

Office of the
Commissioner of State Tax.
Maharashtra State, 8th Floor,
GST Bhavan, Mazgaon,
Mumbai-400 010.

TRADE CIRCULAR

No. JC (HQ)-1/GST/2018/CBIC Circular(s)/ADM-8 Mumbai dated 31st Dec. 2018

Trade Circular (GST) No. 49 T of 2018.

To,

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

Ref. CBIC Circular No. Circular No. 81/55/2018-GST dated 31st December 2018.

Sir/Gentlemen/Madam,

1. Representations have been received in the Board 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 28th June 2017. The entry No. 195B was inserted vide Notification No. 6/2018 dated 25th January 2018 Central Tax (Rate) 25th January, 2018 and reads as below:

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

2. In order to clarify the applicability CGST in respect of aforesaid entry the Central Board of Indirect Taxes and Customs have issued the Circular cited at Ref. above. Accordingly, a Trade Circular on lines of the **Circular No. 81/55/2018-GST** dated 31st December 2018 is issued to explain the applicability of the MGST.

3. 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.

4. 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- State Tax (Rate).

4.1. The micro irrigation, sometimes called “localised irrigation”, “low volume irrigation”, or “trickle irrigation” is a system where water is distributed under low pressure through a 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, sub surfaces drip irrigation (SDI), micro-spray or micro-sprinkler irrigation, and mini bubbler irrigation all belong to the category of micro irrigation method.

5. 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.

1. Difficulty, if any, in implementation of this Circular may be brought to the notice of the office of the Commissioner of State Tax, Maharashtra State.

Yours Faithfully,



(Rajiv Jalota)
Commissioner of State Tax,
(GST) Maharashtra State, Mumbai.

No. JC (HQ)-1/GST/2019/CBIC Circular(s)/ADM-8 dated 31st Dec. 2018.

Trade Circular (GST) No. 49 T of 2018.

Copy forwarded to the Joint Commissioner of State Tax (Mahavikas) with a request to upload this Trade Circular on the Departments Web-site.

Copy submitted with compliments to,-

- (a) The Deputy Secretary, Finance Department, Mantralaya, Mumbai-21 for information.
- (b) Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.



(R. D. Bhagat)

**Joint Commissioner of State Tax
(GST), (HQ)-1, Maharashtra State.**