



सत्यमेव जयते

**RAJASTHAN AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICES TAX**

**KAR BHAWAN, AMBEDKAR CIRCLE, NEAR  
RAJASTHAN HIGH COURT  
JAIPUR - 302005 (RAJASTHAN)**




**ADVANCE RULING NO. RAJ/AAR/2019-20/36**

J.P.Meena Additional Commissioner	:	Member (Central Tax)
Hemant Jain Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s Arihant Plast, Plot No. G 119, Road No.3 RIICO Industrial Area Bindayaka. Jaipur-302012
GSTIN of the applicant	:	08AACFA8203H1ZR
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	a. Classification of any goods or services both b. Applicability of a notification issued under the provisions of this Act;
Date of Personal Hearing	:	----
Present for the applicant	:	----- (Authorised Representative)
Date of Ruling	:	13.03.2020

**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.

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- At the outset, we would like to make it clear that the provisions of both the CGST Act and the RGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the RGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / RGST Act would be mentioned as being under the "GST Act".

- The issue raised by M/s Arihant Plast, Plot No. G 119, Road No.3 RIICO Industrial Area Bindayaka. Jaipur-302012 (hereinafter the applicant) to pronounce advance ruling under the ambit of the Section 97(2), (a) and (b) given as under: -

- a. Classification of any goods or services both


- b. Applicability of a notification issued under the provisions of this Act.

- Further, the applicant being a registered person (GSTIN 08AACFA8203H1ZR), 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.

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

- Applicant is engaged in the business of manufacturing of components, Parts, Accessories of sprinkler system & drip irrigation system used in agricultural irrigation. The parts comprise of HDPE SPRINKLER FEMALE COUPLER, HDPE SPRINKLER MALE COUPLER, HDPE SPRINKLER TEE, HDPE SPRINKLER BEND, HDPE SPRINKLER END CAP, HDPE PUMP CONNECTING NIPPLE, HDPE SPRINKLER ADOPTOR, HDPE SPRINKLER REDUCER and HDPE NIPPLE which are exclusively made for use and to fit only in various types of Sprinkler/drip irrigation system and have no other use. These parts are designed and shaped that these can only be used in sprinkler/drip irrigation equipment.

- The Manufactured goods are sold to entities manufacturing sprinklers systems, sprinkler parts, Traders and consumers using sprinkler system as a part to be used in their sprinkler/drip irrigation system.



• PRESS RELEASE on GST Rate on goods as recommended by the GST Council in its 37<sup>th</sup> Meeting held on 20.09.2019 stated that- all "mechanical sprayers" falling under HS Code 8424 would attract 12% GST.

- 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%
- Circular number 81/55/2018-GST dated 31<sup>st</sup> 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 "Sprinkler", in the said entry 195B, covers sprinkler irrigation system. Accordingly, sprinkler system consisting of nozzles, lateral and other components would attract 12% GST rate.
- In 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.
- We want to draw your kind attention that the Government of India has been implementing Centrally sponsored scheme on Micro Irrigation with the objective to enhance water use efficiency in the Agriculture sector by promoting appropriate technological interventions like Drip & Sprinkler Irrigation technologies and



encourage the farmers to use water saving and conservation technologies, under the scheme the total financial assistance available to the beneficiary under the Micro irrigation scheme from both central and state governments is 55 % for small & marginal farmers and 45% for other farmers. Substantial cost of GST Tax is ultimately passed to government through this scheme.

- In VAT regime, the products manufactured by the applicant used in sprinklers & drip irrigation system were exempted. In GST, manufacturers are selling the same products at different GST Rates.

Hence, the products manufactured by us should be chargeable at 12% GST Rate.

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

1. Whether parts of sprinkler system sold by us like HDPE SPRINKLER FEMALE COUPLER, HDPE SPRINKLER MALE COUPLER, HDPE SPRINKLER TEE, HDPE SPRINKLER BEND, HDPE SPRINKLER END CAP, HDPE PUMP CONNECTING NIPPLE, HDPE SPRINKLER ADAPTOR, HDPE SPRINKLER REDUCER and HDPE NIPPLE, 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 the tax rate applicable on such components/parts when sold separately and not as a part of the sprinkler/drip?

2. Whether we are also covered under "all mechanical sprayers falling under HS Code 8424" stated in PRESS RELEASE Dated 20.09.2019 in 37th Meeting of GST Council?

3. What GST Rate shall be on such product?


**FINDINGS, ANALYSIS & CONCLUSION:**

In the instant case we observe that Shri Deepak Jain authorized representative of the applicant submitted a letter dated 6.3.2020 addressed to this authority stating as under:-


*"We have filed an application for advance ruling dated 2<sup>nd</sup> March 2020, vide ARN-AD0803200004491 on determination of TAX Rate on products sold by us. Due to unavoidable circumstances we would like to revoke our application for which we had filled.*

*Therefore, you are requested to kindly take on record & oblige us."*

Accordingly, their request to withdraw the application is considered.

  
J.P. MEENA 13/03/2020  
Member  
(Central Tax)



  
HEMANT JAIN 13/03/2020  
Member  
(State Tax)

SPEED POST

✓ M/s Arihant Plast,  
Plot No. G 119,  
Road No.3  
RIICO Industrial Area  
Bindayaka. Jaipur-302012

F.No. AAR/Arihant Plast/2019-20/225

Dated: 17/03/2020

Copy to: -

1. The Chief Commissioner, Central Tax, CGST and Central Excise, (Jaipur Zone), NCRB, Statue Circle, Jaipur, Rajasthan 302005.
2. The Commissioner, State Tax, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme-, Jaipur 302005.
3. The Commissioner, Central Tax, CGST and Central Excise Jaipur Commissionerate, NCRB, Statue Circle, Jaipur, Rajasthan 302005.
4. The Assistant/ Deputy Commissioner, Central Tax, CGST Division-G, Sector-10, Vidyadhar Nagar, Jaipur, Rajasthan 302039.