
 सत्यमेव जयते	RAJASTHAN AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX KAR BHAWAN, AMBEDKAR CIRCLE, NEAR RAJASTHAN HIGH COURT JAIPUR – 302005 (RAJASTHAN)	
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ADVANCE RULING NO. RAJ/AAR/2019-20/03



J.P.Meena Additional Commissioner	:	Member (Central Tax)
Hemant Jain Joint Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s Laxmi Agrotech Steel, H-85, Road No. 5A, RIICO Bindayaka, Jaipur, Rajasthan 302012
GSTIN of the applicant	:	08AADFL5044N1Z1
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	a. Classification of any goods or services or both;
Date of Personal Hearing	:	03.04.2019
Present for the applicant	:	Shri Parshant Sharma (Authorised Representatives)
Date of Ruling	:	16.04.2019

Note: Under Section 100 of the CGST/SGST Act, 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under section 99 of CGST/SGST Act, 2017, within a period of 30 days from the date of service of this order.

The issue raised by M/s Laxmi Agrotech Steel, H-85, Road No. 5A, RIICO Bindayaka, Jaipur, Rajasthan 302012 (here in after the applicant) is fit to pronounce advance ruling as it falls under the ambit of the Section 97(2) (a) given as under:

- a. Classification of any goods or services or both;

Further, the applicant being a registered person (GSTIN is 08AADFL5044N1Z1 as per the declaration given by him in Form ARA-01) the issue raised by the applicant is neither pending for proceedings nor proceedings were passed by any authority. Based on the above observations, the applicant is admitted to pronounce advance ruling.

1. **SUBMISSION AND INTERPRETATION OF THE APPLICANT:**

- a. The applicant is engaged in the business of manufacturing/trading of metal parts of sprinkler system used in agriculture irrigation. The parts comprise of Latch Clamp, C-Clamp, Foot Batten, Riser Pipe, Aluminum Rivet and Mini Sprinkler Rod which are exclusively meant for use in various types of Sprinkler/drip irrigation system.
- b. The Latch Clamp, C-Clamp and Foot Batten are made of Iron Sheets, Riser pipe is made of GI Pipe, Aluminum Rivets are made of aluminum wire and Mini Sprinkler Rod is made of Iron Rod and are designed and shaped that these can be used only in sprinkler/drip irrigation equipment.
- c. The manufactured/Traded goods are sold to entities manufacturing sprinkler systems, Sprinkler Parts, Traders and consumers using sprinkler system as a part to be used in their sprinkler system.



- d. Entry No.195B of Schedule II of notification no.01/2017 dated 28.06.2017 as inserted vide notification no. 06/2018 dated 25.01.2018 covers vide Chapter/heading/Sub- heading/Tariff item 8424 [Sprinklers; drip irrigation system including Laterals] having overall GST @12% (6% CGST and 6%SGST).
- e. Circular number 81/55/2018-GST dt.31st December 2018 has been issued as a clarification regarding GST tax rate for Sprinkler and Drip irrigation System including laterals and vide sr.no.4 of the circular it has been stated: "Therefore, the term "sprinklers", in the said entry 195B, covers sprinkler irrigation system. Accordingly, sprinkler system consisting of nozzles, lateral and other components would attract 12% GST rate.
- f. In the Circular No.81 it has been stated that lateral and other components would attract 12% GST rate. The HS Code 8424 90 00 covers Parts in the ambit of tariff item 8424.



2. **QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT**

Whether parts of sprinkler system sold by us like Latch Clamp, C-Clamp, Foot Batten, Riser Pipe, Aluminum Rivet and Mini Sprinkler Rod etc. exclusively meant for use in Sprinklers and drip irrigation system but sold in isolation as parts and not as a complete system under the heading 8424 and the tax rate applicable on such components/parts when sold separately and not as a part of the sprinkler/drip irrigation?

3. **PERSONAL HEARING**

In the matter personal hearing was granted to the applicant on 03.04.2019 at Room no. 2.29 NCRB, Statue Circle, Jaipur. Shri Parshant Sharma (Authorised Representative) of applicant

appeared for PH. During the PH, he reiterated the submissions already made in the application. He further requested that the case may be decided at the earliest.

4. **COMMENTS OF THE JURISDICTIONAL OFFICER**

The jurisdiction officer (Assistant Commissioner, Circle-I, SGST and Commercial Taxes, Jaipur) has submitted vide letter dated 26.03.2019 that items mentioned by the applicant fall under the heading 84249000 as components of Sprinkler/Drip irrigation, and should be taxable at the rate of 12%.

5. **FINDINGS, ANALYSIS & CONCLUSION:**

- a. We observe that the applicant is engaged in the supply of metal components of sprinkler system used in agriculture/irrigation.
- b. Sprinkler Irrigation System mainly consists of the following components:-
 - (i) A pump unit
 - (ii) Tubings- mains and laterals
 - (iii) Sprinkler head
 - (iv) Other Components and accessories.

Pumping Unit: Sprinkler irrigation systems distribute water by spraying it over the fields. The water is pumped under pressure to the fields by pumping unit.

Tubing's: (Mains and laterals): The tubing's consist of mainline, and laterals Main line conveys water from the source and distributes it to the laterals which in turn supply water to the sprinklers. Generally they are light in weight so that they can be switched easily from one place to another by farmers.





Sprinkler Head: Sprinkler head distribute water uniformly over the field without runoff or excessive loss due to deep percolation.

Other Components and accessories: The following are some of the important components used in sprinkler system viz. c-clamp, latch clamp, foot batten, aluminum rivet, rubber ring/gasket/seal, washer and rubber grommets etc.

- c. The Entry No. 195B of Schedule II of Notification No.01/2017 dated 28.06.2017, inserted vide Notification No. 06/2018 dated 25.01.2018 is reproduced as below:-

S. No.	Chapter Heading/ Subheading /Tariff Item	Description of Goods	CGST rate
195B	8424	Sprinklers; drip irrigation system including Laterals	6%

- d. A clarification regarding Entry No. 195B of Schedule II of Notification No.01/2017 dated 28.06.2017 was issued vide Circular Number 81/55/2018-GST dated 31st December, 2018.

The relevant portion is as reproduced below:-

4. "Therefore, the term "sprinklers", in the said entry 195B, covers sprinkler irrigation system. Accordingly, sprinkler system consisting of nozzles, lateral and other components would attract 12% GST rate.

- e. While going through the Entry No. 195B of Schedule II of Notification No.01/2017 dated 28.06.2017 read with Circular number 81/55/2018-GST dated 31st December, 2018, we observe that the Sprinkler Irrigation System including laterals


only will be covered under the said notification and attract GST @12%.

- f. If individual metal parts of the Sprinkler Irrigation System/ drip irrigation system are supplied separately viz. Latch Clamp, C-Clamp, Foot Batten, Riser Pipe, Aluminum Rivet and Mini Sprinkler Rod etc. will not be covered under Entry No. 195B of Schedule II of Notification No.01/2017 dated 28.06.2017.


6. In view of the foregoing, we rule as follows:-

RULING

The metal parts manufactured and supplied by the applicant will not be covered under Entry No. 195B of Schedule II of Notification No.01/2017 dated 28.06.2017.


J.P. MEENA 16/4/19
Member
(Central Tax)




HEMANT JAIN 16/4/19
Member
(State Tax)

SPEED POST

M/s Laxmi Agrotech Steel,
H-85, Road No. 5A,
RIICO Bindayaka, Jaipur,
Rajasthan 302012

o/c

F.No. AAR/Laxmi-Agrotech/2018-19/09-12

Dated: 08.04.2019

Copy to:-

1. Commissioner, SGST & Commercial Taxes, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme-, Jaipur 302005.
2. Commissioner, CGST and Central Excise Jaipur Commissionerate, NCRB, Statue Circle, Jaipur 302005.
3. Assistant Commissioner, Circle-I, SGST and Commercial Taxes, Kar Bhawan, Jhalana, Jhalana Doongri, Jaipur 302005.