

I/18301/2023

GOVERNMENT OF TRIPURA
OFFICE OF THE CHIEF COMMISSIONER OF STATE TAX
PANDIT NEHRU COMPLEX, GURKHABASTI
AGARTALA, TRIPURA WEST, PIN-799006.

Dated, Agartala, the 30th November, 2023.

Circular No. 17/2023 – GST (State)

To
The Additional Commissioner of State Tax/
Deputy Commissioner of State Tax (All)/
Assistant Commissioner of State Tax (All)
Superintendent of State Tax (All)
Inspector of State Tax (All)

Subject: Clarification regarding GST rate on imitation zari thread or yarn based on the recommendation of the GST Council in its 52nd meeting held on 7th October, 2023 –reg.

Madam / Sir,

The Government of India, Ministry of Finance, Department of Revenue (Tax Research Unit) vide Circular No. 205/17/2023–GST dated 31st October, 2023 has issued a clarification regarding GST rate on imitation zari thread or yarn based on the recommendation of the GST Council in its 52nd meeting held on 7th October, 2023, in order to ensure uniformity in the implementation of the provisions of law across the field formations, which is annexed herewith.

In exercise of powers conferred by section 168 of the Tripura State Goods and Services Tax Act, 2017 (Tripura Act No. 9 of 2017) for the purpose of uniformity in the implementation of the Act it is instructed to follow the guidelines issued vide Circular No. 205/17/2023–GST dated 31st October, 2023 by the Government of India, Ministry of Finance, Department of Revenue (Tax Research Unit).

Encl.: Circular No. 205/17/2023–GST.

Signed by Rakhi Biswas

Date: 02-11-2023 13:15:50

Reason: Approved

(Rakhi Biswas, TCS-SSG)
Chief Commissioner of State Tax
Government of Tripura

Copy to:

1. The P.S. to the Secretary, Finance, Government of Tripura for favour of kind information to the Secretary, Finance.
2. The Assistant Statistical Officer, Statistical Section, O/o the Commissioner of Taxes & Excise, Agartala with request to upload the Circular in the Official website www.tripurataxes.nic.in.
3. Guard File.

F. No. CBIC-190354/195/2023-TO(TRU-II)

**Government of India
Ministry of Finance
Department of Revenue
(Tax Research Unit)**

North Block, New Delhi

Date: 31st October, 2023

To,

**Principal Chief Commissioners/ Principal Directors General,
Chief Commissioners/ Directors General,
Principal Commissioners/ Commissioners of Central Excise & Central Tax**

Madam/ Sir,

Subject: Clarification regarding GST rate on imitation zari thread or yarn based on the recommendation of the GST Council in its 52nd meeting held on 7th October, 2023 –reg.

The GST Council in its 50th meeting had recommended reduction of GST rate to 5% on imitation zari thread or yarn known by any name in trade parlance, following which Sl. No. 218AA had been inserted in Schedule I of notification no. 1/2017- Central Tax (Rate) dated 28.6.2017.

2. Doubts have been raised whether metal coated plastic film converted to metallised yarn and twisted with nylon, cotton, polyester or any other yarn to make imitation zari thread is covered under Sl No. 218AA of Schedule I covering imitation zari thread or yarn, and attracting 5% GST, or under Sl No. 137 of Schedule III covering other metallised yarn attracting 12% GST. As per HS Explanatory Notes, the heading 5605 covers – (1) yarn consisting of any textile material (including monofilament , strip and the like and paper yarn) combined with metal thread or strip, whether obtained by a process of twisting, cabling or by gimping, whatever the proportion of the metal present (2) yarn of any textile material (including monofilament , strip and the like and paper yarn) covered with metal by any other process including yarn covered with metal by electro-deposition. The heading also covers products consisting of a core of metal foil (generally of aluminum) or of a core of plastic film coated with metal dust, sandwiched by means of an adhesive between two layers of plastic film.

3. In light of the above, the GST Council has recommended to clarify that imitation zari thread or yarn made from metallised polyester film/ plastic film falling under HS 5605 are

covered by Sl No. 218AA of Schedule I attracting 5% GST. The GST Council has also recommended that no refund will be permitted on polyester film (metallised)/plastic film on account of inversion of tax rate. Requisite changes have been made in notification no. 5/2017- Central Tax (Rate) vide Notification no 20/223-Central Tax (Rate) dated 19.10.2023.

4 Difficulty if any, in the implementation of this circular may be brought to the notice of the Board.

Yours faithfully,

Dibyalok
Technical Officer , TRU