Malli Ramalingam Mothilal (Prop. M/s. M.R. Mothilal), Madurai. The listing spells the name 'Motilal'.

Appellate Authority for Advance Ruling — Tamil Nadu

ORDER-in-Appeal No. AAAR/06/2019 (AR), A.R. Appeal No. 5/2019/AAAR… Dated **07.08.2019**

Q Questions Before the Authority

- Whether the appellant's Kalava Raksha Sutra, sold in long lengths in loose rolls to buyers who cut them to individual sizes, falls under Sl. No. 148 (Pooja Samagiri - Kalava Raksha Sutra, any chapter) of Notification No. 2/2017-C.T.(Rate) dated 28.06.2017 as amended, and so is exempt.
- Whether the Original Authority's observation in para 4 of its ruling, that the items are not by themselves Kalava Raksha Sutra, is correct and should stand.

F Facts

The appellant, a Madurai manufacturer, makes braided sacred threads (Kalava / Raksha Sutra) in various colours from cotton, polyester, viscose or polypropylene yarn. It sells them by weight or length, in loose rolls, to intra-State and inter-State buyers, who cut them into individual sizes. The Original Authority classified the braided yarns by fibre content and noted that the items were not themselves sold as Kalava to consumers. The appellant did not dispute the classification and appealed only against that observation, which it said affected its exemption under Sl. No. 148.

H Ruling

Remark in para 4 of the Original Ruling that the items are not by themselves Kalava Raksha Sutra	**Expunged / deleted. The rest of the Original Ruling is maintained.**	The order does not decide whether the product is Kalava Raksha Sutra or whether it qualifies under Sl. No. 148. The classification ruling (Chapter 56 codes) was not disturbed.

The Appellate Authority held that the appeal did not lie on classification, since the Original Authority had ruled on classification and that was not disputed. It found the Original Authority had not ruled on exemption eligibility, and that the para 4 remark was not tied to the question raised. It expunged the para 4 remark and maintained the rest of the ruling. The late, incomplete appeal fee was condoned under the proviso to Section 100(2).

R Reasoning

The Authority read Section 100(1) to allow an appeal only by an aggrieved applicant against the ruling itself. Because the Original Ruling answered only the classification question, which was undisputed, the appellant's real grievance was an observation in the reasoning. The Authority held that the observation was outside the question raised and was not supported by findings, so it ordered the remark expunged. Under the proviso to Section 100(2) it condoned the initial shortfall in the appeal fee, since the appeal was filed in time and the balance was paid within the extended period. The Authority did not decide the Sl. No. 148 exemption question on merits.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

P Provisions Relied On

Section 100(1) of the CGST/TNGST Act, 2017 (who may appeal against an advance ruling)

Section 100(2) of the CGST/TNGST Act, 2017, and its proviso (appeal period and condonation)

Section 98(4) of the Act (advance ruling referred to in Section 100(1))

Section 101(1) of the TNGST Act, 2017 (appellate order)

Section 102 of the Act (rectification of error apparent on the record)

Section 103(1) and 103(2) of the Act (binding effect of advance ruling)

Section 104(1) of the Act (ruling obtained by fraud or suppression)

Notification No. 2/2017-C.T.(Rate) dated 28.06.2017, as amended, Sl. No. 148, Chapter IX, 'Pooja Samagiri - Kalava Raksha…

Original Ruling classification: CTH 5607 (56074900, 56075090, 56079090) as stated in the order

! For the Practitioner

This order is useful mainly as authority that an AAAR may expunge stray reasoning in a lower ruling where the issue was not raised. It does not confirm that bulk-sold Kalava Raksha Sutra qualifies for the Sl. No. 148 exemption, and a practitioner should not cite it for that. Anyone advising on the exemption for bulk or cut-to-size sacred threads must still obtain a ruling on eligibility directly. The full order should be read for the appeal-fee and condonation discussion.

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 -> tn_aaar_06_2019_07.08.2019.pdf

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