

Circular No.23/23/2017-GST dated 21.12.2017
Maintenance of Books of Accounts for Supply through an Auction

A circular has been issued for clarification on the maintaining of books of accounts at each and every additional place of business related to stock of goods meant for supply through an **auction** .

MANDATORY PROVISION

As per the first proviso of section 35(1) of CGST Act, 2017 both the principal and the auctioneer are required to maintain the books of accounts relating to their additional place(s) of business in such places.

DIFFICULTY AND ISSUE:

It has been represented that both the principal as well as the auctioneer may be allowed to maintain the books of accounts relating to the additional place(s) of business at their principal place of business itself.

CLARIFICATION & RELAXATION ISSUED SECTION 168 OF THE ACT :

1. The Principal and the auctioneer of tea, coffee, rubber etc. are required to declare

warehouses where such goods, meant for an auction, are stored as their additional place of business.

2. The buyer is also required to disclose such warehouse as his additional place of business if he wants to store the goods purchased through auction in such warehouses.
3. Both the Principal and the auctioneer are required to maintain the books of accounts relating to each and every place of business in that place itself as per the first proviso to sub-section (1) of section 35 of the CGST Act.
4. **However, in case difficulties are faced** in maintaining the books of accounts, it is clarified that **they may maintain the books of accounts relating to the additional place(s) of business at their Principal place of business instead of such additional place(s).**
5. **Such Principal or auctioneer shall intimate their jurisdictional proper officer in writing about the maintenance of books of**

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accounts relating to additional place(s) of business at their principal place of business.

- **Intimation** - Principal or auctioneer shall intimate to jurisdictional proper officer.

Note - It is an intimation and not approval.

6. Further, the Principal or the auctioneer shall be eligible to avail ITC subject to the fulfillment of other provisions of the Act and the rules made there under.

ELIGIBILITY OF ITC

The principal or the auctioneer shall be eligible to avail ITC.

7. This clarification is only meant for and applicable to the supply of tea, coffee, rubber, etc. where;

APPLICABILITY OF CIRCULAR

The present Circular will be applicable only if the auctioneer claims ITC in respect of the supply made to him by the principal before the auction and the goods are supplied only through auction.

- The auctioneer claims ITC in respect of the supply made to him by the principal before the auction of such goods and
- The said goods are supplied only through auction.

RELAXATION VIA MUST REQUIREMENT:

- **Disclosure-** Principal, Auctioneer and buyer has to disclose warehouse as his additional place of business.