The Maharashtra Goods and Services Tax Act, 2017

Circulars

The Commissioner of Goods and Services Tax, Maharashtra State, has issued following Circulars: -

a) Internal Circular no.6A of 2022 dt.23.3.2022 by which instruction regarding care to be taken while revocation of cancellation of GST registration are given. It will also be useful for concerned persons.

b) Internal Circular no.7A of 2022 dt.29.3.2022 by which clarifications are given about issuance of orders of provisional attachment and restoration thereof on BO System. This will also be useful to concerned persons.

c) Trade Circular 1T of 2022 dated 20.04.2022 in which salient features of recently announced Settlement Scheme, 2022 are explained.

Settlement Act

The Maharashtra Settlement of Arrear of Tax, Interest, Penalty or Late Fee Act, 2022 (Amnesty Settlement Scheme,2022)

The Government of Maharashtra has enacted Maharashtra Settlement of Arrear of Tax, Interest, Penalty or Late Fee Act, 2022 dated 28.3.2022. Under this Act, there is waiver scheme of tax, interest and penalty for the period upto 30th Sept,2022.

Case: M/s WORLEY SERVICES INDIA PVT LTD [2022-4-TMI-185] (MAHARASHTRA AAR)

Facts of the Case:

1. The Applicant is a part of Worley Parsons Limited, which is a global engineering company providing project delivery and consulting services to e resources and energy sectors and other complex process industries. It is s engaged in the provision of project management consultancy ('PMC') services. The PMC services are provided to various natural oil and gas companies as well as oil and gas mining and exploration companies.
2. Project 1 : Vedanta Limited CVO (VL) who is in the business of exploration and mining of various natural resources, is the operator of the onshore hydrocarbon block, intends to develop new Raageshwari deep gas ('RDG') facilities under the RDG Gas Development Project, in Rajasthan
3. Project 2: This Project involves Field Development Plan ('FOP') preparation and execution, well facilities, development of surface facilities and well development and covers end to end integrated gas well construction which includes well pad facilities, intro field pipeline networks, facilities at central gathering pad and trunk line to the Vedanta Ltd's processing facility.
4. VL has entered into separate agreements dated 29.05.2018 and 10.01.2019 with the Applicant in relation to Project 1 and Project 2 for supply of PMC services. The PMC services are customized and tailor made to suit the requirements of VL and further require extensive technical and sound expertise. As per the agreements, the Applicant is required to continuously review, monitor, manage and control all aspects of the execution of the projects on behalf of VL to complete it with quality, on time and within the approved cost.
5. The scope of work of the Applicant, as per the agreements, includes, Project Governance, Schedule management, Project documentation review and engineering management, performance Management, Cost Reporting Control, Risk, Issue and Scope Management, procurement Management, Quality Management, Health, Safety and Environment Management, Material and Construction Management, Contract Management, Communication Management, EPC Contractor/Sub-Vendor/Sub Contractor Management, Commissioning and Completion Management and Integrated Project Management Office ('PMO'). Applicant acts as a single point of contact and also has to consolidate works of all Project Contractors and sub-contractors of various modules of the Projects in close coordination with the Project Team/Business Planning Team/Technical Services and Project Delivery Support Team.
6. The Applicant presently, classifies the aforesaid services under SAC '998339' as 'Project management services for construction projects' and pays GST @ 18% as per the residuary entry under SI No. 21 of Notification No. 8/2017-ITR.
7. With issuance of Notification No. 19/2019 - ITR effective from October 1, 2019, Applicant is of the belief that, the subject services are classifiable under SI No. 24(ii) of heading 9986 of the Rate Notification - 'Support services to exploration, mining or drilling of petroleum crude or natural gas or both' under SAC 998621, attracting GST @ 12%.

8. Hence the present application is filed.

Questions before AAR:

(a) Whether the services provided by the Applicant are classified under SI No. 24 (ii) of heading 9986 of the Rate Notification as 'Support services to exploration, mining or drilling of petroleum crude or natural gas or both' under SAC 998621 and attracts GST @ 12% ?

(b) Alternatively, whether their services are classified under SI No. 21 (ia) of heading 9983 of the Rate Notification as 'Other professional, technical and business services relating to exploration, mining or drilling of petroleum crude or natural gas or both' and attracts GST @ 12% ?

(c) If the subject services are not classifiable under the aforesaid entries, what would be the appropriate classification for the same and at what rate GST would be imposable?

Arguments by Applicant:

1. On account of the unique nature and complexity of the services, the Applicant has the work force of professionally trained engineers who possess the qualification, technical expertise and skill sets required for executing the Projects and achieving the desired objective. Such services are in the nature of operational or administrative assistance in any manner to VL, and merits classification as 'support services to exploration, mining or drilling of petroleum crude or natural gas, or both.

2. The term 'support' signifies anything which helps in sustenance, keeps something going, enables something to exist or continue. Further, as per erstwhile Finance Act, 'support services' would include all operational, administrative, consulting and management services, or any other such support services, which the entities or recipients would carry out themselves, but have outsourced the same to the supplier of such services.

3. VL was required to review, monitor and manage the activities of such EPC contractor for the development Project but has outsourced the same to the Applicant vide separate agreements covering the scope of PMC services. In light of the said scope of work, Applicant has been outsourced the activity of administration and management of the entire Projects, on behalf of VL.

4. The amendment made vide Notification No. 19/2019- ITR, wherein 'support service of exploration, mining or drilling of petroleum crude or natural gas or both, was substituted to read as 'support services to exploration, mining or drilling of petroleum crude or natural gas or both.' The amendment had widened the scope of services, in as much as, such services would cover all ancillary or incidental activities to the main activity of mining or exploration of natural gases, and not only those support services which directly involves mining or exploration of gas. The term 'to' indicates contact or proximity to the subject or, more specifically, means 'towards'.

5. Mining is the process of extracting of minerals/petroleum/natural gas, as the case maybe and also includes within its ambit, the ancillary and incidental activities such as extraction, purification, development of existing mining facilities, all of which is in relation to the activity of mining of minerals/petroleum/natural gas from the Earth. Until and unless the PMC services provided by the Applicant are integrally connected with that of mining operations undertaken by the EPC Contractor on behalf of VL, the objective of achieving the desired augmentation/development of the oil and gas facilities would not be fulfilled. Hence, the supply of services provided by the Applicant is squarely covered within the ambit of Si No. 24 (ii) of heading 9986.

6. Without prejudice, in the event the supply of services by the Applicant do not merit classification under Heading 9986 of the SAC, the said services would merit classification as 'Other professional, technical and business services relating to exploration, mining or drilling of petroleum crude or natural gas or both' under Si No. 21(ia) of heading 9983 of Rate Notification, attracting 12% GST.

7. Entry (ia) of Sl. No. 21 of Rate Notification was inserted vide Notification No. 19/2019 with effect from October 1, 2019 in order to classify particular services such as management and consultancy services relating inter alia mining, and which do not merit classification as support services to mining under Heading 9986 of the SAC. The said entry uses the phrase 'relating to, which signify that any professional, technical and/or business services provided relating to mining, would merit classification under the said entry.

Decision of AAR

1. From the submissions made by the applicant, we find that both the Projects of Vedanta Limited are pertaining to the oil and gas sector and in particular for augmentation of the oil/gas facilities and therefore it can be said that both the impugned projects are pertaining to mining of oil/gas. the applicant has been contracted to supply customized and tailor-made PMC services to suit the requirements of VL and from the oral and written submissions made by the applicant we find that there is no supply of goods involved in the subject case and therefore the impugned supply is a supply of services.

2. We find that, the work of exploration, mining or drilling of petroleum crude or natural gas or both Vedanta Limited and support services in such respect are performed by the EPC contract or who have been contracted to and are responsible for all the engineering, procurement, and construction activities to deliver the subject Projects.
3. The Explanatory notes to service code 998621 "includes derrick erection, repair and dismantling services; well casing, cementing, pumping, plugging and abandoning of wells; test drilling and exploration services in connection with petroleum and gas extraction; specialized fire extinguishing services; operation of oil or gas extraction unit on a fee or contract basis and this service code does not include: - geological, geophysical and related prospecting and consulting services, cf. 998341".
4. Thus, it is seen that the service code 998621 includes services provided to the oil and gas mining sector by way of actual participation in the mining activity, and in the subject case, it would appear that it is actually the EPC contractor who is giving support services to VL.
5. We find that the impugned activity is not covered under Heading 998621 and therefore the first question raised by the applicant will have to be answered in the negative.
6. In respect of the alternate entry suggested by applicant, they have mentioned of Circular No. 114/33/2019-GST issued by the GOI. Para 4.1 of the above-mentioned Circular states that the scope of the entry at Sr. No. 21 (ia) under heading 9983 of Notification No. 11/2017- CTR inserted with effect from 1st October 2019 vide Notification No. 20/2019- CT(R) dated 30.09.2019 shall be governed by the explanatory notes to service codes 998341 and 998343 of the Scheme of Classification of Service.
7. It is clear that the impugned services are not covered by the said Explanatory Notes since, the Notes to service code 998341 is restricted to Geological and geophysical consulting services and the Notes to service code 998343 is restricted to Mineral exploration and evaluation and the impugned services cannot be considered as being connected to either Geological and geophysical consulting services or Mineral exploration and evaluation services.
8. In the subject case as discussed above, even though the impugned services consist of professional, technical and business services, the same are not covered under Sr. No. 21 (ia) (SAC 9983) and Sr. No. 24 (SAC 9986) of Notification 11/2017-CT (R) as amended.
9. Therefore, the said professional, technical and business services supplied by the applicant to VL are clearly covered under the residual Entry No. 21 (ii) of Notification 11/2017-CT(R) dated 28.06.2017 as amended, attracting tax rate of 18%

Case: M/s FAIR TRADE ALLIANCE KERALA [2022-TIOL-40-AAR-GST] (THIRUVANTHAPURAM AAR)

Facts of the Case:

1. The applicant is an association formed in 2006 of over 4000 Small Holder Farmers in North Kerala.
2. They are engaged in supply of agricultural produce through concept of fair trade. They focus on issues of sustainable farming and trade justice.
3. That Fair Trade is an organized social movement and market-based approach that aims to help producers in developing countries to obtain better trading conditions and promote sustainability. Generally, farmers and workers at the beginning of the chain do not always get a fair share of the benefits of trade. The system of Fair Trade ensures that the farmers who are at the beginning point of the supply chain are adequately compensated as being part of the Fair-Trade community
4. The applicant is Fairtrade certified in 2006 for a wide range of products such as cocoa, coffee, cinnamon, cloves, ginger, nutmeg, mace, black and white pepper, cardamom, turmeric, cashew nuts, and coconuts. The applicant procures goods from the farmers at Fair Trade minimum price. Such prices are higher than the prevalent marketing prices.
5. The agricultural produce, after procurement, is sold to another company, which is also Fair Trade certified. The purchaser company would export the goods either as such or after such processing as required. The exporter raises an invoice on the buyer abroad for a price that is inclusive of the premium at the percentage prescribed for each product. The foreign buyer would pay the invoice price. The price which is attributable as consideration for the supply is retained by the exporter. The component of a premium is passed on to the Applicant.

Questions before AAR:

1. Whether the applicant is liable to pay GST on component of "Fair Trade Premium"?
2. Whether the component of 'Fair Trade Premium' constitutes consideration or additional consideration for supply of goods made by the applicant?

3. Whether component of 'Fair Trade Premium' can be treated as an ex-gratia payment which is not liable for GST either as supply of goods or as supply of services?

Arguments by Applicant:

1. Fair Trade Minimum Price [FTMP] is the minimum price that must be paid by buyers to producers for a product to become certified against the Fair-Trade Standards. It is therefore the lowest possible price that the Fair-Trade payer may pay to the producer. When the relevant market price for a product is higher than the Fair-Trade minimum price, then at least the market price must be paid.
2. Fair Trade Premium is an extra sum of money received by the farmers and workers for their produce or labour in addition to the price of the commodity. The availability of this incentive to the farmer/worker community is one of the prominent features of the fair-trade concept. The Fairtrade premium is calculated as a percentage of the volume of produce sold. The amount of premium, farmers receive differs from product to product and across regions. The price is reviewed every three to four years by the regulatory bodies to adjust to local inflation. The fair-trade premium is generally fixed on parameters as a certain fixed percentage of minimum fair-trade price etc.
3. The fair-trade premium is not paid by any institution or organization but is a burden borne by the ultimate consumer. It is reflected in the higher market price they pay for the fair-trade labelled product picked up from the shop shelves. The importer of Fair-Trade products in the consuming country is the payer of the Fair-Trade Premium and the exporter from the producing country is the conveyor of the FT premium to the Farmer's / producers' organization.
4. The amount paid as a fair-trade premium by the ultimate consumer travels down the line of the supply chain and reaches the fanner/worker through an established system. The use of the Fairtrade premium is restricted to investment in the producer's business, livelihood and community or the socio-economic development of the workers and their community.
5. A large part of the Fairtrade Premium is invested in converting farms to organic production so that farmers can benefit from higher prices and access quality conscious markets. It is also used to defer the organic certification costs of farmers.
6. Other purposes of premium include the flagship project of applicant known as Jaiva jeevadhara project, community drinking water schemes, interest-free loans for ancillary farm income activities, creation of indigenous seed banks and a host of activities that promote Bio-Diversity, Food Security and Gender Justice.
7. The applicant submits that the value of Fair-Trade Premium is not forming part of the consideration for the supply made by the applicant and is hence not forming part of the value of the supply of goods liable for GST. It is, therefore, interpreted that consideration is a payment made or to be made in respect of a supply. In other words, the component of consideration is integrally connected with 'Supply'.
8. While dealing with the scope of 'supply', it provides that supply includes 'sale'. There is no dispute regarding the fact that the transaction between the applicant and the buyer constitutes the sale of goods. The sale of goods is a bilateral transaction where the seller and buyer are the contracting parties. An essential ingredient of such a sale is the 'price' mutually agreed between the parties. Fixation of a price is a matter of agreement between the parties. Only such amounts which are made towards or in respect of sale alone can be treated as 'consideration'.
9. The component of Fair-Trade Premium, reaching the hands of the applicant, in the above manner is neither consideration nor additional consideration for the supply made by the applicant. The component of Fair-Trade Premium does not form part of the price bargain between the applicant and the first buyer, who is the exporter. The sale is concluded as and when the price as mentioned in the invoice raised by the applicant is paid by the exporter. As far as the exporter-buyer is concerned, his legal obligation to abide by the contract of sale is completed as soon as the invoice price is paid. There is no further legal obligation on the exporter to collect premium and pass it on to the supplier, though they are doing the same as part of their social obligation under the fair-trade scheme.
10. The component of the premium is not borne by the first buyer who is the exporter but is paid by the importer abroad while purchasing a fair-trade certified product. The exporter is only a conduit in passing on the same to the supplier. His status in Fair Trade parlance itself is the conveyor. The supplier is also an agent for receiving and keeping the amount and using it for developmental activities.
11. The amount representing consideration comes with a legal right of recovery. It means, if the buyer is not paying the amount of consideration as agreed between them, the supplier has a legal right to sue the buyer for violation of the contract of sale. But in the case of fair-trade premium, the supplier is not having a legal right to sue anyone, if no premium is received for the products. This is because the fair-trade premium is a component contributed by the end customer by willingly participating in

the system of Fair Trade. Further, it applies only if eventually the goods purchased from the applicant are sold by the purchaser/exporter as Fair Trade certified.

12. The supplies between the applicant and the buyer and the applicant and the suppliers who are farmers are governed by transaction value, which is the invoice price. The component of Fair-Trade Premium cannot be treated as consideration' for the supply effected by the applicant and consequently is not forming part of transaction value under Section 15 of CGST Act, 2017.

13. Any sum received dehors the contract of sale from another entity, whether it be Government or anyone else, cannot be regarded as being an amount that would form part of the sale price on which tax is payable. Fair Trade Premium is in nature of an 'ex gratia payment' and is not liable for GST. An ex-gratia payment can move from any person including a customer or consumer and is made as a goodwill gesture. Such payments are outside the scope of GST since the amount is completely detached from the consideration of the product. The component of such ex-gratia payment is further distinguishable by the fact that there is no obligation on part of the payee to make the payment.

14. Prior to GST, the issue of whether the component of Fair-Trade Premium is to be added to the turnover of applicant organization had come up for consideration before the Deputy Commissioner, Appeals, KVAT in the context of VAT Assessments for the period 2011-12 to 2014-15. The issue has been decided in favour of the applicant by Order dated 24.07.2019, holding that the component of Fair-Trade Premium is not forming part of the turnover of the applicant

Arguments by Revenue :

1. On verification of the statutory audit report in GSTR 9C and GSTR 9 filed by the applicant for the years 2017-18 and 2018-19 it is found that the fair-trade premium received in the respective years are included in the total turnover of outward supply. The component of the Fair-Trade premium constitutes consideration or additional consideration for the supply of goods made by the applicant. The element of fair-trade premium is linked with the supply of goods made by the applicant. The exporter passed on the component of fair-trade premium to the applicant on the basis of the supply of goods effected to the exporter. If there is no supply of goods, there is no premium. Hence, the component of fair-trade premium constitutes consideration and is leviable to GST

Decision of AAR

1. As per Section 15(1) of the CGST Act, the value of a supply of goods or services or both shall be the transaction value, which is explained as the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.

2. It is clear that any payment made or to be made whether in money or otherwise in respect of or in response of inducement of supply of goods or services or both forms part of the consideration and should form part of the value of taxable supply. The definition of the term consideration is inclusive which not only includes the payment received by the supplier in relation to the supply from the recipient but also from any other person.

3. The statement of facts in the instant case reveals that the applicant receives the fair-trade premium from the recipient of supply itself and fair-trade premium has a clear nexus with the supply of goods as it is determined/calculated as a prescribed percentage of the volume/quantity of each produce/commodity sold and it is collected from the ultimate consumer as a component of the price of the product itself. Therefore, the fair-trade premium received by the applicant is nothing but part of the price that is actually paid/received in response to the supply of the goods made by the applicant and invariably constitutes an additional consideration received in respect of the supply of goods and is to be added to the taxable value of the respective goods supplied and liable to GST at the same rate as applicable to the goods supplied.

4. Further, the order of the appellate authority pertains to the interpretation and applicability of Explanation VII of clause 1 (ii) of Section 2 of the KVAT Act and hence is not relevant to this issue given the definition of consideration and the provisions of Section 15 of the CGST Act governing the value of taxable supply.

Case: M/s NAGPUR WASTE WATER MANAGEMENT PVT LTD [2022-4-TMI-106] (MAHARASHTRA AAAR)

Facts of the Case:

1. The Appellant has entered into a contract on 12.12.2014 with Nagpur Municipal Corporation (NMC) with regard to setting up, and operating of Sewage Treatment Plant for the treatment of sewage water generated in Nagpur city. For undertaking the aforesaid activities, it is being paid on the basis of agreed capital expenditure (CAPEX) and operating expenses (OPEX) by the NMC as a consideration. The said consideration is being charged by the Appellant from NMC along with the applicable GST.

2. In addition to this, the Appellant is also entitled to sell the Tertiary Treated Water to any person for non-potable application. Nagpur Municipal Corporation (NMC), Maharashtra State Electricity Generating Company Limited (MAHAGENCO) and the

Appellant had entered into a tri-partite Agreement dated 29.12.2017 for supply of 150 MLD Tertiary Treated Water (hereinafter referred to as "TTW") to MAHAGENCO on daily basis.

3. The Appellant was required to set-up a Tertiary Treatment Plant to further treat water from Sewage Treatment Plant (STP) at Bhandewadi and supply the TTW to MAHAGENCO through Pipeline laid by the Appellant. The water supplied is not potable drinking water but is suitable for the industrial use only. The TTW is used in the cooling towers of power plants.

4. The appellant supplied TTW by charging 18% GST, however MAHAGENCO disputed the payment of GST on the ground that "Tertiary Treated Water was exempt from tax under Notification No. 02/2017-CTR.

5. The Maharashtra Authority for Advance Ruling held that the "Tertiary Treated Water" is purified water and therefore, not covered under the exemption Notification No. 02/2017-CT-(Rate) dtd.28.06.2017 i.e. Water other than aerated, mineral, purified, distilled, medicinal, ionic, battery, demineralized and water sold in sealed container and therefore, not exempt from tax.

6. The Authority further held that the impugned product was covered under Schedule III, Entry 24, under the Chapter Heading 2201, i.e. Waters, including natural or artificial mineral waters and aerated waters not containing added sugar or other sweetening matter nor flavored and therefore, was Liable to GST at the rate of 18 %.

7. Hence, the present appeal.

Questions before AAAR:

1. Whether the impugned product, TTW, supplied by the Appellant to M/s. Mahagenco, can be construed as 'purified water', or not?

2. Whether the same is exempt under entry 99 of notification 2/2017-CTR?

Arguments by Appellant:

1. On application of "the common parlance test" for finding the meaning of the term "purification", it has been submitted that the term "purified water" means water for human consumption, which is not the case here. The TTW (Tertiary Treated water) supplied by the Appellant to M/s. MAHAGENCO would not qualify to be "purified water", as it still contained various chemical impurities, bacteria and viruses due to which the said TTW was not fit for human consumption.

2. The rule of "Ejusdem-Generis" shall be applied for true and correct interpretation of Entry 99 of the Notification No. 02/2017.

3. That when there is more than one entry which may cover Tertiary Treated Water, the entry, which is beneficial to the assessee, needs to be adopted, and on applying this rule, it may be held that Tertiary Treated Water would be exempt from levy of GST.

4. The Appellant also drew attention to Agenda Item 9 of 14th GST Council Meeting held on 18th & 19th May, 2017, wherein it was stated that the committee had recommended the rates after taking into account the present tax incidence on account of Central Excise, Service Tax and VAT. In light of the above, it was submitted by the Appellant that earlier position of taxability of TTW is to be applied under GST Act also, which if applied, would made the TTW exempt from GST as the TTW was not taxable under the erstwhile Central Excise Act as well as erstwhile VAT Act.

Arguments by Revenue :

1. The said TTW is nothing but purified water as the Tertiary treatment is the final cleaning process that improves wastewater quality before it is reused, recycled, or discharged into the environment. That this treatment removes the inorganic compounds, and substances, such as nitrogen and phosphorous, thereby, claiming the tertiary treatment of water as a process of purification.

2. Since the Appellant are supplying purified water to MAHAGENCO, hence, the impugned product, i.e., Tertiary Treated Water is not exempt under SI. 99 of the exemption Notification No. 2/2017.

3. They further deposited that the impugned product, i.e., TTW, should be taxed at the rate of 18% (CGST @9% +SGST@9%) in terms of SI. No. 24 of Schedule III of the Notification No. 1/2017-CTR.

Decision of AAAR

1. Since, the term "purified" is not defined under the CGST Act, 2017, we will resort to the dictionary meaning of the same. As per the website Dictionary.com, the term "purify" means: 1) to make pure; free from anything that debases, pollutes, adulterates, or contaminates. Accordingly, the "purified water" means such water which is free from foreign, extraneous, or objectionable elements.

2. On perusal of the facts of the case, it is seen that the impugned product, i.e., TTW, is obtained after carrying out various physical and biological processes on the sewage water. By carrying out the said physical and biological processes on the

sewage water inside the Sewage Treatment Plant and Tertiary Treatment Plant, the sewage water is made free from various organic and inorganic substances, such as suspended particles, grit, clays, pollutants like nitrogen, phosphorus, etc.

3. However, even after carrying out the said physical and biological processes, water coming out from the Tertiary Treatment Plant still contains various biological contaminants, such as bacteria, virus, along with other impurities. Thus, it can be safely concluded that the resultant water is not pure due to presence of the said impurities and foreign elements.

4. Similar view has also been endorsed by the Tamil Nadu AAAR order in the case of M/s. New Tirupur Area Development Corporation Ltd wherein inter alia it was held as under: "In chemical terms, purified water is pure H2O and only contains Hydrogen and Oxygen and no minerals; Distilled water is the most common form of pure water.

5. It is further observed that even potable water, which is fit for human consumption, will also not be treated as pure water due to the presence of various minerals and other elements like chlorine, which are added in it to kill the harmful micro-organisms that cause diseases.

6. Applying the principle of "noscitur a sociis " In the instant case, the TTW, which is supplied by the Appellant to M/s. Mahagenco for use in the power plant, does not have any specific characteristics and usages as those of the other specific water, such as "aerated, mineral, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container" mentioned in the exclusion clause of the entry under consideration as the said TTW can be readily replaced by any water for general-purposes.

7. Further, it is also noteworthy that all these groups of specific water mentioned under the exclusion clause of the relevant entry are supplied in the packaged form, i.e., in the sealed container, in order to preserve their characteristics and specificity, while the same is not the case with the impugned product, i.e., TTW, which are supplied through pipelines without any such concerns. Thus, from the foregoing, it is amply clear that the term "purified", mentioned under the exemption clause of the relevant entry, will definitely not include the TTW.

8. We intend to agree with the Appellant's contention in as much as that the Government, has never intended to tax water of general purposes. Even under the GST regime, Government has clarified its intention of not levying GST on the supply of general-purpose water by way of issuance of the CBIC Circular No. 52/26/2018 dated 09 August 2018, wherein it has been clarified that supply of drinking water, for public purposes, if not supplied in sealed containers, is exempted from GST.

9. By applying the canon of "purposive construction", which gives effect to the legislative purpose/intendment, we are inclined to hold that the impugned product, i.e., TTW, which can aptly be construed as water of general purpose as discussed earlier, is eligible for exemption under the relevant entry at SI. No. 99 of the exemption notification no. 02/2017-C.T