

THE GOA APPELLATE AUTHORITY FOR ADVANCE RULING FOR

GOODS AND SERVICES TAX

Office of the Commissioner of Commercial Taxes, Goa Rajya Kar Bhawan, Old IPHB Complex, Near O/o Chief Electoral Officer, Altinho, Panjim, Goa - 403001
Tel: 0832-2422757

[Constituted under Section 99 of the Central Goods and Services Tax Act, 2017/Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017)]

BEFORE THE BENCH OF

Member: Shri. Sarpreet Singh Gill, the Commissioner, State Tax, Goa
Member: Shri. Mayank Kumar, the Chief Commissioner, CGST & Customs, Pune Zone.

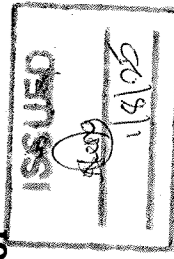
Order No. GOA/GAAAR/01 of 2025-26/1973 Dated: 31/07/2025

Name of the Applicant/the Taxpayer	Akhil Arun Naik
Address	H. No. 6/188/15, Behind Dr. Shirsat Residence, Tisk Ponda, Goa 403401
GSTIN	30AQRPN4325L1ZM
Advance Ruling Order under Reference	Advance Ruling Order No. GOA/GAAR/04 of 2023-24 dated 31.01.2025
Reason of Present Appeal/Reference	The present matter has been referred to the Appellate Authorities due to different views of Member CGST and Member SGST of Advance Ruling Authority on GST leviability on supply of drinking water through tankers to IIT Goa for students.
Date of Hearing	10.07.2025
Persons Present for Hearing	Shri Arun K. Naik, Authorized Representative (Father of applicant) and Mrs. Vinita Sanjay Singbal, Authorized Representative of the applicant.

PROCEEDINGS

(Under Section 101 of the Central Goods and Services Tax Act, 2017 or the Goa Goods and Services Tax Act, 2017)

1. The present matter has been referred to the Appellate Authority in terms of provision of Section 98(5) of the Goa Goods and Services Tax Act, 2017 and the Central Goods and Services Tax, Act 2017 (hereinafter referred to as 'the GST Acts') as members of the Advance Ruling differ on applicability of **GST on supply of drinking water through tankers to IIT Goa for**



students by the applicant Shri **Akhil Arun Naik, H. No. 6/188/15, Behind Dr. Shirsat Residence, Tisk Ponda, Goa 403401** (hereinafter referred to as the 'the Applicant' or 'the applicant').

BRIEF FACTS

2.1 The applicant Shri Akhil Arun Naik, H. No. 6/188/15, Behind Dr. Shirsat Residence, Tisk Ponda, Goa 403401 is a registered taxable person and holds GSTIN **30AQRPN4325L1ZM**.

2.2 The Applicant received a work order from Indian Institute of technology (IIT) Goa for students for staggered delivery of potable drinking water, water is to be transported either from well or R.C.C. storage Tank of Public Works Department (PWD) which is filling point for the tanker from where it is supplied to the concerned party i.e. IIT Goa for students. The work order IIT Goa mentions that the rates are inclusive of GST and hence the GST rates are not reflected in the particular order. The applicant with respect to the said supply of potable water through tankers to IIT Goa for students had sought the advance ruling whether **GST would be applicable if bulk quantity of water is supplied through tankers**.

2.3 The Goa Advance Ruling Authority had heard the matter however members of the Advance Ruling Authority differed on GST applicability or GST leviability on supply of potable water through water tankers. The member SGST had found the said supply of water through water tankers exempted under entry no. 99 of Exemption Notification No. 2/2017-CT (Rate) dated 28.06.2017 whereas the member CGST has ruled that the said exemption is not applicable to the said supply in as much as the water is subjected to the process of chlorination and such chlorinated water falls under category of 'purified', which is one of the exclusion categories of entry no. 99 of Exemption Notification No. 2/2017-CT (Rate) dated 28.06.2017. Accordingly, the impugned Advance Ruling Order No. GOA/GAAR/04 of 2023-24 dated 31.01.2025 was passed and the said order was referred to the Appellate Authority for hearing and decision, as envisaged under Section 98(5) of the GST Acts.

PERSONAL HEARING

3. The personal hearing in the matter held on 10.07.2025. Shri Arun K. Naik, Authorized Representative (Father of applicant) and Mrs. Vinita Sanjay Singbal, duly authorized representatives attended the hearing and reiterated the points deliberated in written submissions made along with their original application. They also mailed copy of Tender issued by IIT Goa and Work Order issued to them by IIT Goa.

DISCUSSION AND FINDINGS

4. We have carefully gone through the impugned Advance Ruling Order dated 31.01.2025, oral and written submissions made by the applicant during personal hearing held on 10.07.2025 and other relevant documents/records as submitted before us during the proceedings.

5. The present matter has come up before us because of different or contrary rulings by CGST member and SGST member in the impugned **Advance Ruling No. GOA/GAAR/04 of 2023-24 dated 31.01.2025** on the issue of applicability of Goods and Services Tax (GST) on the supply of water through tankers by **M/s. Akhil Arun Naik (hereinafter referred to as “the applicant” or “the Applicant” or “the applicant entity”)**. The water, sourced from a well or an RCC storage tank (contained chlorinated water) maintained by the Public Works Department (PWD), is supplied via tankers by the applicant to IIT Goa for use by students.

5.1.1 The SGST Member of Goa Authority for Advance Ruling (GAAR) had answered:

“The supply of water for students by a staggered delivery of potable drinking water to be transported either from well or RCC storage tank of PWD which is filling point for the tanker, from where it is supplied to the concerned party i.e. IIT Goa for students as per the work order cited by the applicant, being a composite supply with supply of water as the principal supply, is covered under entry no. 99 of the Notification No. 2/2017-CT (R) dated 28.06.2017 and thus is exempt from Tax under GST.”

5.1.2 The CGST Member of GAAR had found the supply by the applicant entity as composite supply with supply of water as the principal supply however she further observed that the chlorinated water supplied by the applicant falls under the category of “purified” and therefore it is taxable @ 18% GST under the Chapter Heading 2201 under Sr. No. 24 of Notification No. 2/2017-CT (Rate) dated 28.06.2017, as amended and accordingly, answered that the applicant case is not covered under entry no. 99 of Notification No. 2/2017-CT (Rate) dated 28.06.2017.

5.2 As the ruling of both the members was different or contrary or opposite, the matter is referred to us being the Appellate Authority. Here, the question for determination is whether the supply of water taken from well or storage tank of PWD subjected to chlorination, through water tankers or in bulk quantities to IIT Goa for students, qualifies for exemption under Entry No. 99 of Notification No. 2/2017-Central Tax (Rate) dated 28.06.2017, as

amended.

6.1 Here, it would be relevant to reproduce hereunder the relevant entry no. 99 of Notification No. 2/2017-CT (Rate) dated 28.06.2017, which was quoted and discussed in the impugned Advance Ruling:

“Water [other than aerated, mineral, purified, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container]” – NIL rate of CGST.

From the above entry, it clearly comes out that:

- The entry provides GST exemption for supply of “water”, subject to certain exclusions;
- Excluded from this exemption are specific types of aerated water, mineral water, purified water, distilled water, distilled water, medicinal water and water sold in sealed containers.

6.2 Here, it is relevant to mention that **in the above Notification, against Sl. No. 99, the word “purified” was omitted vide Notification No. 7/2022-CT (Rate) dated 13.07.2022 (effective from 18.07.2022).**

6.3 It is also observed that the Central Board of Indirect Taxes And Customs (CBIC) had issued a **Circular No. 56/26/2018-GST dated 09.08.2018**, on applicability of GST on supply of potable or drinking water for public purposes. The relevant extract of the Circular is reproduced hereunder for clarity:

“6.1 Applicability of GST on supply of safe drinking water for public purpose: Representations have been received seeking clarification regarding applicability of GST on supply of safe drinking water for public purpose.

6.2 Attention is drawn to the entry at S. No. 99 of notification No. 2/2017-Central Tax (Rate) dated 28.06.2017, by virtue of which water [other than aerated, mineral, purified, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container] falling under HS code 2201 attracts NIL rate of GST.

6.3 Accordingly, supply of water, other than those excluded from S. No. 99 of notification No. 2/2017-Central Tax (Rate) dated 28.06.2017, would attract GST at “NIL” rate. Therefore, it is clarified that supply of drinking water for public purposes, if it is not supplied in a sealed

container, is exempt from GST.”

7.1 Now we proceed to examine the matter or issue at hand. As regards process of chlorination basis which Member CGST for Advance Ruling had denied exemption under Sl. No. 99 of Notification No. 2/2017-CT (Rate) dated 28.06.2017 by considering the process as “purified”, we find that amendment vide Notification No. **7/2022- CT (Rate) dated 13.07.2022 (effective from 18.07.2022), omitting word “purified” from Sl. No. 99** was not even considered or discussed during proceedings of the impugned Advance Ruling Order dated 31.01.2025. Hence, w.e.f. 18.07.2022, the word or process or category “purified” was no longer in existence in exclusion category of Sl. No. 99 of Notification No. 2/2017-CT (Rate) dated 28.06.2017 as amended. Further, it is also observed that the tender was issued by IIT Goa for the impugned supply on 09.12.2022 and subsequent work order was issued to the applicant on 01.02.2023. Hence, even during the material period, there was no question of going into word or process or category “purified” for Sl. No. 99 of Notification No. 2/2017-CT (Rate) dated 28.06.2017 as amended vide Notification No. **7/2022- CT (Rate) dated 13.07.2022 (effective from 18.07.2022)**. Accordingly, we find that the observations and findings with respect to denial of exemption to the applicant in the impugned Advance Ruling Order does not hold any legal validity and the impugned supply of potable water subjected to chlorination through water tankers to IIT Goa for students is eligible for exemption from GST as the same is covered under Sl. No. 99 of Notification No. 2/2017-CT (Rate) dated 28.06.2017 as amended.

7.2 Further, we also observe that even before this amendment or omission, CBIC vide Circular No. 56/26/2018-GST dated 09.08.2018 *supra* had clarified that supply of drinking or potable water for public purposes, not in sealed container is exempt from GST. Even the said Circular was also not considered and discussed during proceedings of the impugned Advance Ruling Order dated 31.01.2025. In the instant case, it is an undisputed fact as observed from the work order submitted by the applicant that the drinking or potable water was required to be supplied by the applicant through water tankers to IIT Goa students. Hence, it clearly comes out in the instant case that the drinking or potable water is not supplied in a sealed container and is clearly for public purpose. Accordingly, exemption for GST to the impugned supply of drinking or potable water through water tankers to IIT Goa for students is available under Sl. No. 99 of Notification No. 2/2017-CT (Rate) dated 28.06.2017 as amended.

8. In view of above findings, we the Appellate Authority are of the view that the supply of drinking water through water tankers or in bulk quantities


to IIT Goa for students as per the work order cited by the applicant, is covered under entry no. 99 of Exemption Notification No. 2/2017-CT (R) dated 28.06.2017, as amended and thus is exempt from Tax under GST. We hold accordingly and dispose of this matter.

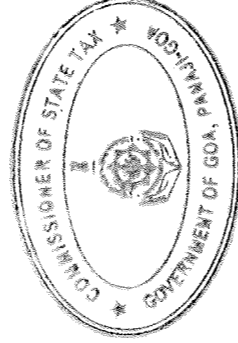
9. In view of the above discussions and findings, this Appellate Authority passes the following order:

ORDER

(Order under Section 101 (1) of the Goa Goods and Services Tax Act, 2017 and the Central Goods and Services Tax, Act 2017)

The supply of drinking water through water tankers or in bulk quantities to IIT Goa for students as per the work order cited by the applicant, is covered under entry no. 99 of Exemption Notification No. 2/2017-CT (R) dated 28.06.2017, as amended and thus is exempt from Tax under GST.


(Mayank Kumar)
Member




(S. S. Gill, IAS)
Member

Dated: - 2025
Place: - Panaji, Goa

To

Shri Akhil Arun Naik,
H. No. 6/188/15,
Behind Dr. Shirsat Residence,
Tisk Ponda, Goa 403401

Copy to:

1. The Addl. Commissioner of State GST (HQ), Panaji – Goa.
2. The Joint Commissioner of Central GST, Panaji – Goa.
3. The Dy. Commissioner of Central Tax, GST Bhawan, Patto, Panaji, Goa.
4. The Dy. Commissioner of State Tax, Ponda Ward, Ponda–Goa.
5. The State Tax Officer, Ponda Ward, Ponda–Goa.
- ✓ 6. Office file.
7. Guard file.