

Office of the
Commissioner of State Tax, Maharashtra,
8th Floor, GST Bhavan, Mazgaon,
Mumbai-400 010.

TRADE CIRCULAR

To,

No. CST/HQ-5/HQR-14/Suppliers through ECO/B-16 , Mumbai. Date. 03 /02/2025.

Trade Circular 08 T of 2025.

Sub. : Clarification on various issues faced by the registered persons supplying goods and services or both through electronic commerce operator (ECO)-reg.

Ref: 1. CBIC Circulars 125/44/2019 dated 18.11.2019
2. Trade Circular No. 32T of 2021 dated 26.11.2021 read with CBIC Circular No. 166 dated 17.11.2021

Representations have been received from trade and industry stating that the registered persons supplying goods and services or both through electronic commerce operator (hereinafter referred to as "ECO") are facing problems of capital blockage on account of pending refunds of excess balance in electronic cash ledger (ECL). It has been observed that such refunds have not been processed mainly for following reasons:

- a) Principal place of business (hereinafter referred to as "PPOB") was found closed or it doesn't meet the requirement of fixed establishment,
 - b) Taxpayer himself or his employees or authorized person was not present at the PPOB or as the case may be at Additional Place of Business (hereinafter referred to as APOB),
 - c) Absence of business activity and maintenance of books of accounts at the PPOB.
2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across field formations, the Commissioner of State Tax, in exercise of its powers conferred by section 168 of the Maharashtra Goods and Services Tax Act, 2017 (hereinafter referred to as "MGST Act"), issues the following instructions.

3. Registration requirements of person supplying goods and services or both through electronic commerce operator (ECO):

It is represented that the new suppliers operating on e-commerce platform carry out all the supply transactions from warehouses of the ECO which is declared as Additional place of business (hereinafter referred to as "APOB") by such supplier. Accordingly, it is represented that, as all such supplies are carried out from these warehouses, the requirement of having separate principal place of business is not necessary. In view of the problems faced as above, demands are being raised to allow



such persons supplying through “ECO” to obtain registration mentioning the godown / warehouse of the ECO as principal place of Business (PPOB).

3.1 As per Section 2(85) of the MGST Act, “**place of business**” includes-

(a) a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or

(b) a place where a taxable person maintains his books of account; or

(c) a place where a taxable person is engaged in business through an agent, by whatever name called.

As per definition of POB referred above, APOB as described in impugned cases falls under the meaning of POB.

3.2 Section 2 (89) defines “**principal place of business**” which means the place of business *specified as the principal place of business in the certificate of registration.*

3.3 **Warehouse as POB-** The issue has been examined and it is found that Table 16(a) of the registration application in Form GST-REG-01 requires the details of PPOB the and Sub-para (b) of Box (3) provides for the List of documents to be uploaded with the application, which are related to the impugned issue.

3.3.1 **List of documents to be uploaded with GST-REG-01- Box No. 3- Proof of Principal Place of Business:**

3(b) For Rented or Leased premises –

A copy of the valid Rent / Lease Agreement with any document in support of the ownership of the premises of the Lessor like Latest Property Tax Receipt or Municipal Khata copy or copy of Electricity Bill. As envisaged in the Form REG-01, the Rent/ Lease agreement shall be valid, which means “having legal efficacy or force being executed with the proper legal authority and formalities”.

3.3.2 **Maharashtra Rent Control Act, 1999-** (For sake of brevity referred as MRC Act, 1999.)

(i) Section 55 of this Act- provides that all the leave and license or letting of premises, in Maharashtra shall be in writing and shall be registered under the Registration Act, 1908 and the burden to register the agreement is on the Landlord, and its contravention is a punishable offence. This provision is mandatory and over-riding other laws in Maharashtra and subject to some exclusions provided in the Act;

(ii) This Act is applicable to premises let for the purposes of residence, education, business, trade or storage (Section 2).

(iii) “land lord” means; and also includes any person not being a tenant who from time to time derives title under a landlord, and further includes in respect of his sub-tenant, a tenant who has sub-let any premises. [S. 7 (3)].

3.3.3 - **The Maharashtra Stamp Act, 1958-** Section 34 of the Act provides that instruments not duly stamped are inadmissible in evidence, etc.

3.4 In view of these applicable provisions of Law and to resolve the operational issues faced by such suppliers, it is hereby clarified that such persons may obtain registration at the warehouse of e-commerce operator, as either principal place of business or declare it as additional place of business, subject to the following conditions.

A) Scenario-1- where E-Commerce Operator is owner of premises/ Property-

Registration may be granted on furnishing of copy of documents ,which fulfill the following conditions,

- 1) Document in support of the ownership of the premises of the e-commerce operator - like latest Property Receipt or copy of Municipal Khata or copy of Electricity Bill, etc ; **and**
- 2) Valid Lease/ Rent or License or any similar agreement by whatever name called, executed between owner of the property (e-commerce operator) and persons making supplies through it - The agreement shall be stamped and registered, allowing use of such premises for business purpose.

B) Scenario 2- Where E-Commerce Operator is Lessee of premises/ Property -

Where property/ premises are owned by person other than e-commerce operator, and the owner has leased the same to e-commerce operator for business purpose with an authority to further sub-lease or license the same or part thereof to, and in turn e-commerce operator (Lessee) has sub-leased or licensed whole or part of the property or part of interest in such property further to person supplying goods and services or both through electronic commerce operator (ECO). Registration may be granted on furnishing copy of documents which fulfill the following conditions

- 1) Document in support of the ownership of the premises of a lessor who leased the premises to e-commerce operator - like latest Property Receipt or copy of Municipal Khata or copy of Electricity Bill, are submitted with application;
- 2) Lease document - Owner of the property (Lessor) has granted lease of such property to the E-Com Operator (Lessee), through valid Stamped and Registered Lease Agreement, for use of property for business use, and granting right or authority to the lessee, to further sub-lease or license whole or part of the property or part of interest in such property further; **and**
- 3) Sub-lease / sub-letting or license agreement or any similar agreement by whatever name called, executed between e-commerce operator (Lessee) and persons making supplies through it (transferee or sub-tenant etc.) - The agreement shall be stamped and registered, allowing use of such premises for business purpose.

Illustration- Scenario 2-

“A”, is owner (Lessor) of property, “B” is lessee of property and is e-commerce operator” and “C” is taxable person, being person making supplies through such e-commerce operator, and desirous of obtaining registration at such premises, as Principal Place of Business or wants to add such place

as additional place of business. In such case documents as mentioned above in scenario-2 shall be submitted.

3.5 Thus, any person making supplies through e-commerce operator can declare premises / warehouse of such e-commerce operator, as a principal place of business (PPOB) or can declare such premises/ warehouse, as additional place of business (APOB), if he has requisite documents, as stated in paragraph 3 herein above.

3.6 The registered person shall have to comply with the requirements of maintaining records as per section 35 and Rules 56 to 58 of the GST Rules. The books of account shall be kept at the principal place of business and at every additional place(s) of business mentioned in the certificate of registration. Such books of account including any electronic form of data stored on any electronic devices shall be easily accessible for verification, inspection or inquiry under any proceedings, during working hours, without unreasonable hindrances and inordinate delay.

4. **Requirement of authorized signatory:**

4.1 Under MGST Act terms namely an Authorized Representative and an Authorized Signatory have been used. An authorized representative can only appear before authorities on behalf of the taxpayer but does not have the authority to sign any document including invoices on behalf of the taxpayer. An Authorized Signatory only can sign such documents on behalf of taxpayer. Taxpayer himself as a proprietor, one or more Promoters/Partners/Directors of a business or any employee of a business can be an authorized signatory. An Authorized Signatory is a key person in a business to carry out business transactions. In view of this, a vital requirement of presence of taxable person at PPOB or APOB (warehouse / godown) gets automatically fulfilled if authorized signatory is present.

4.2 As per present provisions relating to registration under MGST Act, taxpayer has to declare Authorized signatory in application for GST registration (Sr. No. 22 of Form GST REG-01). Taxpayer can declare as many authorized signatory as he /she requires (upper limit 10) as above. Further, taxpayer can change details of authorized signatory by way of amendment. Only such person who has been declared in registration as authorized signatory can do works of receiving notices, replying to notices, producing required documents, on behalf of registered taxpayer.

5. **Requirement of books of account at the PPOB:**

5.1 It has been represented that some of the field formations are taking the view that books of accounts shall be kept in physical form at the PPOB. It is provided in section 35 of the MGST Act that the registered person shall keep and maintain the books of account at his PPOB. It is also provided that where more than one place of business is specified in the certificate of registration, the accounts relating to each place of business shall be kept at such places of business. Further, as per rule 56(15) r/w second proviso of the section 35(1) the books of accounts may be maintained in electronic form and the record so maintained shall be authenticated by means of a digital signature.

- 5.2 It shall be noted that the rule 57(2) mandates that the registered person maintaining electronic records shall produce, on demand, the relevant records or documents, duly authenticated by him, in hard copy or in any electronically readable format. Further, rule 57(3) mandates that where the accounts and records are stored electronically by any registered person, he shall, on demand, provide the details of such files, passwords of such files and explanation for codes used, where necessary, for access and any other information which is required for such access along with a sample copy in print form of the information stored in such files.
- 5.3 The books of account shall be kept at the principal place of business and at every additional place(s) of business mentioned in the certificate of registration and such books of account shall include any electronic form of data stored on any electronic devices. The data so stored shall be authenticated by way of digital signature. Accordingly, it is clarified that the sellers operating on ECO may maintain the books of accounts in electronic form at the PPOB subject to the provisions of the MGST Act and Rules. However, presence of taxpayer or authorized signatory is a pre-requisite to make above compliance relating to documents and relevant books of accounts.
- 5.4 Representative list of Books of accounts to be provided by the sellers operating on ECO to the proper officer on demand, *inter-alia*, include:
- a) Write-up/details of business overview,
 - b) Copies & details of GST returns and statements (monthly and annual) filed,
 - c) Copy of Ledgers and financial statements in support to all tax returns filed, including but not limited to
 - (i) Inward supply details with proof of delivery of goods, services or both, along with the copies of Sample invoices,
 - (ii) Outward supply details with proof of delivery of goods along with the copies of Sample invoices,
 - (iii) Input tax credit availed and Output Tax payable.
 - d) Any other specific document or statement which in the opinion of officer relates to probable suppression and mis-statement of facts for which reason to believe has been formed and recorded in file.
6. The ECO, who on boards such suppliers to make supplies through their platform and allows them to obtain registration at their warehouse or godown as PPOB or by declaring them APOB, shall;
- 6.1 ensure that the place shall be easily accessible for inspection, inquiry or legal proceedings, during working hours, without unreasonable hindrances and inordinate delays,
- 6.2. submit on demand following documents:
- a) Details of supplies made by suppliers (registered in Maharashtra) along with TCS collected and deposited with the Government Exchequer on the supplies made through the e-commerce platform.
 - b) Details of respective month / period supplies along with sample copies of invoices

- c) List of suppliers along with their registered PPOB & APOB addresses engaged in supply of goods or services or both through e-commerce platform and registered in Maharashtra. And, contact details of suppliers and/or its authorized representative of respective supplier entity (company employee at physical PPOB and authorized representative of Company available in Maharashtra)
- d) List of warehouses registered with ECO to supply goods or services on E-commerce platform in the state of Maharashtra
- e) Details of newly added supplier as well as authorized signatory details along with any changes in details of already enrolled suppliers.
- f) Inventory details / Stock statement pertaining to any suppliers registered in the said warehouses.

7. Thus, suppliers registered under GST and making supplies through e-commerce operator adhering to aforesaid conditions may be held as compliant with respect to the conditions pertaining to place of business, presence of taxpayer and books of accounts / record unless contrary found as a part of investigation or inquiry.

The guidelines under this circular are procedural in nature and hence cannot be made use of interpretation of provisions of the law. The difficulty, if any in the implementation of this circular may be brought to the notice of the office of the Commissioner of State Tax.

(Asheesh Sharma)

Commissioner of State Tax,
Maharashtra

No. CST/HQ-5/HQR-14/ Suppliers through ECO /B-16 , Mumbai. Date. 03 /02/2025.

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Copy forwarded for information to,

- 1) The Dy. Secretary, Finance Department, Mantralaya, Mumbai.
- 2) The Senior Account Officers, State Tax Revenue Audit, Mumbai and Nagpur.
- 3) Copy forwarded to the Joint Commissioner of State Tax (Mahavikas) with request to upload this internal circular on the website of the department.

(Kiran Shinde)

Joint Commissioner of State Tax,
(HQ-05), Mumbai.