

Sri. Ashis Ghosh

Appellate Authority for Advance Ruling — West Bengal

Appeal Case No. 10/WBAAAR/APPEAL/2019 dated 26.08.2019 (Order dat...

Q Questions Before the Authority

- Whether the supply of silver sand and earthwork for filling in the compound, tank, and lowland can be classified as supply of sand (HSN 2505).

F Facts

The Appellant was awarded contracts by M/s Mackintosh Burn Limited for filling and compacting land at the New Central Correctional Home, Baruipur, using silver sand and earth. The Appellant sought an advance ruling on whether this activity constitutes a supply of goods (sand) under HSN 2505. The original authority ruled that the activity is a works contract service rather than a supply of goods.

H Ruling

Classification of supply

**Works contract service
(SAC 99543)**

Taxable at 18% under Serial No. 3(xii) of Notification No. 11/2017-CT(Rate)

The Appellate Authority upheld the original ruling, concluding that the activity is not a composite supply of goods but a works contract service. The authority determined that the activities of filling, spreading, and compacting constitute site preparation for construction, which is a service.

R Reasoning

The authority reasoned that the contract involves more than just the supply of sand, as it requires the Appellant to perform site preparation activities like spreading, compacting, and water ramming to make the land fit for construction. Under Section 2(119) of the GST Act, this constitutes a works contract. The authority rejected the Appellant's argument that the supply is a composite supply with sand as the principal supply, noting that the activities represent a transfer of property in goods in the course of site preparation.

P Provisions Relied On

Section 2(119) of the GST Act

Section 2(30) of the GST Act

Notification No. 11/2017-CT(Rate) dated 28.06.2017



For the Practitioner

This ruling clarifies that contracts involving the supply of materials combined with significant site preparation activities, such as filling and compacting for construction, are classified as **works contract services** rather than a supply of goods. Practitioners should note that the **predominant nature of the activity**—preparing and for construction—overrides the high value of the material component in determining the classification.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [wb_aaar_10_2019_26.08.2019.pdf](#)

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