

is also seen that sub-rule (4) of rule 55 of the said Rules provides that where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods.

3. A combined reading of the above provisions indicates that the art work for supply on approval basis can be moved from the place of business of the registered person (artist) to another place within the same State or to a place outside the State on a delivery challan along with the e- way bill wherever applicable and the invoice may be issued at the time of actual supply of art work.
4. It is also **clarified** that the supplies of the art work from one State to another State will be inter-State supplies and attract integrated tax in terms of section 5 of the Integrated Goods and Services Tax Act, 2017.
5. It is further **clarified** that in case of supply by artists through galleries, there is no consideration flowing from the gallery to the artist when the art works are sent to the gallery for exhibition and therefore, the same is not a supply. It is only when the buyer selects a particular art work displayed at the gallery, that the actual supply takes place and applicable GST would be payable at the time of such supply.

23

Issues in respect of maintenance of books of accounts relating to additional place of business by a principal or an auctioneer for the purpose of auction of tea, coffee, rubber etc.

Circular No.23/23/2017-GST

21st December, 2017

Various communications have been received regarding the difficulties being faced by a principal and an auctioneer in relation to maintaining books of accounts at each and every additional place of business related to stock of goods like tea, coffee, rubber, etc. meant for supply through an auction. Therefore, in exercise of the powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, for the purpose of uniformity in the implementation of the Act, it has been decided to clarify this matter.

2. As per the first proviso of section 35(1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as 'the CGST Act') 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. 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.
3. The issue has been examined. In exercise of the powers conferred under section 168 (1) of the CGST Act, for the purpose of uniformity in the implementation of the Act, it is hereby **clarified** that -
 - (a) The principal and the auctioneer of tea, coffee, rubber etc. are required to declare warehouses where such goods are stored as their additional place of business. 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.

- (b) 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. 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).
 - (c) Such principal or auctioneer shall intimate their jurisdictional proper officer in writing about the maintenance of books of accounts relating to additional place(s) of business at their principal place of business.
 - (d) Further, the principal or the auctioneer shall be eligible to avail input tax credit (ITC) subject to the fulfilment of other provisions of the Act and the rules made thereunder.
4. It is further **clarified** that this Circular is applicable to the supply of tea, coffee, rubber, etc. where 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.

**Corrigendum to Circular No. 23/23/2017-GST dated
21st December 2017 issued vide F. No. 349/58/2017**

4th September, 2018

In Para No. 4 of the said circular,
for

“It is further **clarified** that this Circular is applicable to the supply of tea, coffee, rubber, etc. where 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.”

read,

“It is further **clarified** that this Circular is applicable to the supply of tea, coffee, rubber, etc. where the auctioneer claims ITC in respect of the supply made to him by the principal before or after the auction of such goods and the said goods are supplied only through auction.”

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**Manual filing and processing of refund claims on account of inverted duty
structure, deemed exports and excess balance in electronic cash ledger**

Circular No.24/24/2017-GST

21st December, 2017

Due to the non-availability of the refund module on the common portal, it has been decided by the competent authority, on the recommendations of the Council, that the applications/documents/forms pertaining to refund claims on account of inverted duty structure (including supplies in terms of notification Nos. 40/2017-Central Tax (Rate) and 41/2017-Integrated Tax (Rate) both dated 23.10.2017), deemed exports and excess balance in electronic cash ledger shall be filed and processed manually till further orders. In this regard, the Board, in exercise of its powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017 hereby clarifies that the provisions of Circular No.