

MAHARASHTRA AUTHORITY FOR ADVANCE RULING
GST Bhavan, Room No.107, 1st floor, B-Wing, Old Building, Mazgaon, Mumbai – 400010.
(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

- (1) Shri. Rajiv Magoo, Additional Commissioner of Central Tax, (Member)
 (2) Shri. T. R. Ramnani, Joint Commissioner of State Tax, (Member)

GSTIN Number, if any/ User-id	27AAMCA6537D12M
Legal Name of Applicant	M/s. ASTAGURU AUCTION HOUSE PRIVATE LIMITED
Registered Address/Address provided while obtaining user id	Unit No. 5, Floor 1, Plot-32, Bhogilal Hargovinddas Building, Kakushroo Dubash Marg, Kala Ghoda Fort, Mumbai, Maharashtra 400001.
Details of application	GST-ARA, Application No. 40 Dated 12.10.2020
Concerned officer	MUM-VAT-C-601, NODAL-DIV-01 FORT
Nature of activity(s) (proposed/present) in respect of which advance ruling sought	
A Category	Retail Business
B Description (in brief)	Applicant, having Good and Service Tax ("GST") Registration No. 27AAMCA6537D12M deals in goods such as paintings, vintage collectibles, sculptures, classic miniatures paintings, fine writing instruments, vintage timepieces, celebrity memorabilia, aristocratic jewellery, vintage cars and are entering into a Business Transfer Agreement with erstwhile business entity for taking over the division viz Astaguru.com of Safset Agencies Private Limited as a going concern.
Issue/s on which advance ruling required	<ul style="list-style-type: none"> ➤ classification of goods and/or services or both ➤ determination of time and value of supply of goods or services or both ➤ Determination of the liability to pay tax on any goods or services or both.
Question(s) on which advance ruling is required	As reproduced in para 01 of the Proceedings below

NO. GST-ARA- 40/2020-21/B- 27

Mumbai, dt. 08.03.2022

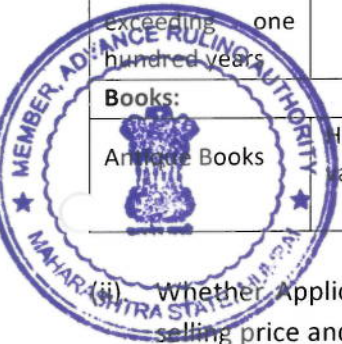
PROCEEDINGS

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively] by M/s. **ASTAGURU AUCTION HOUSE PRIVATE LIMITED** the applicant, seeking an advance ruling in respect of the following questions.

- (i) The classification and HSN code of goods listed in table (as given in Annexure II of application as "Issue for Determination") and GST rates applicable to such goods?

Particulars	HSN Code & Tax Rate	Valuation as upheld by AAAR for erstwhile business entity
Paintings:		
Bought from individual art collectors	HSN-9701 Tax Rate- 12% on value	12% on difference between sale price and purchase price considering painting as second hand goods as provided under Rule 32(5) of CGST Rules
Cars		
Old Cars	HSN-8703 Tax Rate- 18% on value	18% on difference between sale price and purchase price considering car as second hand goods as provided under Rule 32(5) of CGST Rules and also Notification No. 08/2018 dated 25.01.2018
Jewellery:		
Old Jewellery:	HSN-7113 Tax Rate- 3% on value	3% on difference between sale price and purchase price considering Jewellery as second hand goods as provided under Rule 32(5) of CGST Rules
Antique Jewellery of an age exceeding one hundred years	HSN-9706 Tax Rate- 12% on value	12% on difference between sale price and purchase price considering Jewellery as second hand goods as provided under Rule 32(5) of CGST Rules
Watches:		
Old Watches	HSN- 9101/9102 Tax Rate- 18% on value	12% on difference between sale price and purchase price considering watches as second hand goods as provided under Rule 32(5) of CGST Rules
Antique Watches of an age exceeding one hundred years	HSN-9706 Tax Rate- 12% on value	12% on difference between sale price and purchase price considering watches as second hand goods as provided under Rule 32(5) of CGST Rules
Books:		
Antique Books	HSN-9706 Tax Rate- 12% on value	12% on difference between sale price and purchase price considering Antique Books as second hand goods as provided under Rule 32(5) of CGST Rules



(ii) Whether Applicant dealing in second hand goods is required to pay tax on the difference between selling price and purchase price as stipulated in Rule 32(5) of CGST Rules, 2017?

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

2. FACTS AND CONTENTION – AS PER THE APPLICANT

2.1 M/s Astaguru Auction House Private Limited, the Applicant, is entering into a Business Transfer Agreement with M/s Safset Agencies Private Limited (erstwhile business entity), for taking over

their division (viz. Astaguru.com) as a going concern. Applicant will carry on the same business of dealing in goods such as paintings, vintage collectibles, sculptures, classic miniatures paintings, fine writing instruments, vintage timepieces, celebrity memorabilia, aristocratic jewellery and vintage cars (herein after referred to as 'goods'). Entire division i.e. Astaguru.com will be transferred to the applicant on 'as is where is' basis.

2.2 Applicant will continue with the same business model as that of erstwhile business entity. As done earlier by erstwhile business entity, applicant will also be procuring the 'goods' on approval basis from unregistered as well as registered persons ('sellers'). Applicant will display all such goods on its website and conduct the auction sale in respect of such goods. The goods will be sold to the highest bidder in the auction. The standard business process of erstwhile business entity will be followed by the Applicant which is as under:

- (i) Intending seller & Applicant will sign an 'on approval contract' wherein intending seller will agree to sell his goods to the applicant on approval basis at mutually agreed price.
- (ii) On receipt of goods on approval and being satisfied with quality and authenticity of the goods, Applicant will upload the details of goods for online auction.
- (iii) Goods will remain in Applicant's possession during the agreed period of approval.
- (iv) Applicant will have a right to retain or return the goods during the approval period. After conveying the approval and confirming purchase of goods, Applicant will sell the goods to buyer (highest bidder) in auction and will issue the sale invoice to the buyer.
- (v) The ownership of auctioned goods will be transferred from applicant to buyer the sale invoice is issued to buyer by the Applicant.

2.3 Applicant will continue to deal in the goods in which erstwhile business entity was dealing: namely: • Paintings procured from individual art collectors, artists or other art dealers, • Old jewellery, cars, watches, etc. including vintage cars, • Memorabilia/Collectibles such as clothing, sport equipment, spectacles, accessories, autographs of celebrities and renowned personalities and • Antiques consisting mainly of antique books, jewellery, watches and other articles.

2.4 Appellant will predominantly be dealing in personal effects (second hand or used goods) which are procured or bought from users or collectors. The entire business operations (including the rights and obligations under all contracts) of erstwhile business entity will be transferred to applicant on transfer of business.

2.5 In view of Section 103 of CGST Act, 2017, applicant feels that advance ruling order (duly modified by AAAR) obtained by erstwhile business entity may not be applicable / binding on it as both the entities are two different legal entities having separate GST registrations. Hence, applicant has filed the present application seeking ruling on the same queries (except few on which AAR as well as AAAR did not answer) decided by the Honorable AAR and AAAR in case of erstwhile business entity.

B. STATEMENT CONTAINING APPLICANT'S INTERPRETATION OF LAW AND/OR FACTS

2.6 Applicant submits that certain goods dealt by them are apparently classifiable under following HSN Code and applicable tax rate is as under:

Particulars	HSN Code	Applicable Tax Rate
Paintings:		
Bought from individual art collectors	9701	12% on value
Cars:		
Old cars	8703	18% on value
Jewellery:		
Old Jewellery	7113	3% on value
Antique Jewellery of an age exceeding one hundred years	9706	12% on value
Watches:		
Old watches	9101 / 9102	18% on value
Antique Watches of an age exceeding one hundred years	9706	12% on value
Books:		
Antique Books	9706	12% on value

Notification No. 8/2018 – C.T.(R) dt 25.01.2018 prescribes the tax rate for old and used car.

2.7 Explanation (iv) to the Rate Notification No. 1/2017 – C.T.(Rate) dated 28.06.2017 clearly states that the rules for interpretation of the first schedule to the Customs Tariff Act, 1975 (CTA) shall, so far as may be, apply to the interpretation of this notification. Rule 3(a) of CTA is relevant to applicant's case. It provides that the heading providing most specific description shall be preferred to heading providing a more general description.

2.8 The term "antique" is defined under section 2 (1)(a) of Antiquities and Art Treasures Act, 1972 as any article, object or thing which has been existence for not less than one hundred years. Since there is a specific entry for "Antiques of an age exceeding one hundred years" in the rate schedule prescribed by Notification 1/2017- C.T.(R), the same should prevail over general entries prescribing HSN code and rates for jewellery, watches, books and other items sold as antiques.

2.9 Applicant, relies on ruling pronounced by MAAR and MAAAR respectively in case of erstwhile business entity wherein the authorities have concurred to above referred classification of goods and applicable tax rates in respect of goods dealt with by Astaguru.com.

B. Submissions with respect to valuation of goods:

2.10 Section 15 of CGST Act prescribes for value of taxable supply. Rule 32(5) of CGST Rules provides that where a taxable supply is provided by a person dealing in buying and selling of second hand goods i.e. used goods as such or after such minor processing which does not change the nature of the goods and where no input tax credit has been availed on the purchase of such goods, the value of supply shall be the difference between the selling price and the purchase price and where the value of such supply is negative, it shall be ignored.

2.11 Rule 32(5) of CGST Rules applies to the "Second hand goods" or "used goods" The terms "Second hand goods" or "Used goods" are not defined in the CGST Act/Rules and even the General

Clauses Act. As per the dictionary meaning or common parlance meaning, "second hand goods" and "used goods" as per various dictionaries are as under: **Second Hand Goods:**

- i. Second-hand things are not new and have been owned by someone else (Collins Dictionary)
- ii. having had a previous owner; not new (English Oxford Dictionary)
- iii. not new; having been used in the past by someone else (Cambridge English Dictionary)
- iv. acquired after being used by another (Merriam Webster)
- v. previously used or owned (Dictionary.com)

Used Goods:

- i. already owned or put to a purpose by someone else; not new (Cambridge Dictionary)
- ii. that has endured use (Merriam Webster)

2.12 Applicant gets second hand/used goods from individual collector or users. All goods listed in table given in "Issues for Determination" will come for sale after being used by seller or earlier owners of the goods. Antiques by very nature is an old and used items. Applicant will not be carrying out any processes on such goods which changes the nature of such goods. Further, if the goods are procured from registered dealer, applicant will not claim ITC of GST charged by the seller and if the goods are procured from unregistered persons, then there will be no question of claiming any ITC.

2.13 Applicant submits that it is settled jurisprudence principle that when the words of a statute are clear, plain or unambiguous i.e. they are reasonable susceptible to only one meaning, the courts are bound to give effect to that meaning irrespective of consequences. Moreover, if the words of the statute are in themselves precise and unambiguous, then no more can be necessary than to expound those words in their natural and ordinary sense. This rule of interpretation is followed in plethora of judgements. Few such judgments are as under:

- Nelson Motis v/s Union of India (AIR 1992 SC 1981)
- Gurudevanti VKSSS Maryadit V/s State of Maharashtra (AIR 2001 SC 1980)
- Swedish Match AB v/s Securities and Exchange Board of India (AIR 2004 SC 4219)
- Govt of Andhra Pradesh V/s Road Rollers Owners Welfare Association (2004 (6) SCC 210)

2.14 The intention of Rule 32(5) is to ensure that a dealer buying second hand or used goods from unregistered persons or non-business entities and selling the same, is not saddled with tax liability disproportionate to value addition done by him in transaction chain. In most cases, margin of such second hand goods dealer is less than the tax leviable on such goods under normal scheme of taxation and hence there is need for such provision.

2.15 Once the goods are second hand or used goods, Rule 32(5) is applicable irrespective of value of such goods and irrespective of nature of such goods. There is no stipulation in the Rule that the goods whose value increases with passage of time is not 'used or second hand goods'. It is a settled jurisprudence that tax authorities cannot read any word or phrase into the legal provisions.

2.16 Applicant, relies on ruling pronounced by MAAR and MAAAR respectively in case of erstwhile business entity wherein the authorities have held that erstwhile business entity is entitled to value majority of its goods at margin (i.e. difference between selling price and purchase price) as provided in Rule 32(5) of CGST Rules and can discharge its GST liability on such margin.



- 2.17 In view of what is stated above, Applicant submits that the impugned goods should be valued at difference between the sale price and the purchase price. GST should be charged at applicable rate on such difference only and not on sale value/transaction value of such goods.

Historical Background of the entity whose business is being taken over by the Applicant:

- 2.18 Erstwhile business entity had filed an advance ruling application in October 2018 with MAAR for :
 • Ascertaining the classification of goods dealt by them; and for • Applicability of Rule 32(5) of CGST Rules (valuation mechanism for second hand goods) for valuing the goods dealt by them. The MAAR passed **order no. GST-ARA 86/2018-19/B-7** dated 15.01.2019 specifying the classification, valuation and applicable GST rates on goods dealt by erstwhile Business entity. Said order of MAAR was partially in favor of erstwhile Business entity. The said order was unfavorable on issue of applicability of Rule 32(5) to some of the goods dealt with by erstwhile Business entity. Erstwhile business entity did not agree with the ruling given by AAR that Rule 32(5) of CGST Rules, 2017 is not applicable in respect of Paintings, Antique Watches, Antique Jewellery, Antique Books and Collectibles (including books) all of which are either purchased from individual collectors or users and therefore filed appeal before the MAAR and the said authority, vide its **order no. MAH/AAAR/SS-RJ/08/2019-20** dated 07.10.2019 ruled in favor of erstwhile business entity stating that Rule 32(5) of CGST Rules is applicable for valuing paintings, antique watches, antique jewellery and antique books. Thus both the Authorities, together, have held that erstwhile business entity is entitled to value majority of its goods at margin (i.e. difference between selling price and purchase price) as provided in Rule 32(5) of CGST Rules and can discharge its GST liability on such margin.

03.1.1 CONTENTION – AS PER THE CONCERNED OFFICER:

- 3.1 In given case, applicant feels that advance ruling order (duly modified by AAAR) obtained by erstwhile business entity may not be applicable / binding on it as both the entities are two different legal entities having separate GST registrations. Hence, applicant approached Honorable Advance Ruling Authority seeking ruling on the same queries (except few on which AAR as well as MMAR did not answer) decided by the Honorable AAR and AAAR in case of erstwhile business entity. Considering Ruling by AAR and AAAR as mentioned above classification, valuation and GST rates applicable to following goods dealt with by Applicant may be decided as under:

Particulars	HSN Code & Tax Rate	Valuation as upheld by AAAR for erstwhile business entity
Paintings:		
Bought from individual are collectors	HSN-9701 Tax Rate- 12% on value	12% on difference between sale price and purchase price considering painting as second hand goods as provided under Rule 32(5) of CGST Rules
Cars		
Old Cars	HSN-8703 Tax Rate- 18% on value	18% on difference between sale price and purchase price considering car as second hand goods as provided under Rule 32(5) of CGST Rules and also Notification No. 08/2018 dated 25.01.2018

Jewellery:		
Old Jewellery:	HSN-7113 Tax Rate- 3% on value	3% on difference between sale price and purchase price considering Jewellery as second hand goods as provided under Rule 32(5) of CGST Rules
Antique Jewellery of an age exceeding one hundred years	HSN-9706 Tax Rate- 12% on value	12% on difference between sale price and purchase price considering Jewellery as second hand goods as provided under Rule 32(5) of CGST Rules
Watches:		
Old Watches	HSN- 9101/9102 Tax Rate- 18% on value	18% on difference between sale price and purchase price considering watches as second hand goods as provided under Rule 32(5) of CGST Rules
Antique Watches of an age exceeding one hundred years	HSN-9706 Tax Rate- 12% on value	12% on difference between sale price and purchase price considering watches as second hand goods as provided under Rule 32(5) of CGST Rules
Books:		
Antique Books	HSN-9706 Tax Rate- 12% on value	12% on difference between sale price and purchase price considering Antique Books as second hand goods as provided under Rule 32(5) of CGST Rules

04. HEARING

- 4.1 Preliminary hearing was held on 20.08.2021. Authorized representatives of the Applicant, Shri. Naresh Sheth, CA, Shri. Jinesh Shah, CA and Shri. Siddhanth Shetty, employee of company were present. The Jurisdictional officer Shri. Mangesh Deshmukh, STO, MUM-VAT-C-602, Mumbai was also present. The Authorized representative made oral submission with respect to admission of their application.
- 4.2 The application was admitted and called for final hearing on 18.01.2022. Authorized representatives of the Applicant, Shri. Naresh Sheth, CA, Shri. Jinesh Shah, CA and Shri. Siddhanth Shetty, Vice-President and Shri Shailesh Keluskar, Head of Finance, were present. The Jurisdictional officer Shri. Mangesh Deshmukh, STO, MUM-VAT-C-602, Mumbai was also present.
- 4.3 We heard both the sides.

05. DISCUSSIONS AND FINDINGS:

- 5.1 We have gone through the facts of the case, documents on record, and submissions, both oral and written made by the applicant. The jurisdictional officer has not made any submissions.
- 5.2 The Applicant, M/s Astaguru Auction House Private Limited is entering into a Business Transfer Agreement with M/s Safset Agencies Private Limited (hereinafter referred to as 'SAPL') for taking over the division (viz. Astaguru.com) of SAPL as a going concern. SAPL (Astaguru.com) was dealing in goods such as paintings, vintage collectibles, sculptures, classic miniatures paintings, fine writing instruments, vintage timepieces, celebrity memorabilia, aristocratic jewellery and vintage cars. Since the entire division i.e. Astaguru.com will be transferred to the applicant on 'as is where is' basis, the Applicant will continue to carry on the same business of SAPL (Astaguru.com).

5.3 Vide the subject application, the applicant seeks a ruling in respect of determination of classification, valuation and GST rates applicable to the following goods:-

- (a) Paintings (Bought from individual collectors).
- (b) Old Cars.
- (c) Jewellery (Old jewellery and Antique Jewellery of an age exceeding one hundred years).
- (d) Watches (Old Watches and Antique Watches of an age exceeding one hundred years).
- (e) Antique Books.

5.4.1 Earlier, SAPL (Astaguru.com) had also applied for a ruling in respect of determination of classification, valuation and GST rates applicable to the goods mentioned in para 5.3 above, which was decided by this Authority vide Order **GST-ARA 86/2018-19/B-7** dated 15.01.2019 wherein it was held as under:-

- (i) **Paintings** to be classifiable under Heading 9701 and the applicant to pay GST of 12% on the sale value.
- (ii) **Old Cars:-** Motor Vehicles fall under Heading 8703 of the GST Tariff. All the items under 8703 to attract 28% GST except Tariff item 870310 10; Sub-heading 8703 80. However old cars to attract a lower rate of tax as per Notification No. 08/2018 CT (Rate) dated 25.01.2018. As per the said Notification, the lesser rate of tax i.e. 18 % is applicable to old cars provided the conditions mentioned therein are fulfilled. Also, provisions of Rule 32(5) of CGST Rules to be applicable, subject to the conditions of the Notification No. 08/2018 CT (Rate) dated 25.01.2018 being satisfied.
Old Jewellery:- Articles of jewellery and parts thereof will fall under Heading 7113 of the GST Tariff attracting rate applicable to HSN. The provisions of Rule 32(5) of CGST Rules will be applicable to applicant in respect of old jewellery which are purchased by them and then sold.
- (iv) **Antique jewellery** of age exceeding 100 years:- Antique jewellery of age exceeding 100 years will fall under Tariff item 9706 00 00 and will be liable to tax @ 12% GST. The provisions of Rule 32(5) of CGST Rules will not be applicable to the applicant in this case.
- (v) **Old watches:-** Wrist watches, pocket-watches and other watches, including stop-watches, with case of precious metal or of metal clad with precious metal will fall under CH 9101 of the GST Tariff and Wrist watches, pocket-watches and other watches, including stop-watches, other than those of Heading 9101 will fall under Heading 9102 of the said Tariff. The rate of GST is 18% and the same will be applicable even to Old Watches, however with the benefit of the provisions of Rule 32(5) of CGST Rules i.e. tax to be paid on the difference between sale price and purchase price considering such watches as second hand goods.
- (vi) **Antique watches** of age exceeding 100 years:- Antique watches of age exceeding 100 years will fall under Tariff item 9706 00 00 and will be liable to tax @ 12% GST. The provisions of Rule 32(5) of CGST Rules will not be applicable to applicant in this case.
- (vii) **Antique Books :-** If the antique books are under 100 years of age then they will be classified under the appropriate Heading of the GST Tariff. Antique books of less than 100 years of age, if it is in the form of printed books, newspapers, pictures, etc, will fall under the various sub headings of Chapter 49 of the GST Tariff as the case may be. Antique books exceeding 100



years of age will be covered under Tariff item 9706 00 00 and will be liable to tax @ 12% GST.

5.4.2 Being aggrieved by the order passed by this Authority as mentioned in para 5.4.1 above, SAPL (Astaguru.com) filed an appeal before the Maharashtra Appellate Authority for Advance Ruling as under:-

(i) **Paintings:** The applicant agreed with classification under Heading 9701 and the rate of GST as 12% as given by this Authority but challenged the decision which disallowed to them the benefit of Rule 32(5) of the CGST Rules, 2017 and that the applicant was required to pay tax @ 12% on the sale value of such paintings.

(ii) **Antique Watches:** The applicant agreed with the HSN Code, classification and the tax rate as given by this Authority but challenged the decision which disallowed to them the benefit of Rule 32(5) of the CGST Rules, 2017 and that the applicant was required to pay tax @ 12% on the sale value of such goods.

(iii) **Antique Jewellery :** The applicant agreed with the HSN Code, classification and the tax rate as given by this Authority but challenged the decision which disallowed to them the benefit of Rule 32(5) of the CGST Rules, 2017 and that the applicant was required to pay tax @ 12% on the sale value of such goods.

(iv) **Antique Books :** The applicant agreed with the HSN Code, classification and the tax rate as given by this Authority but challenged the decision which disallowed to them the benefit of Rule 32(5) of the CGST Rules, 2017 and that the applicant was required to pay tax @ 12% on the sale value of such goods.

5.4.3 The Appellate Authority observed that, they had to only decide the limited issue of the applicability of Rule 32(5) of the CGST Rules, 2017.

5.4.4 The Appellate Authority held that SAPL (Astaguru.com) was eligible to take the benefit of Rule 32(5) for the said products, viz. **Paintings bought from individual art collectors, Antique Watches, Antique Jewellery and Antique Books.**

5.5 The said entity SAPL (Astaguru.com) is being taken over by the applicant as a going concern and since the applicant will be dealing in the same goods as were being dealt with by SAPL (Astaguru.com), we are of the opinion that the earlier decisions of this Authority and the Maharashtra Appellate Advance Ruling Authority together, will be applicable in the instant case.

06. In view of the above discussions, we pass an order as follows:

ORDER

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA- 40/2020-21/B-

Mumbai, dt.

For reasons as discussed in the body of the order, the questions are answered thus –

Question 1:- The classification and HSN code of goods listed in table (as given in Annexure II of application as “Issue for Determination”) and GST rates applicable to such goods?

Answer:- (i) **Paintings** bought from individual art collectors will be classifiable under Heading 9701 and the applicant is liable to pay GST of 12% .

- (ii) **Old Cars:-** Motor Vehicles fall under Heading 8703 of the GST Tariff. All the items under 8703 will attract 28% GST except Tariff item 870310 10; Sub-heading 8703 80. However old cars will attract a lower rate of tax as per Notification No. 08/2018 CT (Rate) dated 25.01.2018. As per the said Notification, the lesser rate of tax i.e. 18 % is applicable to old cars provided the conditions mentioned therein are fulfilled.
- (iii) **Old Jewellery:-** Articles of jewellery and parts thereof, of precious metal will fall under Heading 7113 of the GST Tariff attracting 3% GST.
- (iv) **Antique jewellery** of age exceeding 100 years:- Antique jewellery of age exceeding 100 years will fall under Tariff item 9706 00 00 and will be liable to tax @ 12% GST.
- (v) **Old watches:-** Wrist watches, pocket-watches and other watches, including stop-watches, with case of precious metal or of metal clad with precious metal will fall under CH 9101 of the GST Tariff and Wrist watches, pocket-watches and other watches, including stop-watches, other than those of Heading 9101 will fall under Heading 9102 of the said Tariff. The rate of GST is 18% and the same will be applicable even to Old Watches.
- (vi) **Antique watches** of age exceeding 100 years:- Antique watches of age exceeding 100 years will fall under Tariff item 9706 00 00 and will be liable to tax @ 12% GST.
- (vii) **Antique Books :-** Antique books would fall under HSN 9706 of the GST Tariff and would attract GST @ 12%

Question 2: - Whether Applicant dealing in second hand goods is required to pay tax on the difference between selling price and purchase price as stipulated in Rule 32(5) of CGST Rules, 2017?

Answer:- Answered in the affirmative in respect of the impugned goods. The provisions of Rule 32(5) of CGST Rules will be applicable to applicant in respect of second hand goods i.e. used goods which are purchased by them and then sold.



[Signature]
RAJIV MAGOO
 (MEMBER)

[Signature]
T. R. RAMNANI
 (MEMBER)

Copy to:-

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Pr.Chief Commissioner of Central Tax, Churchgate, Mumbai
5. Joint Commissioner of State Tax, Mahavikas for Website.

Note:-An Appeal against this advance ruling order shall be made before, The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India Building, Nariman Point, Mumbai – 400021. Online facility is available on **gst.gov.in** for online appeal application against order passed by Advance Ruling Authority.

