

M/s S.K. Swamy and Company

Authority for Advance Ruling — Karnataka

Order No. KAR.ADRG/42/2026

Dated **29.07.2026**

Q Questions Before the Authority

- What is the output GST rate for loading of ballast which is stacked adjacent to the railway tracks into the railway wagons which is stationed on the railway track by using JCB loader (Machinery)?

F Facts

The applicant is a partnership firm engaged in works contracts for Indian Railways, including the supply and stacking of ballast. The applicant sought a ruling on whether the activity of loading ballast into railway wagons, performed after the supply of ballast, constitutes a composite supply with the supply of ballast or an independent service. The applicant argued that since the supply of ballast is taxed at 5%, the loading charges should also be taxed at 5%.

H Ruling

GST rate for loading of ballast into railway wagons

18% GST (9% CGST + 9% SGST or 18% IGST)

Classified under SAC 996719 as Other cargo and baggage handling services

The Authority held that the supply of ballast and the loading of ballast into railway wagons are separate and independent supplies. The loading activity is classified as a cargo handling service under SAC 996719. Consequently, the loading service is liable to GST at the rate of 18%.

R Reasoning

The Authority determined that the activities are not naturally bundled because they are executed separately, supported by separate consideration, and invoiced independently. The supply of ballast is completed upon delivery, and the loading activity is performed subsequently on goods already owned by the Railways. Therefore, the transaction does not qualify as a works contract under Section 2(119) of the CGST Act, 2017, nor as a composite supply under Section 2(30). The activity is classified under Heading 9967 as **Supporting services in transport** based on the nature of the service.

P Provisions Relied On

Section 2(119) of the CGST Act, 2017

Section 2(30) of the CGST Act, 2017

Section 2(90) of the CGST Act, 2017

Section 97 of the CGST Act, 2017

Section 98(4) of the CGST Act, 2017

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



For the Practitioner

This ruling clarifies that loading services performed independently of the supply of goods are **distinct taxable supplies** even if they relate to the same project. Practitioners should note that the Authority strictly separates activities that are invoiced and executed independently, rejecting the composite supply argument. It does not decide on the taxability of the supply of ballast itself, only the subsequent loading activity.

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 -> s k swamy and compay 1.pdf

Prepared 11-10-2026.

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