

TAMILNADU STATE APPELLATE AUTHORITY FOR ADVANCE RULING
(Constituted under Section 99 of Tamil Nadu Goods and Services Tax Act 2017)

A.R. Appeal No.09/2025 AAAR

Dated: 09.03.2026

BEFORE THE BENCH OF

Shri. Madan Mohan Singh, I.R.S., Principal Chief Commissioner of GST & Central Excise, Member (CGST), Nungambakkam, Chennai -600 034.	Shri. S. Nagarajan, I.A.S Commissioner of State Tax, Member (SGST) Chennai – 600 005.
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Order-in-Appeal No. AAAR/ 03/2026 (AR)

(Passed by Tamil Nadu State Appellate Authority for Advance Ruling under Section 101(1) of the Tamil Nadu Goods and Services Tax Act, 2017)

Preamble

1. In terms of Section 102 of the Central Goods & Services Tax Act 2017/Tamil Nadu Goods & Services Tax Act 2017("the Act", in Short), this Order may be amended by the Appellate authority so as to rectify any error apparent on the face of the record, if such error is noticed by the Appellate authority on its own accord, or is brought to its notice by the concerned officer, the jurisdictional officer or the applicant within a period of six months from the date of the Order. Provided that no rectification which has the effect of enhancing the tax liability or reducing the amount of admissible input tax credit shall be made, unless the appellant has been given an opportunity of being heard.
2. Under Section 103(1) of the Act, this Advance ruling pronounced by the Appellate Authority under Chapter XVII of the Act shall be binding only
 - (a) on the applicant who had sought it in respect of any matter referred to in sub-section (2) of Section 97 for advance ruling;
 - (b) on the concerned officer or the jurisdictional officer in respect of the applicant.
3. Under Section 103 (2) of the Act, this advance ruling shall be binding unless the law, facts or circumstances supporting the said advance ruling have changed.
4. Under Section 104(1) of the Act, where the Appellate Authority finds that advance ruling pronounced by it under sub-section (1) of Section 101 has been obtained by the appellant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void ab-initio and thereupon all the provisions of this Act or the rules made thereunder shall apply to the appellant as if such advance ruling has never been made.

Name and address of the Appellant	M/s. LINK UP TEXTILES PRIVATE LIMITED 6AB-7AB, Sri Devi Kuppum Road, Kumaran Colony, Valasaravakkam, Chennai- 600087
GSTIN or User ID	.33AAACL1248E1Z2
Advance Ruling Order against which appeal is filed	42/AAR/2025 dated 08.10.2025
Date of filing appeal	10.12.2025
Represented by	Shri G.Shanmugam, Advocate
Jurisdictional Authority – (Admin)	Centre – Chennai South Commissionerate, Valasaravakkam Division, Range IV.
Other Authority-State	State – Kancheepuram Division, Poonamallee zone, Porur Circle
Whether payment of fees for filing appeal is discharged. If yes, the amount and challan details	Yes. Payment of Rs.20000/- made under Form DRC-03, with debit entry No. DC3312250036787 dated 09.12.2025.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are in *pari materia* and have the same provisions in like matter and differ from each other only on few specific provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act, 2017 would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act, 2017.

2. The subject appeal was filed under Section 100(1) of the Tamil Nadu Goods & Services Tax Act 2017/Central Goods & Services Tax Act 2017 (hereinafter referred to 'the Act') by M/s. LINK UP TEXTILES PRIVATE LIMITED, (hereinafter referred to as 'Appellant'). The Appellant was registered under the GST Act vide GSTIN 33AAACL1248E1Z2. The appeal was filed against the Order No.42/AAR/2025 dated 08.10.2025 passed by the Tamil Nadu State Authority for Advance Ruling (hereinafter referred to as 'AAR') on the Application for Advance Ruling filed by the Appellant.

3. The Appellant is a Private Limited company under the administrative control of 'Centre' and they are engaged in exporting Men's Pyjama Set consisting of a top (Kurta/Shirt) and bottom (Pyjama/Trouser) made of cotton, (TOP-67% Cotton, 29% Polyester, 4% Spandex Woven Shirt; Bottom – 67% Cotton, 29% polyester, 4% Spandex woven pant) in 2 sets/pack. The Appellant had applied for Advance Ruling vide application ARA-01 Application No.3/2025/ARA dated 18.02.2025, with regard to certain queries on HSN code and applicable GST rate on two Men's Pyjama Sets packed in a single pack. AAR, vide Ruling No.42/AAR/2025 dated 08.10.2025 pronounced the decisions for the respective queries raised by the Appellant.

4. Aggrieved over one such decision on the issue relating to the query, viz., "*What is the applicable GST rate on such men's Pyjama sets which are packed in 2 sets as per their buyers instruction and such packed Pyjama sets costs more than Rs.1000*" where the AAR had ruled that GST rate of tax applicable for 2 Pyjama sets packed in a single pack and costing less than Rs.1,000 per piece or set will be 5% (i.e. CGST-2.5% + SGST-2.5%) as per S.No.223 of Schedule I of Notification No.1/2017-Central Tax (Rate) dated 28.06.2017, the Appellant has filed the present appeal.

Under the grounds of appeal as submitted by the Appellant, they have contended that

- 1) The goods are marketed and sold as apparel 'sets' presented for retail sale, packed and priced as a single retail unit (including multi-packs containing two sets in one pack)
- 2) Under GIR 3(b) (General Rules for Interpretation) and the HSN Explanatory Notes (Section XI, Ch.61/62), apparel coordinated as a set and offered as a single retail unit is treated as a "set for retail sale", the rate threshold of Rs.1,000/- applies per set.
- 3) The pack MRP and invoice/billing show the unit of sale is the set (or a multi-pack comprising two sets) not loose individual garments
- 4) Once the goods are a retail 'set', the rate must be tested 'per set'. The 2-set value pack does not convert the goods into independent pieces; it remains a multi-pack of sets with a single MRP.
- 5) On facts, the effective per set value exceeds Rs.1,000; therefore, the applicable rate is 12% and not 5%.
- 6) The relevant unit is a "set" and the applicable rate is 12% (6% CGST + 6% SGST) under S.No.224 of Schedule II to Notification No.1/2017-Central Tax (Rate), where the sale value per set exceeds Rs.1,000/-.

7) As the Appellant has already discharged tax and claimed refund within a 12% duty structure consistent with law; the impugned AAR view is liable to be set aside.

5. The appellant had also filed a petition for condonation of delay and the delay in filing the Appeal by the Appellant has been condoned and Appeal taken up for consideration on merits vide AAAR No.01/2026 (AR). Accordingly, an opportunity of personal hearing was accorded to the appellant.

6. PERSONAL HEARING:

6.1 Shri. G. Shanmugam, Advocate appeared for the personal hearing on 12.02.2026 as the Authorized Representative (AR) of M/s. Link Up Textiles Private Limited in respect of the appeal filed against the Advance Ruling no.42/AAR/2025 dated 08.10.2025.

6.2 AR stated that they have agreed with the Ruling given by the Advance Ruling Authority. However, they wanted to know if the Ruling is prospective only. They have exported Men's Pyjamas on payment of 12% IGST and obtained refund of the same. They were apprehensive that they should not be asked to return the excess IGST refund for the past period. AR requested for the above clarification on the Ruling.

7. DISCUSSION AND FINDINGS:

7.1 We have carefully examined the submissions made by the Appellant in their appeal against the Advance Ruling No.42/AAR/2025 dated 08.10.2025 and the submissions made during the personal hearing. We have also considered the issue involved, the relevant facts and the Appellant's submission/interpretation of law in respect of question on which the Advance Ruling is sought.

7.2 We note that the appellant is engaged in the business of exporting Men's nightwear Pyjama set consisting of a top (kurta/shirt) made of cotton (i.e. Top-67% Cotton; 29% Polyester: 4% Spandex Woven Shirt) and bottom (Pyjama/Trouser) made of cotton (i.e. Bottom-67% Cotton; 29% Polyester: 4% Spandex Woven Pant). The Pyjama sets are packed in 2 nos.(two pairs) in a single pack as per the instructions of their buyer. The price of 1 pack of Pyjama Sets (2 tops and 2 bottoms) is Rs.1,371/-.

7.3 The appellant had sought for Advance Ruling as to the HSN code for men's Pyjama Sets and GST rate of tax applicable for 2 Pyjama sets packed in a single pack and costing more than Rs.1000/- per pack. The Authority for Advance Ruling had given a Ruling that GST rate of tax applicable for 2 Pyjama sets packed in a single pack and costing less than Rs.1,000 per piece or set will be 5% (i.e. CGST-2.5% + SGST-2.5%) as per S.No.223 of Schedule I of Notification No.1/2017-Central Tax (Rate) dated 28.06.2017.

7.4 The appellant had filed this appeal against the above said Ruling on the grounds that the goods are marketed and sold as apparel 'sets' presented for retail sale, packed and priced as a single retail unit (including multi-packs containing two sets in one pack) ; under GIR 3(b) and the HSN Explanatory Notes (Section XI, Ch.61/62), apparel coordinated as a set and offered as a single retail unit is treated as a "set for retail sale", the rate threshold of Rs.1,000/- applies per set; the pack MRP and invoice/billing show the unit of sale is the set (or a multi-pack comprising two sets) not loose individual garments ; once the goods are a retail 'set', the rate must be tested 'per set'. The 2-set value pack does not convert the goods into independent pieces; it remains a multi-pack of sets with a single MRP ; the effective rate per set value exceeds Rs.1,000; therefore, the applicable rate is 12% and not 5%. ; and the relevant unit is a "set" and the applicable rate is 12% (6% CGST + 6% SGST) under S.No.170 of Schedule II to Notification No.1/2017-Central Tax (Rate), where the sale value per set exceeds Rs.1,000/-.

7.5 We find that as per the Notification No.1/2017-Central Tax (Rate) dated 28.06.2017 the rate of GST on Men's Pyjama sets falling under Chapter 62 is as follows:

Schedule I - - @ 2.5% CGST

S.No.	Chapter/Heading/Sub-Heading/Tariff Item	Description of Goods
223.	62	Articles of Apparels and clothing accessories, not knitted or crocheted, of sale value not exceeding Rs.1000/- per piece

Schedule II - - @ 6% CGST

S.No.	Chapter/Heading/Sub-Heading/Tariff Item	Description of Goods
170.	62	Articles of Apparels and clothing accessories, not knitted or crocheted, of sale value exceeding Rs.1,000/- per piece

As per schedule-I & II above, the determination of rate of tax is based on the 'cost per piece'. In the instant case, 'piece' therefore, is a single, independently usable apparel or clothing. The name of the product here is 'pyjama', as stated by the appellant. As per the dictionary, a 'pyjama' is "a soft, loose clothing that is worn in bed and consists of *trousers and a type of shirt*. But in the normal parlance, it is termed as "*kurta-pyjama which is a traditional South Asian garment set consisting of a kurta (a loose-fitting, long, collarless shirt) and pyjama (loose trousers tied at the waist)*". In general, it is termed as 'pyjama set' which consists of a top and a bottom. Though, some of the retailers in India sell both kurta & pyjama as stand-alone independent piece, the product supplied by the applicant is for export and consists of 'kurta-pyjama' as pyjama set. Therefore, the combination of top and bottom or a 'pyjama set' shall be treated as a 'piece' and should be classified accordingly.

7.6 We find that the appellant is packing 2 sets of pyjamas in a single pack as per the requirements of their customer abroad i.e, 2 Shirts and 2 Pants in one pack. The Appellant's claim that packing 2 sets in a pack would make it a single retail unit is not correct. For instance a pack may even have 10 sets in it and it may not be construed as a single retail unit. So, the Appellant's contention is not tenable.

7.7 We are of the view that One Pyjama Set consists of 1 Shirt (top) and 1 Pant (bottom) sold together. One pack consists of two sets of Pyjamas i.e. 2 pieces. Hence, one pack consisting of two pyjama sets cannot be considered as one piece. The price of Rs.1,371/- shown in appellant's pack is for two Pyjama sets/pieces. The Appellant's claim that the effective rate per set value exceeds Rs.1,000/- is not correct. The Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 prescribes the 'Apparels with Sale Value not exceeding Rs.1,000/- **per piece**'. Further, the case laws cited by the appellant and enclosed in the Grounds of Appeal are not relevant to this instant case.

7.8 As such, we concur with the Ruling of the Advance Ruling Authority that since the price of one Pack consisting of two pyjama sets is Rs.1,371/-, the price of one pyjama set or a piece of apparel consisting of 1 Shirt and 1 Pant is only Rs.686/- which is less than Rs.1,000/-. Hence, this is qualified to be classified under Schedule-I chargeable to GST at the rate of 5% (CGST-2.5% + SGST-2.5%) only under Sl. No.223 of Notification No.1/2017-Central Tax (Rate) dated 28.06.2017.

7.9 Further, it is also to be mentioned here that as per Notification No.9/2025-Central Tax (Rate) dated 17.09.2025, the rate of GST on Men's Pyjama sets falling under Chapter 62 has been changed as follows (effective from 22.09.2025):

Schedule I -- @ 2.5% CGST

S.No.	Chapter/Heading/Sub-Heading/Tariff Item	Description of Goods
389	62	Articles of apparel and clothing accessories, not knitted or crocheted, of sale value not exceeding Rs.2500 per piece

Schedule II -- @ 9% CGST


S.No.	Chapter/Heading/Sub-Heading/Tariff Item	Description of Goods
198	62	Articles of apparel and clothing accessories, not knitted or crocheted, of sale value exceeding Rs.2500 per piece


With effect from 22.09.2025, GST on Men's Pyjama sets falling under Chapter 62 costing less than Rs.2500/- per piece is qualified to be classified under Schedule-I chargeable to GST at the rate of 5% (CGST-2.5% + SGST-2.5%) only under Sl. No.389 of Notification No.09/2025-Central Tax (Rate) dated 17.09.2025.

8. Accordingly, we pass the following order:

ORDER

The ruling pronounced by the AAR in Advance Ruling No.42/ARA/2025 dated 08.10.2025 is upheld and accordingly, the appeal filed by the appellant is dismissed.


(MADAN MOHAN SINGH)
Pr.Chief Commissioner of GST &
Central Excise, TN & Puducherry
Zone/Member AAAR


(S. NAGARAJAN)
Commissioner of Commercial Taxes
Tamil Nadu / Member AAAR

To

M/s. LINK UP TEXTILES PRIVATE LIMITED

GSTIN: 33AAACL1248E1Z2

6AB-7AB, Sri Devi Kuppum Main Road,
Kumaran Colony, Valasaravakkam,
Chennai-600087

(By RPAD)

Copy submitted to:

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II Floor, Ezhilagam, Chepauk, Chennai-600 005.
3. The Commissioner of Central GST & Central Excise,
Chennai South Commissionerate.
4. The Assistant Commissioner (ST),
Porur Assessment Circle
5. Master File/ Spare-2