

GOA AUTHORITY FOR ADVANCE RULING

[Constituted under Section 96 of the Goa Goods and Services Tax Act,
2017 (Goa Act 4 of 2017) read with Rule 103 of the Goa Goods and
Services Tax Rules, 2017]

BEFORE THE BENCH OF

Shri. Vishant S. N. Gaunekar, Additional Commissioner of SGST, Goa.
Smt. Lakshmi Radhakrishnan, Joint Commissioner of CGST, Goa.

Advance Ruling No. GOA/GAAR/01 of 2023-24/ 3902

Name of the Applicant	Vaibhavi Dredging
Address	Shop No. 5 to 15, 1st Floor, Karma Empress, Near KTC Bus Stand, Mundvel, Vasco, South Goa 403802.
GSTIN	30AASFV7395M1Z9
Date of Application	14.06.2021
Under Section 97(2) of the CGST/GGST Act, 2017 under which question raised	Applicability of Exemption under Sl. No. 3 (for Pure Services) or 3A (for composite supply where supply of goods does not constitute more than 25% of the value) of the Exemption Notification.
Date of Hearing	11.01.2024
Persons Present for Hearing	Shri Suraj Hundekari, Ld. Chartered Accountant, Shri Noel Fernandes, GST Practitioner alongwith Shri Mahesh Deshmukh.

PROCEEDINGS

(Under Section 98 of the Goa Goods and Services Tax, Act 2017)

The present application has been filed under section 97 of the Goa Goods and Services Tax Act, 2017 and the Central Goods and Services Tax, Act 2017 (hereinafter referred to as the 'SGST Act' and 'CGST Act') by the registered taxable person **M/s. Vaibhavi Dredging, Shop No. 5 to 15, 1st Floor, Karma Empress, Near KTC Bus Stand, Mundvel, Vasco, South Goa 403802** seeking an Advance Ruling in respect of the following questions:-

- Classification of any goods or services or both.
- Applicability of a notification issued under the provisions of the Act.
- Determination of the liability to pay tax on any goods or services or both.

BRIEF FACTS

Applicants Background:

Vaibhavi Dredging, Shop No. 5 to 15, 1st Floor, Karma Empress, Near KTC Bus Stand, Mundvel, Vasco, South Goa 403802 is a registered taxable person and holds GSTIN **30AASFV7395M1Z9**. The Applicant is engaged in the business of work contract, in respect of which the applicant is seeking through the advance ruling for the purpose of determination of the following question.

CLARIFICATION REQUIRED ON THE BELOW POINTS:

1. The Captain of Ports Department of the Government of Goa shoulders the responsibility of developmental works of Inland Waterways and Minor Ports of Goa by way of periodical hydrographic surveys, dredging of rivers, maintenance of lighthouses and beacons, providing necessary Navigational Aids to the Vessels, imparting training to the needy students who would like

to build their career in Sea, providing landing facilities for both passenger boats and cargo vessels at jetties etc.

2. The service recipient is Captain of Ports Department, Government of Goa.
3. The Government of Goa, Captain of Ports Department, Panaji, Goa (hereinafter referred to as 'the recipient') has awarded the Applicant a contract for Desilting of River Sal Phase II, from Telaulim- Varca New Bridge towards downstream upto Statmalcy opposite salt pan in 1st Phase within an area of say 6.0 Kilometers in length, 12.0 Metres wide and 3.0 Metres depth, so as to facilitate free movement of vessels.
4. It is observed by the Government of Goa that sounding at the River Sal, has reduced considerably and the minimum sounding obtained is lesser than 1.0 Metre, whereas the Government desires to maintain an overall uniform depth of at least 3.0 Metres so as to facilitate free movement of vessels. Therefore, it is proposed to carry out the desilting within the locality of said area, so as to facilitate free movement of vessels.

The area to desilted shall be about 6.0 Kilometer in length and 12.0 Metres in width, as is indicated in annexure attached to tender document.

5. Hence in order to facilitate free movement of vessels the Government of Goa, Captain of Ports Department awarded the contract of Desilting of River Sal.
6. The work undertaken is in relation to a Road, culverts, bridges, ferries, waterways and other means of communication.

INTERPRETATION OF LAW AND/OR FACTS BY APPLICANT

1. The Government of Goa, Captain of Ports Department, Panaji, Goa (hereinafter referred to as 'the recipient') has awarded the Applicant a contract for Desilting of River Sal Phase II, from Telaulim- Varca New Bridge towards downstream upto Statmalley opposite salt pan in Phase within an area of say 6.0 Kilometers in length, 12.0 Metres wide and 3.0 Metres depth, so as to facilitate free movement of vessels
2. It is evident from the description of the work that it is a composite supply of works contract, improving and modifying the river-bed and embankments. It further appears from the work order that of the work is related to desilting and dredging. The contract also includes the cost of all pre and post dredging survey. Dredging of channels, which includes desiltation of the channels, dumping of dredged materials, therefore, appears to be predominantly earthwork, as understood in common parlance.
3. The service recipient is Captain of Ports Department, Government of Goa. It means the recipient of the service is State Government.
4. It, therefore, appears that the Applicant is executing a works contract, more than 75% of which is earthwork. The recipient is a government / government entity and the work being executed is part of work that it improves the navigability of the riverbed and channels - an activity toward development of irrigation and waterways under the Captain of Ports Department, Government of Goa. It is, therefore taxable @ 5% with effect from 13/10/2017 in terms of SI No. 3(vii) of the Rate Notification, as it stands post amendment under Notification No. 39/ 2017 - Integrated Tax (Rate) dated 13/ 10/2017/ Notification No. 31 / 2017 - Central Tax (Rate) dated 13/10/2017.

5. The question of applicability of the Exemption Notification comes into play.
6. Sl No. 3 of the Exemption Notification No. 12/2017 - Central Tax (Rate) and Notification No. 9 / 2017 - Integrated Tax (Rate) as inserted by Notification No. 2/2018-CT (Rate) and Notification 2/2018-IT (Rate) both dated 25-01-2018 provides "Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority [or a Government Entity] by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution" are exempted from GST.
7. Sl No. 3A of the Exemption Notification No. 12/2017 - Central Tax (Rate) and Notification No.9/2017 - Integrated Tax (Rate) as inserted by Notification No. 2/ 2018-CT (Rate) and Notification 2/2018-IT (Rate) both dated 25-01-2018 provides, "Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution or in relation to any function entrusted to a Municipality under Article 243W of the Constitution" are exempted from GST.
8. Circular No. 51/25/2018-GST dated 31/07/2018 the Central Government clarifies that the service tax exemption at serial No. 25(a) of Notification No. 25/2012 dated 20/06/2012 (hereinafter the ST Notification) has been substantially, although not in the same form, continued under GST vide Sl No. 3 and 3A of the Exemption Notification. Sl No. 25(a) of the ST notification under the service tax exempts "services provided to the Government, a local

authority or a governmental authority by way of water supply, public health, sanitation, conserrancy, solid waste management or slum improvement and up-gradation." The Circular further explains in relation to the specific issue of ambulance service to the Government by a private service provider (PSP) that such service is a function of 'public health' entrusted to Municipalities under Art 243W of the Constitution, and, therefore, eligible for exemption under Sl No. 3A of the Exemption Notification.

9. The above Circular leaves no doubt that the phrase 'in relation to any function', as applied to Sl No. 3 or 3A above, makes no substantial difference between Sl No. 25(a) of the ST Notification and Sl No. 3 or 3A of the Exemption Notification. Under the previous service tax regime, the exemption was limited to certain functions specified in Sl No. 25(a) of the ST Notification, whereas, under the GST the ambit has been broadened to include any such functions that are performed by a Panchayat or a municipality under specific provisions of the Constitution. These functions are in the nature of public welfare service that the governments on their own, and sometimes through governmental authorities/entities, do provide to the citizens. When the activity is in relation to any such function, the supply to the governments or governmental authorities/ entities or local authorities is exempt from paying GST under Sl No. 3 or 3A of the Exemption Notification, provided it is a pure service or a composite supply where supply of goods does not constitute more than 25% of the value.
10. The functions of a Panchayat under the Constitution needs to be discussed. Article 243G of the Constitution discusses the powers, authority and responsibilities of Panchayats. It states, 'Subject to the provisions of this Constitution the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government subject to such conditions as may be

specified therein, with respect to the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule, " which contains the following twenty-nine functional items:

- 1 Agriculture including agricultural expansion
- 2 Land improvement, implementation of and reforms, land consolidation and soil conservation
- 3 Animal Husbandry, Dairying and poultry
- 4 Fisheries
- 5 Minor irrigation, water management and watershed development
- 6 Social forestry and farm forestry
- 7 Small scale industries in which food processing industry is involved
- 8 Minor forest produce
- 9 Safe water for drinking
- 10 Khadi, village and cottage industries
- 11 Rural housing
- 12 Fuel and fodder
- 13 Rural electrification, including distribution of electricity
- 14 Road, culverts, bridges, ferries, waterways and other means of communication
- 15 Education including primary and secondary schools
- 16 Non-conventional sources of energy
- 17 Technical training and vocational education
- 18 Adult and non-formal education
- 19 Public distribution system
- 20 Maintenance of community assets
- 21 Welfare of the weaker sections of the in particular of the schedule caste and schedule tribes

- 22 Social welfare, including welfare of the handicapped and mentally retarded
 - 23 Family welfare
 - 24 Women and child development
 - 25 Markets and Fairs
 - 26 Health and sanitation including hospitals, primary health centres and dispensaries
 - 27 Cultural activities
 - 28 Libraries
 - 29 Poverty, Alleviation Programmes
11. The description of the work that it improves the navigability of the river_ bed and channels _ an activity toward development of irrigation and waterways. It is, therefore, an activity in relation to the function listed under Sl No. 14 of the Eleventh Schedule, as entrusted to a Panchayat under Article 243G of the Constitution of India.
12. Exemption under Sl No. 3 (for Pure Services) or 3A (for composite supply where supply of goods does not constitute more than 25% of the value) of the Exemption Notification is, therefore, applicable to the Applicant's supply of the above works contract service.

PERSONAL HEARING

Shri Suraj Hundekari, Ld. Chartered Accountant, and Neon Fernandes, GST Practitioner and Shri Mahesh Deshmukh duly authorized representatives appeared for personal hearings held on 11/01/2024; 09/07/2025; 22/07/2025 and 28/07/2025 before this authority and reiterated the points deliberated in written submissions made along with application.

FINDINGS AND DISCUSSIONS

We have carefully read all the written submissions made by applicant taxpayer and the Advance Rulings of various Advance Ruling Authorities relied upon by the applicant.

The Taxpayer seeks exemption with reference to sl. no. 3 and 3A of the Notification No. 12/2017 CGST, the entries in the said notification are as under:

Sl. No. 3 of the Exemption Notification No. 12/2017 - Central Tax (Rate) and Notification No. 9 / 2017 - Integrated Tax (Rate) as inserted by Notification No. 2/2018-CT (Rate) and Notification 2/2018-IT (Rate) both dated 25-01-2018 provides "Pure services (excluding works contract service or other composite supplies involving supply of any goods) provided to the Central Government, State Government or Union territory or local authority or a Governmental authority [or a Government Entity] by way of any activity in relation to any function entrusted to a Panchayat under article 243G of the Constitution or in relation to any function entrusted to a Municipality under article 243W of the Constitution" are exempted from GST.

Sl. No. 3A of the Exemption Notification No. 12/2017 - Central Tax (Rate) and Notification No.9/2017 - Integrated Tax (Rate) as inserted by Notification No. 2/2018-CT (Rate) and Notification 2/2018-IT (Rate) both dated 25-01-2018 provides, "Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply provided to the Central Government, State Government or Union territory or local authority or a Governmental authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution or in relation to any function entrusted to a Municipality under Article 243W of the Constitution" are exempted from GST.

On analysis of the above exemption notification, it is found that the said notification has the following ingredients:

- a) Services are in the nature of pure services;
- b) Services are to be supplied to the following entities –
 - (i) Central Government;
 - (ii) State Government;
 - (iii) Local Authority;
 - (iv) Governmental Authority;
 - (v) Government Entity.
- c) Service Activities thus provided must be in relation to the function entrusted to the Panchayat or Municipality under Article 243G/ 243W of the Constitution.

In order to be eligible for exemption, all the above three ingredients are needed to be present in the supply of services. Hence, each element is discussed in detailed below.

a) Services are in the nature of pure services or Composite supply:

The services rendered by any entity to Government if in nature of Pure service or Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply shall be exempt as per sl. no. 3 and 3A of the notification No. 12/2017 CGST, respectively.

As submitted by the taxpayer it is evident from the description of the work that it is a composite supply of works contract, improving and modifying the river-bed and embankments. It further appears from the work order that of the work is related to desilting and dredging. The contract also includes the cost of all pre and post dredging survey, dredging of channels, which includes desiltation of the channels, dumping of dredged materials,

therefore, appears to be predominantly earthwork, as understood in common parlance but also includes material consumed in pre and post activities which are necessary for undertaking dredging work.

Further as per para 2.17 of the 'Preamble' to the Tender Document it is clear that the Supplier shall be quote price which shall deemed to include the cost of all material, labours, plant and things necessary for the satisfactory completion of the work. Thus, indicating requirement of supply of material in the course execution of work.

Therefore, in the present case of the taxpayer, exemption as pure service under sl. no. 3 of said notification shall not be applicable because the tendered work although primarily involves dredging but may also include all other preparatory works like constructing access for taking machinery to site, other preparatory works needed and hence it will depend on facts of each site and work to factually give a finding on actual consumption of goods in execution of works contract.

- b) Services are to be supplied to the Central Government, a State Government, any Local Authority, a Governmental Authority or a Government Entity:

In the present case there is no doubt that the services provided/supplied by the applicant taxpayer are provided/supplied to the Department of Captain of ports, Government of Goa which is a State Government Department operating a Budget Head in the State Treasury and spending from Consolidated Fund of the State of Goa. Hence, the services are supplied to the State Government i.e. Government of Goa. Hence, this condition is satisfied.

- c) Service Activities thus provided must be in relation to the function entrusted to the Panchayat or Municipality under Article 243G/ 243W of the Constitution:

The applicant taxpayer claims that the description of the work that it improves the navigability of the river bed and channels is an activity toward development of irrigation and waterways. It is, therefore, according to applicant an activity in relation to the function listed under Sl. No. 14 of the Eleventh Schedule, as entrusted to a Panchayat under Article 243G of the Constitution of India.

As regards the claim made by the applicant taxpayer that they are exempted under Entry No. 3 or 3A as a services supplied to (i) Central Government; (ii) State Government; (iii) Local Authority; (iv) Governmental Authority; (v) Government Entity by way of any activity in relation to any functions entrusted to a Panchayat under the Eleventh Schedule to Article 243G of the Constitution of India, the same is not acceptable for following reasons.

It is necessary to reproduce the relevant Articles of the Constitution of India which governs this issue.

Article 243G

243G. Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law **may** contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to— (a) the preparation of plans for economic development and social justice; (b) the implementation of schemes for economic development and social justice **as may be entrusted to them** including those in relation to the matters listed in the Eleventh Schedule.

Article 243W

243W. Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow—

- (a) the Municipalities with such powers and authority as **may** be necessary to enable them to function as institutions of self-government and such law **may contain provisions for the devolution of powers and responsibilities upon Municipalities,** subject to such conditions as may

be specified therein, with respect to— (i) the preparation of plans for economic development and social justice; (ii) the performance of functions and the implementation of schemes **as may be entrusted to them** including those in relation to the matters listed in the Twelfth Schedule;

- (b) the Committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in the Twelfth Schedule.

From the above wordings of the relevant Articles, it means that each State in India needs to enact their own State Law for devolving the subjects indicated under XIth or XIIth Schedules.

Therefore, for claiming any exemption under Entry No. 3 or 3A or 4 or 5 of said Notification 12/2017-Central Tax (Rate) dated 28th June, 2017, the condition precedent is that the respective State Government by a Law/Statute passed by the Legislature has to **entrust** any or all functions listed in XIth Schedule under Article 243G or 243W of the Constitution of India to a Panchayat or a Municipality.

Once there is such a State Law passed by the Legislature of a State **entrusting** particular subject/subjects listed in Eleventh Schedule to a local body, then irrespective of whether the services in relation to that activity are actually supplied/received by (1) Central Govt.; (2) State Govt.; (3) Local Authority; or (4) a Governmental Authority, the services shall be eligible for exemption subject to the description of services as given in said Notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017.

However, if any State Government has not entrusted/devolved all or some of such subjects/functions as listed in the Eleventh Schedule of Constitution of India to the local bodies by enacting a Law, then these exemptions are not applicable irrespective of whether the Govt. Department itself discharges such

functions & duties.

In the State of Goa, the Goa Panchayat Raj Act, 1994 (Goa Act 14 of 1994) has been enacted and is in force. The functions devolved to Village Panchayats are as under.

“60. Functions of the Panchayat. — (1) Subject to such conditions as may be specified by the Government from time to time, the Panchayat shall perform the functions specified in Schedule-I.

(2) The Panchayat may also make provision for carrying out within the Panchayat area any other work or measure which is likely to promote the health, safety, education, comfort, convenience or special or economic well-being of the inhabitants of the Panchayat area.

(3) The Panchayat may, by a resolution passed at its meeting and supported by two-thirds of its total number of members and with prior approval of the Director,— (a) make provision for or make contribution towards, any exhibition, conference or seminar without or outside the Panchayat area but within the district; or (b) make contribution to any medical, educational or charitable institutions or any other institutions of public utility, within the Panchayat area which are registered under the Societies Registration Act, 1860 (Central Act 21 of 1860) or under any other law for the time being in force.

SCHEDULE - I FUNCTIONS AND RESPONSIBILITIES OF VILLAGE PANCHAYAT I.

I. General functions:

- (1) Preparation of annual plans for the development of the Panchayat area.
- (2) Preparation of annual budget.
- (3) Providing reliefs in natural calamities.
- (4) Removal of encroachments on public properties.
- (5) Organising voluntary labour and contribution for community works.

(6) Maintenance of essential statistics of the village. (7) Demolition of unauthorised construction.

- II. **Agriculture, including agricultural extension:** (1) Development of waste lands. (2) Development and maintenance of grazing lands and preventing their unauthorised alienation and use.
- III. **Animal Husbandry, Dairying and Poultry:** (1) Promotion of dairy farming, poultry and piggery. (2) Grass land development.
- IV. **Fisheries:** (1) Development of fisheries in the villages.
- V. **Social and Farm Forestry, minor Forest Produce Fuel and Fodder:** (1) Planting and preservation of trees on the sides of roads and other public lands under its control. (2) Fuel plantation and fodder development. (3) Promotion of farm forestry. (4) Development of Social forestry.
- VI. **Khadi, Village and Cottage Industries:** (1) Promotion of rural and cottage industries. (2) Organisation of conferences, seminars and training programmes, agricultural and industrial exhibitions for the benefit of the rural areas.
- VII. **Rural Housing:** (1) Distribution of house sites within Village Panchayat limits. (2) Maintenance of records relating to the house, sites and other private and public properties.
- VIII. **Drinking water:** (1) Construction, repairs and maintenance of drinking water well, tanks and ponds. (2) Prevention and control of water pollution. (3) Maintenance of rural water supply schemes.

- IX. **Roads, buildings, culverts, bridges, ferries, waterways and other means of communication:** (1) Construction and maintenance of village roads, drains and culverts. (2) Maintenance of buildings under its control or transferred to it any public authority.
- X. **Rural electrification:** by the Government or Providing for and maintenance of lighting of public streets and other places.
- XI. **Non-conventional energy source:** (1) Promotion and Development of non-conventional energy schemes. (2) Maintenance of community non-conventional energy devices, including bio-gas plants. (3) Promotion of approved chulhas and other efficient energy devices.
- XII. **Poverty alleviation programmes:** (1) Promotion of public awareness and participation in poverty alleviation programmes for fuller employment and creation of productive assets, etc. (2) Selection of beneficiaries under various programmes. (3) Participation in effective implementation and monitoring.
- XIII. **Education including Primary Schools:** (1) Promotion of Public awareness and participation in primary education. (2) Ensuring full enrolment and attendance in primary schools.
- XIV. **Adult and non formal education:** Promotion of adult literacy.
- XV. **Libraries:** Village libraries and reading rooms.
- XVI. **Cultural activities:** Promotion of social and cultural activities.

- XVII. **Markets and fairs:** Regulation and fairs (including cattle fairs) and festivals.
- XVIII. **Rural sanitation:** (1) Maintenance of general sanitation. (2) Cleaning of public roads, drains, tanks, wells and other public places. (3) Maintenance and regulation of burning and burial grounds. (4) Construction and maintenance of public latrines. (5) Disposal of unclaimed corpses and carcasses. (6) Management and control of washing and bathing gais.
- XIX. **Public Health and Family Welfare:** (1) Implementation of Family Welfare Programmes. (2) Prevention and remedial measures against epidemics. (3) Regulation of sale of meat, fish and other perishable food articles. (4) Participation in programmes of human and animal vaccination. (5) Licensing of eating and entertainment establishments. (6) Destruction of stray dogs. (7) Regulation of offensive and dangerous trades. (8) Regulation of curing, tanning and dyeing of skins and hides.
- XX. **Women and Child Development:** (1) Participation in the implementation of women and child welfare programme. (2) Promotion of schools, health and nutrition programmes.
- XXI. **Social welfare, including welfare of the handicapped and mentally retarded:** (1) Participation in the implementation of the school welfare programmes, including welfare of the handicapped, mentally retarded and destitutes. (2) Monitoring of old age and widows pension schemes.
- XXII. **Welfare of the Weaker Sections and in particular the Scheduled Castes and Scheduled Tribes:** (1) Promotion of public awareness with regard to welfare of Scheduled Castes, Scheduled Tribes and other

weaker sections. (2) Participation in the implementation of the specific programmes for the welfare of the weaker sections.

XXIII. Maintenance of community assets:-(1) Maintenance of community assets. (2) Preservation and Maintenance of other community assets.

XXIV. Construction and maintenance of cattle sheds, ponds, cart stands.

XXV. Construction and maintenance of slaughter houses.

XXVI. Maintenance of Public Parks, playgrounds, etc.

XXVII. Regulation of manure pits in public places.

XXVIII. Establishment and control of Shandies.

XXIX. Such other functions as may be entrusted.

Fromm above facts, in the State of Goa, under the subject “Roads, culverts, bridges, ferries, waterways and other means of communication” listed at number (xiii) in the Eleventh Schedule of the Constitution of India, the State of Goa by enacting a Law has actually devolved following 2 subjects to Village Panchayats.

IX. Roads, buildings, culverts, bridges, ferries, waterways and other means of communication: (1) Construction and maintenance of village roads, drains and culverts. (2) Maintenance of buildings under its control or transferred to it any public authority.

Therefore, the claim made by the applicant taxpayer that serial number 14 in Eleventh Schedule i.e. Road, culverts, bridges, ferries, waterways and other means of communication has been entrusted to Village Panchayats is factually incorrect.

It is only (1) the construction and maintenance of village roads, drains and culverts and (2) the maintenance of buildings under its control or transferred to it by any public authority are the two subjects entrusted to Village Panchayats out of the subjects listed under serial number 14 of Eleventh Schedule.

Therefore, the subjects of ferries, waterways and other means of communication have not been actually devolved / entrusted to the local bodies within the State of Goa, but this subject is still continuing with the State Government of Goa. The same is the case with the Goa Municipalities Act, 1969 (Act no. 16 of 1968) and the City of Panaji Corporation Act, 2002 (Goa Act no. 1 of 2003) and the subject of Ferries, waterways and other means of communication has not been entrusted to local bodies of self-governance.

It has to be noted that word used in the Exemption Notification is “**entrusted**” and not “**listed**” under XIth Schedule. Therefore, for being eligible for exemption, the subject has to be entrusted in accordance with Eleventh Schedule of the Constitution of India by a State enacted Law. Once this is done, irrespective of whether the activities in relation to the subject are actually undertaken by Central Government, State Government or Local Body, the same will qualify for exemption.

Therefore, in present case, the question of exemption under entries 3 or 3A or 4 or 5 of said Notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017 does not arise.

For the sake of brevity, we have not referred in great detail, each and every submission or ground or stand of the applicant in this Order but all submissions and grounds are duly considered by us and are rejected as not tenable in law and facts of present case. Therefore, any point raised in any of the submissions if not specifically discussed in this order shall be treated as taken into consideration and rejected as lacking of any merit.

Similarly, we have carefully read the Advance Rulings of other States relied upon by the applicant and we find that facts of those cases were different then the facts of present case. Hence, those advance rulings have no bearing on the present case.

In view of the foregoing discussion, we rule as follows:

RULING

ADVANCE RULING UNDER SECTION 98 OF THE CGST/ GGST ACT, 2017.

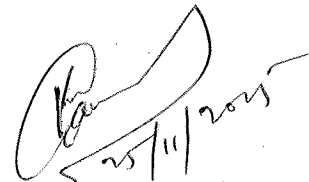
The ruling so sought by the applicant is accordingly answered as under: -

Question: Applicability of Exemption under Sl. No. 3 (for Pure Services) or 3A (for composite supply where supply of goods does not constitute more than 25% of the value) of the Exemption Notification?

Ruling: - The services of desilting of water body provided to Captain of ports a Government Department are not eligible for exemption under serial no. 3 or 3A of the Notification No. 12/2017-CGST.



(Lakshmi Radhakrishnan)
CGST Member



(Vishant S.N. Gaunekar)
SGST Member

Dated: - 25 /11/2025
Place: - Panaji, Goa

To,

M/s. Vaibhavi Dredging,

Shop No. 5 to 15, 1st Floor, Karma Empress, Near KTC Bus Stand,

Mundvel, Vasco-Da-Gama, Goa 403802.

Copy to:

1. The Commissioner of State GST, Altinho, Panaji, Goa;
2. The Commissioner of Central GST, GST Bhavan, Patto Plaza, Panaji;
3. Dy. Commissioner of State Tax, Vasco Ward, Vasco-Da-Gama, Goa;
4. State Tax Officer, Vasco Ward, Vasco-Da-Gama, Goa;
5. Superintendent of CGST, Vasco Range,
6. Office File.
7. Guard File.

