

M/s. Sumilon Industries Private Limited

Authority for Advance Ruling — Gujarat

GUJ/GAAR/R/2025/59

Dated **29.11.2025**

Q Questions Before the Authority

- Whether any significant difference is there between Metalized Yarn and Metallic Yarn or both are one and same and what will be their Classification?
- Whether the Supply made of Badla / Imitation Jari / Metallic Yarn made from Micro Slitting process done on Plain Polyester Film or Metalized Polyester Film or Metalized & Lacquered Film will fall under merit classification under HSN 56050090 or 56050020?
- If the answer to Question No. 2 mentioned above is 5605 0020, then whether the Applicant is eligible for concessional rate of 5% w.e.f. 27.07.2023?
- If the answer to Question No. 2 mentioned above is 5605 0020, then whether the Applicant is eligible for Refund on Polyester Yarn, Lacquered Film, Chemicals, Packing Material, and Coal etc. till Dt. 19.08.2023?
- If the answer to Question No. 2 mentioned above is 5605 0090, then whether the Applicant is liable to Rate of 12%?
- If the answer to Question No. 2 mentioned above is 5605 0090, then whether the Applicant is eligible for Refund on Polyester Yarn, Lacquered Film, Chemicals, Packing Material, and Coal etc.?

F Facts

The applicant is a manufacturer and exporter of various products including Metalized Polyester Film, Lacquered Polyester Film, and Metallic Yarn. They sought clarification on the classification and applicable GST rate for their products, specifically Badla, Imitation Jari, and Metallic Yarn produced through a micro-slitting process. The applicant expressed confusion regarding the classification of Metalized Yarn following changes in notification entries.

H Ruling

Classification difference	Not answered	Deemed outside the ambit of Section 97(2)
HSN Classification	HSN 5605 00 20	Applies to Badla, Imitation Jari, and Metallic Yarn made via micro-slitting
Applicable GST rate	5%	Per serial no. 218AA of schedule I of notification 1/2017-CT(Rate) and serial no. 353 of notification 9/2025-CT(R)
Refund eligibility (pre-2023)	Not answered	Deemed outside the ambit of Section 97(2)
Liability to 12% rate	Infructuous	Rendered infructuous by the ruling on HSN 5605 00 20
Refund eligibility (general)	Not answered	Deemed outside the ambit of Section 97(2)

The Authority ruled that the supply of Badla, Imitation Jari, and Metallic Yarn made from the specified micro-slitting process falls under HSN 5605 00 20. Consequently, the applicable GST rate is 5% as per the relevant notifications. The Authority declined to answer questions regarding refunds and other procedural matters, stating they fall outside the ambit of Section 97(2) of the CGST Act.

R Reasoning

The Authority relied on HSN 5605, Notification No. 1/2017-CT(Rate) as amended by Notification No. 9/2023-CT(Rate), and Circular No. 205/17/2023-GST to determine the classification. It concluded that the products in question are covered under the entry for imitation zari thread or yarn. The Authority further noted that Notification No. 9/2025-CT(R) superseded previous notifications, confirming the 5% rate. Procedural questions regarding refunds were rejected as they do not constitute classification or tax liability determinations under Section 97(2).

P Provisions Relied On

Section 97(2) of the CGST/GGST Act	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 Badla, Imitation Jari, and Metallic Yarn under HSN 5605 00 20, attracting a 5% GST rate. It is useful for manufacturers in the textile ancillary sector to confirm their tax liability. However, it explicitly refuses to adjudicate on refund claims, confirming that such procedural matters are **outside the scope** of advance ruling applications.

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 -> 59_sumilon_industries_pvt_ltd_compressed.pdf

Prepared 14-10-2026.

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