

AUTHORITY FOR ADVANCE RULING – MADHYA PRADESH**Goods and Service Tax****O/o THE COMMISSIONER, COMMERCIAL TAX,****MOTI BUNGALOW,****MAHATMA GANDHI MARG, INDORE (M.P.) - 452007****e-mail : aar@mptax.mp.gov.in Phone : 0731- 2437315 fax. no. : 0731-2536229****PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING**
U/S,98 OF THE GOODS AND SERVICES TAX ACT ,2017**Members Present**

1. Rajiv Agrawal
Additional Commissioner,
Office of the Commissioner,CGST and Central Excise, Indore

2. Manoj Kumar Choubey
Joint Commissioner,
Office of the Joint Commissioner of Commercial Tax, Indore Division-1

GSTIN Number. If any/User-id	UNREGISTERED; PAN:
Name and address of the applicant	M/s. RAVI MASAND 58/1 Udyog Nagar, Nemawar Road Indore 452001
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; e) determination of the liability to pay tax on any goods or services or both
Present on behalf of applicant	Shree Sunil P Jain, CA
Case Number	06/2019
Order dated	24/07/2019
Order Number	11/2019

PROCEEDINGS

(Under sub-section (4) of Section 98 of Central Goods and Service Tax Act, 2017 and the Madhya Pradesh Goods & Service Tax Act, 2017)

1. The present application has been filed u/s 97 of the Central Goods & Services Tax Act, 2017 and MP Goods & Services Tax Act, 2017 (hereinafter also referred to CGST Act and SGST Act respectively) by M/s. RAVI MASAND (hereinafter referred to as



the Applicant) , not registered but desirous of obtaining registration under the Goods & Services Tax.

2. The provisions of the CGST Act and MPGST Act are identical, except for certain provisions. Therefore, unless a specific mention of the dissimilar provision is made, a reference to the CGST Act would also mean a reference to the same provision under the MPGST Act. Further, henceforth, for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST or MP GST Act would be mentioned as being under the GST Act.

3. BRIEF FACTS OF THE CASE:

3.1 The Applicant is engaged in intend import, trade and/or manufacture/assemble "Agriculture Knapsack Sprayer" both mechanical and hand operated which is used generally in agriculture.

3.2 The "Agriculture Knapsack Sprayer" is classified under chapter sub heading No. 84248200 of the Custom/Excise Tariff Act. GST tariff just mentions HSN of 8424. Now confusion is whether product lies in entry 325 of Sch III or entry 195B of Sch II of Notification no. 1/2017 as amended? IN market most of dealers are charging GST @ 12% except a few who still charging @ 18%.

4. QUESTIONS RAISED BEFORE THE AUTHORITY:-

The following questions have been posted before the Authority in the application:-

- a) Applicant believes that the product "Agriculture Knapsack Sprayer" is classified under HSN 8424 and applicable tax rate is 12%. Details as per Annexure.
- b) Relevant extract of Notification No. 1/2017 dated 28-6-17 as amended vide Notification No. 6/2018-Integrated Tax (Rate) dt. 25-01-2018 is enclosed
- c) What shall be GST rate on such product? ,

5. CONCERNED OFFICER'S VIEW POINT:

The Concerned Officer Submitted that the product Agriculture Mechanical Sprayer will merit classification under Chapter Head 8424 of the GST Tariff and with effect from 25.01.2018, the said product would attract GST @12% in terms of Sr.No.195B of Schedule-II to Notification No.01/2017-CT(R) as amended vide Notification No.06/2018-CT(R) dtd.25.01.2018 and concurrent notifications issued by the State Tax authorities.

6. RECORD OF PERSONAL HEARING:

6.1 Shree Sunil P Jain, CA of the applicant for personal hearing .He reiterated submissions already made in the application. The Applicant in support of his contention that the product "Agriculture Knapsack Sprayer" is classified under HSN 8424 and applicable tax rate is 12%. gives following argument -

6.2The Applicant produce relevant extract of Not.1/2017 as amended



S. No.	Chapter / Heading / Sub- heading / Tariff item	Description of Goods
195A	8424	Sch -II 6% Nozzles for drip irrigation equipment or nozzles for sprinklers. (wef 22-09-17 vide Not. 27/2017).
195B	8424	Sprinklers; drip irrigation system including laterals; mechanical sprayers (wef 25-01-2018 vide Not. No.06/2018)
		Sch-III – 9%
325.	8424	<p>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]</p> <p>*Substituted to “other than fire extinguishers, whether or not charged and Nozzles for drip irrigation equipment or nozzles for sprinklers”(wef 22-09-17 vide Not. 27/2017)</p> <p>(Substituted wef 15-11-17 vide not.41/2017 dated 14-11-17)</p> <p>Mechanical appliances (whether or not hand-operated) for projecting, dispersing or spraying liquids or powders; fire extinguishers, whether or not charged; spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines [other than and Nozzles for drip irrigation equipment or nozzles for sprinklers]</p> <p>(Substituted wef 25-01-2018 vide Not. No.06/2018)</p> <p>Mechanical appliances(whether or not hand-operated) for projecting, dispersing or spraying liquids or powders; fire extinguishers, whether or not charged; spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines[other than sprinklers; drip irrigation systems including laterals; mechanical sprayer; nozzles for drip irrigation equipment or nozzles for sprinklers]” shall be substituted;</p>



6.3. All items **were** covered under Chapter 8424 were covered under Schedule III of Notification 1/2017 dated 28/06/2017 i.e. 9%. However, vide Not.6/2018 wef 25/01/2018 (25th GST Council Meeting), mechanical sprayers, drip irrigation and sprinklers items GST rate is reduced to 6%.

6.4 The Applicant argued that it clearly indicates Council's intention to support agriculture/irrigation systems. Now, therefore Headings/Subheadings of Chapter 8424 as specified in Sr.No.325 of Schedule III (as mentioned above) though covering words "mechanical appliances" does not cover mechanical devices used for agricultural/irrigation purposes.

6.5. Such mechanical sprayers used for agriculture though backed up with battery support are still mechanical sprayers and covered under Not.6/2018 dated 25/01/2018 and subject to GST @6% (effectively 12%)

6.6 The Applicant also enclosed catalogue of mechanical sprayer for reference

6.7 Thus the mechanical sprayer must be taxed @ of 12% in GST

7. DISCUSSIONS AND FINDINGS:

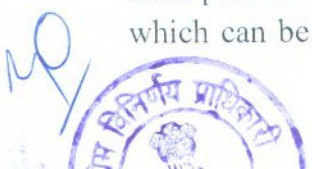
7.1 We have carefully considered the submissions made by the applicant in the application and during time of personal hearing.

7.2 We find that the question before us essentially pertains to classification of the product in question viz. Agriculture Knapsack Sprayer, and the rate of duty applicable on such products, particularly the applicability of concessional rate of tax in terms of Notification No.01/2017-Central Tax (Rate) dtd.2806.2017 as amended vide notification no.06/2018-CT(R) dtd.25.01.2018 and the corresponding notification issued under MPGST Act, 2017. We, therefore observe that the issue before us is squarely covered under Section 97(2)(a) and therefore we admit the application for consideration.

7.3. We find that the applicant has sought ruling on the product viz. Agriculture Knapsack Sprayers which are being traded by them. As per Sr.No.14 of the application the applicant has desired a ruling on a specific question '*What shall be the rate of GST on such product.*'

7.4. It has been argued by the applicant, through the written submission, additional submission and also at the time of personal hearing, that the impugned product is a Mechanical Sprayer which is used for agriculture and would be covered under Notification no.06/2018-CT(R) and the corresponding notification issued under MPGST Act thus subjected to GST @12%.

7.5. We have given a careful consideration to the arguments adduced by the applicant and the counsel and also various legal citations mentioned by them. As we can gather from the facts put forth by the applicant, the product in question is essentially a Mechanical Sprayer which can be carried on back and can be operated either by hand or through a battery. We



find that there is no dispute to the classification of product, which even as per the own admission of the applicant would be under Chapter Head 8424 of the GST Tariff.

7.6. We find that even the applicable rate of GST is not disputed prior to 25.01.2018 as the product 'Mechanical Sprayers' were subject to GST @18% as these were squarely covered under Sr.No.325 of the Notification no.01/2017-CT(R) dtd.28.06.2017 and the corresponding notification issued under MPGST Act. However, with effect from 25.01.2018, by dint of amending notification no.06/2018-CT9R) dtd.25.01.2018, and the corresponding notification issued under MPGST Act the item 'Mechanical sprayers' has been brought in the ambit of Schedule-II vide Sr.No.195B Thus, the question posed before us has relevance only for the period post 25.01.2018.

7.6. The Serial Number 195B of Schedule-II to the Notification no.01/2017-CT(R), post amendment vide Notification No.06/2018-CT(R) and the corresponding notification issued under MPGST Act reads as under:

<i>Sr.No.</i>	<i>Chapter Heading/Sub-heading/Tariff Item</i>	<i>Description 195B</i>
195B	8424	<i>Sprinklers; drip irrigation system including laterals; mechanical sprayers</i>

The Schedule-II specifies GST @12% (CGST @6% +SGST @6%) for the goods specified under the schedule. We find that the Sr.No.195B has been inserted into the Schedule-II vide Notification No.06/2018-CT(R) and the product under question Mechanical Sprayers is categorically mentioned there under. Thus, that hardly leaves any doubt that Mechanical Sprayers classifiable under Chapter head 8424 shall attract GST @12% with effect from 25.01.2018

7.7. We now take a look at the Sr.No.325 of Schedule-III to the Notification No.01/2017-CT(R) , which reads as under:

<i>Sr.No.</i>	<i>Chapter Heading/Sub-heading/Tariff Item</i>	<i>Description</i>
325	8424	<i>Mechanical appliances(Whether or not hand operated) for projecting dispersing or spraying liquids or powders; fire extinguishers, whether or not charged; spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines [other than sprinklers; drip irrigation systems including laterals; mechanical sprayer; nozzles for drip irrigation equipment or nozzles for sprinklers]</i>



The above Schedule-III specifies GST @18% for the products/goods specified therein. It is noteworthy that the Description against Sr.No.325, as mentioned above, has also been substituted vide Notification no.06/2018-CT(R) dtd.25.01.2018 and the corresponding notification issued under MPGST Act. Moreover, the exclusion part in this description specifically excludes Mechanical Sprayers from the ambit of Sr.No.325 to Schedule-III. We, therefore, find no ambiguity, whatsoever, as regards classification of impugned product viz. Agriculture Mechanical Sprayers as also the rate of GST that would be applicable on such Mechanical Sprayers with effect from 25.01.2018.

7.7. We are inclined to agree with the argument of the applicant that mere provision of a battery for operating the said Mechanical Sprayers would in no way alter the nomenclature or classification of the impugned product.

7.8. In view of our findings above, we observe that Agriculture Mechanical Sprayers will be classifiable under Chapter Head 8424 of the GST Tariff and such product would attract GST @12% in terms of Sr.No.195B of Schedule-II of Notification no.01/2017-CT(R) dtd.28.06.2017 as amended vide Notification No.01/2018-CT(R) dtd.25.01.2018, and the corresponding notification issued under MPGST Act with effect from 25.01.2018.

RULING

(Under section 98 of Central Goods and Services Tax Act, 2017 and the Madhya Pradesh Goods and Services Tax Act, 2017)

8.1 The product Agriculture Mechanical Sprayer will merit classification under Chapter Head 8424 of the GST Tariff and with effect from 25.01.2018, the said product would attract GST @12% in terms of Sr.No.195B of Schedule-II to Notification No.01/2017-CT(R) as amended vide Notification No.06/2018-CT(R) dtd.25.01.2018 and concurrent notifications issued by the State Tax authorities.

8.2 This ruling is valid subject to the provisions under section 103(2) until and unless declared void under Section 104(1) of the GST Act.

RAJIV
RAJIV AGRAWAL
(MEMBER)

NO.06/2019/A.A.R|R-28|24
Copy to:-

1. Applicant
2. The Chief Commissioner, CGST & Central Excise, Bhopal Zone, Bhopal
3. The Commissioner(SGST) Indore
4. The Commissioner, CGST & Central Excise, Indore
5. The Concerned Officer
6. The Jurisdictional Officer – State/Central

MANOJ
MANOJ KUMAR CHOUBEY
(MEMBER)

INDORE dt 24/07/2019
सत्यप्रतिलिपि

