mr. Rajesh since the cross transfer is only to the extent of ₹ 3 lakhs.

- (b) Requirement of quoting PAN in respect of certain transactions

- (i) **PAN is not required to be quoted:** Mr. Arjun is not required to quote his PAN while making payment ₹ 50,000 in cash to a hotel Vista, Dehradun, since such payment does not exceed ₹ 50,000.

- (ii) **PAN is mandatorily required to be quoted:** Ms. Kavita is required to quote her PAN while making payment of ₹ 1,85,000 for purchase of debentures, since the amount of the transaction exceeds ₹ 50,000.
- (iii) **PAN is mandatorily required to be quoted:** PAN has to be mandatorily quoted while making payment of ₹ 57,000 to Mutual Funds for purchase of its units, since such payment exceeds ₹ 50,000
- (iv) **PAN is not required to be quoted:** Ms. Sneha is not required to quote her PAN while making payment ₹ 9,50,000 towards purchase of immovable property, since such payment does not exceed ₹ 10,00,000

OR

- (b) (i) Mr. Shahid approaches on 30th July 2025, which is before the due date for filing the return under section 139(1).

Mr. Shahid has an option to pay tax under default tax regime or to opt out of the default tax regime and pay tax under normal provisions of the Act. However, under the default tax regime, he will not be able to claim deductions under section 80C, 80D and 80G.

Under default tax regime, Mr. Shahid's total income would be ₹ 7,50,000 after providing standard deduction of ₹ 75,000 and tax liability will be ₹ 26,000.

Under optional tax regime, Mr. Shahid's total income would be ₹ 5,00,000 after providing standard deduction of ₹ 50,000 and deduction under Chapter VI-A of ₹ 2,75,000. Since Mr. Shahid is resident in India, he is eligible of rebate under section 87A and his tax liability would be Nil.

Accordingly, Mr. Shahid should file his return of income on or before 31st July, 2025 and opt out of the default tax regime.

In case Mr. Shahid approaches on 1st August, 2025, he has to file his return of income and pay tax under default tax regime. In which case his tax liability will be ₹ 26,000 and he has to pay fee of ₹ 5,000 under section 234F for late filing of return of income.

SECTION B – GOODS AND SERVICES TAX (50 MARKS)

SUGGESTED ANSWERS

Division A - Multiple Choice Questions

Question No.	Answer
1	(c) 8 th June
2	(c) 10 th December
3	(b) ₹ 19,000
4	(c) ₹ 15,000
5	(b) 30 th September
6	(b) Midnight of 17th-18th February
7	(b) Credit note
8	(c) ₹ 9,999 per day

Division B - Descriptive Questions

1. (a) Computation total output tax liability of Sharkfin Ltd. for the month of January, 2024

Particulars	CGST (₹)	SGST (₹)	IGST (₹)
Outward intra-State supply of goods made in the State of Bihar. [Value of supply is the transaction value of the goods.]	36,000 [4,00,000 × 9%]	36,000 [4,00,000 × 9%]	
Outward supply of goods made to other States. [Value of supply is the transaction value of the goods.]			1,08,000 [6,00,000 × 18%]
Pledging of 5% equity shares to the merchant banker [Supply includes supply of goods and services. Shares being securities are neither goods nor services. Thus, transfer of shares which is neither goods nor services is not a supply.]			Nil
Intra-State stock transfer to Gaya Branch with no separate registration.	-	-	

[Stock transfer between 2 units of a legal entity under single registration is not a deemed supply under GST and hence, the same is not liable to tax under GST since branch with same GSTIN is not a distinct person.]			
Services of milling of paddy into rice. [Milling of paddy into rice cannot be considered as an intermediate production process in relation to cultivation of plants for food, fibre or other similar products or agricultural produce. Thus, it is not eligible for exemption.]	18,000 (2,00,000 x 9%)	18,000 (2,00,000 x 9%)	
Services of giving trucks on hire to a Governmental authority [Services by way of giving motor vehicles on hire to a Governmental authority are taxable.]	13,500 (1,50,000 x 9%)	13,500 (1,50,000 x 9%)	
Total output tax Liability	67,500	67,500	1,08,000

(b) Computation of total value of taxable supplies made by Green Pines Ltd. during the month of March

Particulars	Amount (₹)
List price of the goods	15,00,000
Subsidy amounting to ₹ 2,10,000 received from the Central Government [Since the subsidy is received from the Government, the same is not includible in the value in terms of section 15 of the CGST Act, 2017]	NIL
Subsidy received from NGO [Since the subsidy is received from a non-Government body and directly linked to the price, the same is includible in the value in terms of section 15 of the CGST Act, 2017]	50,000
Tax levied by the Municipal Authority	20,000

[Includible in the value as per section 15 of the CGST Act, 2017]	
Packing charges [Being incidental expenses, the same are includible in the value as per section 15 of the CGST Act, 2017]	15,000
Late fees paid by recipient of supply for delayed payment [Includible in the value as per section 15 of the CGST Act, 2017- As the amount of interest received is a lump sum amount, the same has to be taken as <u>inclusive</u> of GST] [₹ 6,000 x 100/118] rounded off	<u>5,085</u>
Total value of taxable supplies	15,90,085

2. (a) (i) **Not Exempt.** Since reiki healing is not a recognized system of medicine, it would not be exempt and thus, GST would be payable thereon.
- (ii) **Exempt.** Health care service does not include, inter alia, cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma.
- Therefore, plastic surgeries will not be entitled to the said exemption and thus, GST would be payable thereon. However, plastic surgery conducted to repair a cleft lip will be eligible for exemption as it reconstructs anatomy or functions of body affected due to congenital defects (cleft lip).
- (iii) **Exempt.** Health care service includes services by way of transportation of the patient to and from a clinical establishment. Thus, air ambulance service to transport critically ill patients to Good Health Medical Centre would be eligible for exemption under the said notification.
- (iv) **Exempt.** Health care service means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognized system of medicines in India. It is immaterial whether such service is provided at the clinical establishment or at the home of the patient or at any other place. Thus, palliative care for terminally ill patients is exempt.
- (v) **Exempt.** Since Yoga is a recognized system of medicine, the same would be eligible for exemption under the said notification.
- (b) (i) In accordance with section 9(3) of the CGST Act, 2017, services provided by a Goods Transport Agency (GTA) to partnership firm are taxable under Reverse Charge Mechanism (RCM).

Provided, Where the GTA opts to pay GST under the forward charge at 12%, and issues a tax invoice charging GST, GTA is liable to pay GST.

In the given case, the GTA has exercised the option to pay tax at 12% under forward charge and issued a tax invoice to Sahdev & Sons.

Thus, GTA is liable to pay the tax under forward charge and Sahdev & Sons are not required to discharge tax under RCM.

- (ii) A registered person with an aggregate turnover in a preceding financial year up to ₹ 1.5 crore is eligible for composition levy, under section 10(1) & 10(2) of the CGST Act, 2017, in Delhi. Since the aggregate turnover of Manmohan Enterprises does not exceed ₹ 1.5 crore, it is eligible for composition levy in the current year. However, all registered persons having the same Permanent Account Number (PAN) have to opt for composition scheme. If one such registered person opts for normal scheme, others become ineligible for composition scheme. Thus, Manmohan Enterprises either have to opt for composition levy for both the places of business or under normal levy for both the places of business.

3. (a) A supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under:-

- (a) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (b) ₹ 20 lakh for the States of States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
- (c) ₹ 40 lakh for rest of India. However, the higher threshold limit of ₹ 40 lakh is not available to persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa, pan masala and tobacco and manufactured tobacco substitutes,

The threshold limit for a person making exclusive taxable supply of services or supply of both goods and services is as under:-

- (a) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (b) ₹ 20 lakh for the rest of India.

As per rule 10, where a person submits the application for registration within 30 days of becoming liable for registration, the effective date of registration is the

date on which the person becomes liable to registration; otherwise it is the date of grant of registration.

In the light of the above provisions, in the given cases, the applicable turnover limit for registration will be ₹ 40 lakh and ₹ 20 lakh in case (i) and (ii) respectively.

- (i) Since Nakul Industries applied for registration within 30 days of becoming liable to registration, the effective date of registration is 1st August.
- (ii) Since in the given case, the turnover of Mehta Teleservices exceeds the applicable threshold limit [₹ 20 lakh] on 25th October, it becomes liable to registration on said date.

Further, since the application for registration has been submitted after 30 days from the date such person becomes liable to registration, the registration shall be effective from the date of grant of registration. Therefore, the effective date of registration is 5th December.

- (b) Continuous supply of service means, *inter alia*, supply of any service which is provided, or agreed to be provided continuously or on recurrent basis, under a contract, for a period exceeding 3 months with the periodic payment obligations.

Therefore, the given situation is a case of continuous supply of service as repair and maintenance services have been provided by RKT Caretakers on a quarterly basis, under a contract, for a period of one year with the obligation for quarterly payment.

In case of continuous supply of service, where due date of payment is ascertainable from the contract (as in the given case), invoice shall be issued on or before the due date of payment.

Therefore, in the given case, RKT Caretakers should issue quarterly invoices on or before April 1, July 1, October 1, and January 1.

- 4. (a) Where the supply of goods is made to a person other than a registered person, the place of supply shall be the location as per the address of the said person recorded in the invoice issued in respect of the said supply and the location of the supplier where the address of the said person is not recorded in the invoice.

In the given case, although the delivery is made to Haryana, the billing address of Mrs. Neelam i.e. Punjab is recorded in the invoice.

Therefore, the place of supply is Punjab.

Or

- (a) The location of supplier of mobile services cannot be the place of supply as the mobile companies are providing services in multiple states and many of these services are inter-state. The consumption principle will be broken if the location of supplier is taken as place of supply and all the revenue may go to a few states where the suppliers are located.

The place of supply for mobile connection would depend on whether the connection is on postpaid or prepaid basis. In case of postpaid connections, the place of supply is the location of billing address of the recipient of services on the record of supplier of services.

In case of pre-paid connections, if the service is supplied:-

- (i) through a selling agent or a re-seller or a distributor of SIM card or re-charge voucher, the place of supply is the place address of the selling agent or re-seller or distributor as per the record of the supplier at the time of supply; or
- (ii) by any person to the final subscriber, the place of supply is the location where such prepayment is received or such vouchers are sold;
- (iii) in other cases, the place of supply is the address of the recipient as per the records of the supplier of services and where such address is not available, the place of supply shall be location of the supplier of services.

However, if the recharge is done through internet/e-payment, the location of recipient of service on record of the supplier will be taken as the place of supply.

- (b) A supplier who has opted for composition scheme is not required to maintain records relating to;
- (a) **Stock of goods:** Accounts of stock in respect of goods received and supplied by him, and such accounts shall contain particulars of the opening balance, receipt, supply, goods lost stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof.
 - (b) **Details of tax:** Account, containing the details of tax payable (including tax payable under reverse charge), tax collected and paid, input tax, input tax credit claimed, together with a register of tax invoice, credit notes, debit notes, delivery challan issued or received during any tax period.

Thus, Mr. Abhishek is not required to maintain above mentioned records.