



ABSTRACT

Agriculture – Horticulture – Tamil Nadu Horticulture Development Agency – Reduction of area of implementation from 79,912 ha. to 67,723 ha. to absorb the GST and implement Micro Irrigation Scheme within the allotted fund – Permission – Accorded - Orders – Issued.

Agriculture (H1) Department

G.O.(Ms) No.283

Dated 17.11.2017

ஹேவிளம்பி வருடம், கார்த்திகை -1
திருவள்ளூர் ஆண்டு 2048

Read :

1. G.O. (Ms) No.210, Agriculture (H1) Department, dated 24.08.2017.
2. From the Managing Director, Tamil Nadu Horticulture Development Agency, letter No.MIS1/ 1841/ 2017, dated 21.09.2017 and 23.10.2017.

ORDER:

In the Government Order first read above, orders were issued, sanctioning a sum of Rs.48236.25 lakh as 1st installment for implementing the Micro Irrigation Scheme under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) during 2017-2018.

2) The Managing Director, Tamil Nadu Horticulture Development Agency in the letter 2nd read above, has stated that in the notification 1/2017 Central Tax (rate) dated 28th June 2017, no separate classifications are given for Micro Irrigation equipments. PVC pipes and fittings are included in HSN Chapter 8424 and drip irrigation pipes are included in HSN chapter 3917 for which GST applicable is 18%. The Government has been continuously supporting the farming sector through Micro Irrigation by exempting the Micro Irrigation systems from excise duty and the VAT applicable ranges from 0-5% till the introduction of GST. Considering the predominance of small and marginal farmers in Tamil Nadu, the State exempted the VAT levied

[P.T.O...

on certain Agricultural inputs including Micro Irrigation Systems till GST was imposed.

3) Therefore, the Managing Director, Tamil Nadu Horticulture Development Agency has conducted a meeting with the officials from Department of Horticulture, Agriculture, Agricultural Engineering, Commercial Taxes and the representatives from Micro Irrigation Companies to discuss about the Input Tax Credit applicable for Micro Irrigation System and possibility of reducing this Input Tax Credit by the Micro Irrigation Companies so as to reduce the burden on farmers due to GST implementation.

4) The Managing Director, Tamil Nadu Horticulture Development Agency has further stated that for the current year empanelment, 36 micro irrigation companies have been approved for a period of three years (2017-18 to 2019-20) by State Level Sanctioning Committee on 31.03.2017 as per the empanelment period mentioned in draft Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) guidelines published in June 2016. From May 2017, the applications for the scheme were registered with the approved Micro Irrigation System prices for the year 2017-18. Prior to GST, each micro irrigation company had proposed their own pricing system which was approved by State Level Sanctioning Committee for individual components, but the entire system cost was as per BOQ mentioned in the Pradhan Mantri Krishi Sinchayee Yojana guidelines.

5) Further, the Managing Director, Tamil Nadu Horticulture Development Agency has stated that, after the discussions, all the Micro Irrigation Companies have agreed for uniform unit cost for individual components and accepted for reduction in the base cost of the Micro Irrigation system to the extent of 8% on an average taking into account the Input Tax Credit. The individual component prices were then arrived based on Input Tax Credit and the Micro Irrigation system, prices have been finalized which is found to be as per Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) guideline cost. An amount of Rs.482.36 crore (including admin cost of Rs.8.37 Crore) has been released as 1st instalment subsidy for implementing the scheme in an area of 79,912 ha. approx. The 18% GST applicable for the total cost of Rs.503.45 Crore (including 25% of Other Farmers share) is Rs.90.62 Crore. After reduction of Input Tax Credit, the total cost has reduced to Rs.426.65 Crore and the GST applicable for it, is

[P.T.O. . .

Rs.76.79 Crore. The area proposed to be covered for the reduced base cost is as follows:-

Rs. in Lakhs

Category	Total material cost including 25% other farmer share	18% GST applicable	Total cost including GST	Area proposed to be covered (Ha)
1	2	3	4=2+3	5
SF/MF (80%)	32679.86	5882.38	38561.94	54,179
Others (20%)	9985.51	1797.39	11782.81	13,545
Total	42665.37	7679.77	50344.75	67,723

If 18% GST is absorbed in the additional State subsidy extended to farmers by the State Government, then the proposed implementation area has to be reduced correspondingly. It is estimated that, 12,189 ha. approx. (79,912 - 67,723 ha.) will be reduced to accommodate GST in the subsidy portion. As per revision, 67,723 ha. approx. can be brought under Micro Irrigation coverage as against 79,912 ha. approx. originally proposed.

6) Therefore, the Managing Director, Tamil Nadu Horticulture Development Agency has requested to give approval for reduction of area of implementation from 79,912 ha. to 67,723 ha., so as to absorb the GST and to implement the scheme within the allotted fund of Rs.482.36 Crore released as 1st instalment for the year 2017-18 in G.O.(Ms) No.210, Agriculture (H1) Department, Dated 24.8.2017.

7) The Government, after careful examination, accept the proposal of the Managing Director, Tamil Nadu Horticulture Development Agency and accord permission to reduce the area of implementation from 79,912 ha. to 67,723 ha., so as to absorb the GST and to implement the scheme within the allotted fund of Rs.482.36 Crore released as 1st instalment for the year 2017-18 in the Government Order first read above.

[P.T.O. . . .

-:4:-

8) This order issues with the concurrence of Finance Department vide its U.O. No. 58855/Finance (Agri.)/2017, dated 16.11.2017.

(BY ORDER OF THE GOVERNOR)

**GAGANDEEP SINGH BEDI
AGRICULTURAL PRODUCTION COMMISSIONER
AND PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Director of Horticulture and Plantation Crops, Chennai -5.

The Managing Director, Tamil Nadu Horticulture Development Agency, Chennai-5.

The Secretary to Government of India, Ministry of Agriculture & Farmers Welfare, Department of Agriculture, Co-operation & Farmers Welfare (Horticulture Division), New Delhi -110 011.

The Principal Accountant General (G&SSA), Chennai -18.

The Principal Accountant General (E&RSA), Chennai -18.

The Principal Accountant General (AAD), Chennai-18.

The Resident Audit Officer, Office of the Principal Accountant General, Chennai -9.

The Pay and Accounts Officer (East), Chennai-8.

The Chief Accounts Officer, Office of the Director of Horticulture and Plantation Crops , Chennai - 5.

Copy to:

The Planning, Development and Special Initiatives Department, Chennai-9.

The Finance (Agri.) Department, Chennai - 9.

The Senior Personal Assistant to Hon'ble Minister for Agriculture, Chennai-9.

The Senior Private Secretary to Agricultural Production Commissioner and Principal Secretary to Government, Agriculture Department, Chennai -9.

File No.20694/H1.2/2017.

Stock File /Spare Copies.

//FORWARDED BY ORDER//

S. Ramesh
17.11.2017
Section Officer
S
11.11.17