M/s. Saffron Art Private Limited

Authority for Advance Ruling — Maharashtra

NO.GST-ARA- 104/2022-23/B-160, Mumbai, dt. 28.09.2026 Dated **28.09.2026**

Q Questions Before the Authority

- Q(I): What is the classification (HSN) and applicable GST rate for listed categories of goods the applicant deals in, including old prints, sculptures, jewellery, books, furniture, carpets, watches, bags, cameras, pens, instruments, cars, collectibles, memorabilia and antiques over 100 years?
- Q(II): Is the applicant eligible to determine value under Rule 32(5) of the CGST Rules (margin scheme) for second-hand goods procured from unregistered persons?
- Q(III): Can the applicant simultaneously adopt Rule 32(5) valuation for goods bought from unregistered persons without ITC, and Section 15 valuation with ITC for goods bought from registered suppliers?

F Facts

The applicant is an auctioneer that procures second-hand and used goods on approval from GST-registered and unregistered owners, collectors or dealers under contracts generally binding for 3 to 6 months. It sells the goods by online or offline auction to the highest bidder, or at a fixed price in non-auction sales. Title is said to pass from seller to buyer at the close of bidding, and the applicant raises two invoices: one for the hammer price and buyer's premium, and one for its commission to the seller.

H Ruling

Q(I) Classification and GST rate for listed goods	**Old prints, engravings and lithographs: Heading 9702, 12% up to 21.09.2025 and 5% from 22.09.2025. Old sculptures and statuary: Heading 9703, same rates. Antiques over 100 years (jewellery, books, watches, furniture, carpets, idols, sculptures): Heading 9706, 12% up to 21.09.2025 and 5% from 22.09.2025. Used/old cameras: Heading 9007, 18% before and after 22.09.2025. Old/used cars under 8703: 18% before and after 22.09.2025, if the conditions of Notification 8/2018-CT(Rate) are met. Old pens, writing instruments, instruments, bags, carpets, furniture and watches: their respective headings, subject to a fact-specific determination. Old jewellery and collectible books: no specific ruling given.**	No ruling on old jewellery, collectible books, or the general run of furniture, carpets, watches, bags, pens and instruments, because complete specifications were not furnished. Collectibles and memorabilia fall under residuary Serial No. 453 of Schedule III (18%) before 22.09.2025 and Serial No. 639 of Schedule II to Notification 9/2025 (18%) after, where no specific entry applies. The order's rate for old/used cars is 18%, not the earlier 18%/12% range.
Q(II) Eligibility to use Rule 32(5) valuation for goods from unregistered persons	**Yes, but only in limited cases.**	The applicant must buy and resell as principal, sell the goods as such or after minor processing that does not change their nature, avail no ITC on the purchase, and keep proper purchase and sale price records. Where the applicant merely acts as auctioneer, intermediary or facilitator and title passes directly from seller to buyer, Rule 32(5) does not apply and GST is payable on commission, premium or facilitation charges under SAC 9962.
Q(III) Simultaneous adoption of Rule 32(5) and Section 15 valuation	**Yes, both methods may be adopted, depending on the nature of the transaction.**	Rule 32(5) applies to goods bought without ITC; Section 15 applies to goods bought from registered suppliers with ITC availed. The applicant must maintain proper segregation and documentary records for both categories.

The authority gave classification answers for some categories (old prints and sculptures, antiques over 100 years, cameras, old cars) and declined a generalised ruling for others (old jewellery, books, furniture, carpets, watches, bags, instruments, pens) because the specifications were not furnished. Rule 32(5) is available only where the

applicant actually buys and resells the goods as principal, with no ITC availed. Where the applicant merely facilitates an auction as intermediary, the margin scheme does not apply and GST is payable on commission and premium under SAC 9962. The applicant may adopt both methods, one for each category of procurement, with segregated records.

R Reasoning

The authority read Explanation (iv) to Notification 1/2017-CT(Rate) as bringing in the General Rules for Interpretation of the Customs Tariff, so that Rule 3(a) (most specific heading) governs classification. It treated Rule 32(5) of the CGST Rules as presupposing an actual purchase and resale, relying on Section 15(5) of the CGST Act, and held that agency or auction facilitation falls outside it. It followed its earlier rulings in Astaguru Auction House (Order 40/2020-21/B-27, dated 08.03.2022) and Saffron Art's own paintings ruling (dated 20.05.2022). It noted that Rule 32(5) itself conditions the margin scheme on no ITC being availed, which supports a transaction-wise choice between the two methods. It also relied on the definition of antiquity in the Antiquities and Art Treasures Act, 1972, s.2(1)(a), for the over-100-years category.

P Provisions Relied On

- Section 15 and Section 15(5) of the CGST Act, 2017
- Rule 32(5) of the CGST Rules, 2017 (and corresponding MGST Rules)
- Section 97 and Section 98 of the CGST/MGST Acts, 2017
- Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017, including Explanation (iv), and Schedules II, III and IV entries cit…
- Notification No. 9/2025-Central Tax (Rate) dated 17.09.2025 (rates effective 22.09.2025)
- Notification No. 8/2018-Central Tax (Rate) dated 25.01.2018 (old and used motor vehicles)
- General Rules for Interpretation of the Customs Tariff Act, 1975, Rule 3(a)
- Section 2(1)(a) of the Antiquities and Art Treasures Act, 1972 (as relied upon by the applicant)
- SAC 9962 (auctioneering and intermediary services)
- AAR Maharashtra Order GST-ARA-40/2020-21/B-27 dated 08.03.2022 (Astaguru Auction House)
- AAR Maharashtra Order GST-ARA-51/2020-21/B-62 dated 20.05.2022 (applicant's earlier ruling on paintings)

! For the Practitioner

A practitioner dealing with auction houses or second-hand dealers can use this order to show that the margin scheme is available only where the auctioneer actually buys and resells as principal, and that a pure facilitator pays GST on commission under SAC 9962. It also confirms that margin and normal valuation can run side by side, transaction by transaction, with segregated records. The order does not give firm classifications for old jewellery, collectible books, or most furniture, carpets, watches, bags, pens and instruments, because the authority said those depend on the specifications of each transaction. It also does not settle what counts as minor processing.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> 10-saffron_art_pvt_ltd_gst_ara_order.pdf

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