



भारत सरकार /Government of India
वित्त मंत्रालय राजस्व विभाग
Ministry of Finance, Department of Revenue
कार्यालयआयुक्त /Office of the Commissioner
सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क
Central Goods Service Tax and Central Excise (CGST & CX)
२९, भरतपुरी प्रशासनिक क्षेत्र २९, Administrative Area, Bharatpuri
उज्जैन (मप्र)-४५६०१०/Ujjain (MP)-456010.

F.No. I(Gen) 19-04/GST/Trade Notice /18-19

Ujjain, Dated. 28.01.2019

व्यापार सूचना संख्या /Trade Notice No. 39/2018-19

उज्जैन दिनांक/Ujjain, Dated 28.01.2019

Subject: Clarification regarding GST tax rate for Sprinkler and Drip Irrigation System including laterals-reg.

Attention of the Trade and Industry is invited to the **Circular No. 81/55/2018-GST dated 31.12.2018** issued under F. No. 354/408/2018 -TRU by the Under Secretary (TRU-1) Ministry of Finance, Department of Revenue, Tax Research Unit New Delhi in respect of "Clarification regarding GST tax rate for Sprinkler and Drip Irrigation System including laterals-reg. (Copy enclosed).

2. The contents of the aforesaid Circular may please be brought to the notice of members of your association in particular and public in general.

Encls: As above.

(Dr. Sandeep Srivastava)
प्रधान आयुक्त

F.No.354/408/2018-TRU
Government of India
Ministry of Finance
Department of Revenue
(Tax Research Unit)

North Block, New Delhi
 Dated, 31st December, 2018

To,

Principal Chief Commissioners/ Principal Directors General,
 Chief Commissioners/ Directors General,
 Principal Commissioners/ Commissioners of GST and Central Tax (All),

Madam/ Sir,

Subject: Clarification regarding GST tax rate for Sprinkler and Drip Irrigation System including laterals-reg.

Representations have been received seeking clarification as regards the scope and coverage of entry No. 195B of the Schedule II to notification No. 1/2017- Central Tax (Rate), dated 28.06.2017. The entry No. 195B was inserted vide notification No. 6/2018- Central Tax (Rate), dated 25th January, 2018 and reads as below:

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

2. Doubts have arisen as in certain cases a view has been taken in the field that this entry would not cover "laterals of sprinklers" and "sprinklers irrigation system", while laterals of drip irrigations are covered by this entry.

3. The matter has been examined. Initially, with effect from 1.7.2017, all goods falling under HS 8424, namely, Mechanical appliances (whether or not hand-operated) for projecting, dispersing or spraying liquids or powders; spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines (other than fire extinguishers, whether or not charged), were placed under 18% slab. Subsequently, on the recommendation of the GST Council, the item namely, 'Nozzles for drip irrigation equipment or nozzles for sprinkler' was placed under 12% GST slab (Entry No. '195A' with effect from 22.09.2017). Upon revisiting the issue of GST rate on micro irrigation including drip irrigation system, including laterals the GST Council recommended 12% GST rate on micro

irrigation system, namely, sprinklers, drip irrigation system, including laterals. Accordingly, the said entry 195B was inserted in the notification No. 1/2017- Central Tax (Rate).

3.1 The micro irrigation, sometimes called 'localised irrigation', 'low volume irrigation', or 'trickle irrigation' is a system where water is distributed under low pressure through piped network, in a pre-determined pattern, and applied as a small discharge to each plant or adjacent to it. The traditional drip irrigation using individual emitters, subsurface drip irrigations (SDI), micro-spray or micro-sprinkler irrigation, and mini bubbler irrigation all belong to the category of micro irrigation method.

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.

5. Difficulty, if any, may be brought to the notice of the Board immediately. Hindi version shall follow.

Yours faithfully

Gunjan Kumar Verma
Under Secretary (TRU-I)