

M/s. Sai Ram Jari Industries

Authority for Advance Ruling — Gujarat

GUJ/GAAR/R/2025/58

Dated **29.11.2025**

Q Questions Before the Authority

- What is the HSN and GST Rate applicable on supply of imitation zari thread or yarn (also known as 'Metallic Yarn', 'Zari Badla' or any other name in trade parlance) made from Plastic Film / Lacquered Coated Polyester film with Aluminium Metal?

F Facts

The applicant is engaged in the manufacturing and supply of imitation zari thread or yarn made from lacquered coated polyester film with aluminium metal. They sought clarification on the applicable HSN and GST rate following amendments to notification entries. The applicant previously classified the product under HSN 5605 and discharged GST at 12%, but later sought confirmation regarding the 5% rate.

H Ruling

HSN and GST rate for imitation zari thread/yarn	HSN 56050020, GST @ 5%	Applicable under serial no. 218AA of Schedule I (1/2017-CT) from 27.07.2023 to 21.09.2025 and serial no. 353 of Schedule I (9/2025-CT) from 22.09.2025
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The authority ruled that the subject goods are classifiable under HSN 56050020 and attract a GST rate of 5%. This classification and rate apply for the period from 27.07.2023 to 21.09.2025 under serial no. 218AA of Schedule I of notification no. 1/2017-CT(Rate), and from 22.09.2025 onwards under serial no. 353 of Schedule I of notification no. 9/2025-CT(R).

R Reasoning

The authority relied on the **HSN explanatory notes** for heading 5605, which covers metallised yarn made from plastic film coated with metal. It considered the legislative intent expressed in the 15th and 52nd GST Council meetings to tax such imitation zari at a concessional rate. The ruling is based on a conjoint reading of notification no. 1/2017-CT(Rate), notification no. 9/2023-CT(Rate), notification no. 9/2025-CT(R), and circular no. 205/17/2023-GST. These provisions collectively confirm that the specific product falls under the **5% GST slab**.

P Provisions Relied On

Section 97(2) of CGST/GGST Act, 2017

HSN 5605

Notification No. 1/2017-Central Tax (Rate)

Notification No. 9/2023-Central Tax (Rate)

Notification No. 9/2025-Central Tax (Rate)

Circular No. 205/17/2023-GST



For the Practitioner

This ruling provides **definitive classification** for manufacturers of imitation zari thread made from metallised polyester film. It settles the ambiguity regarding the applicable GST rate by confirming the **5% concessional rate** under the specified serial numbers. Practitioners can use this to support the 5% tax treatment for similar products, provided they meet the technical description of being made from lacquered coated polyester film with aluminium metal.

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 -> 58_sairam_jari_compressed.pdf

Prepared 14-10-2026.

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