

 सत्यमेव जयते	RAJASTHAN AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX KAR BHAWAN, AMBEDKAR CIRCLE, NEAR RAJASTHAN HIGH COURT JAIPUR – 302005 (RAJASTHAN)	
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ADVANCE RULING NO. RAJ/AAR/2019-20/06



J.P.Meena Additional Commissioner	:	Member (Central Tax)
Hemant Jain Joint Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s Pacific Quartz Surfaces LLP, 16, Karni Colony, Vijaybari, Path No. 7, Sikar Road, Jaipur, Rajasthan 302039
GSTIN of the applicant	:	08AAUFP5670P1Z4
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	a. Classification of any goods or services or both; d. Admissibility of input tax credit of tax paid or deemed to have been paid;
Date of Personal Hearing	:	30.04.2019
Present for the applicant	:	Shri Keshav Maloo, CA (Authorised Representatives)
Date of Ruling	:	03.05.2019

Note: Under Section 100 of the CGST/SGST Act, 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under section 99 of CGST/SGST Act, 2017, within a period of 30 days from the date of service of this order.



- *At the outset, we would like to make it clear that the provisions of both the CGST Act and the RGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the RGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / RGST Act would be mentioned as being under the "GST Act".*
- The issue raised by *M/s Pacific Quartz Surfaces LLP, 16, Karni Colony, Vijaybari, Path No. 7, Sikar Road, Jaipur, Rajasthan 302039* (hereinafter the applicant) is fit to pronounce advance ruling as it falls under the ambit of the Section 97(2) (a)(d) given as under :
 - a.classification of any goods or services or both;
 - d.admissibility of input tax credit of tax paid or deemed to have been paid;
- Further, the applicant being a registered person (GSTIN is *08AAUFP5670P1Z4* as per the declaration given by him in Form ARA-01) the issue raised by the applicant is neither pending for proceedings nor proceedings were passed by any authority. Based on the above observations, the applicant is admitted to pronounce advance ruling.

1. **SUBMISSION AND INTERPRETATION OF THE APPLICANT:**

- a. The applicant is a registered manufacturer cum supplier under GST engaged in the manufacture of Quartz Slabs (Artificial Stone).
- b. That the basic raw materials used in the manufacture of Quartz Slabs (Artificial Stone)is Quartz Grit & Gare as follows:-



- Crushed Quartz - As the name suggests the major ingredient is quartz mineral (high purity sand) which constitutes approximately 92% by weight of the finished products. This quartz mineral is procured in pre-crushed condition. The quantities and sizes of the quartz grit & powder used for making slabs vary marginally depending on the final appearance and application of the product.
 - Bonding & Curing Chemicals - Un-saturated polyester resin (8 % by weight) is used to bind the quartz aggregates and makes it rock hard similar to the natural stone along with the Resin other chemicals (Catalyst & accelerator) are used in a very minute quantity to facilitate Resin setting.
 - Pigments- Inorganic pigments (made up of inert metal oxides powders) are used to induce different color shades in the product TiO₂ is used as whitening pigment.
 - Miscellaneous Materials - by virtue of its process, other materials such as glass, mirror, shells etc. can be used to give special effects to the finish products.
- c. The process of manufacture of Quartz Slabs (Artificial Stone) is as follows:
- i) Different Quartz aggregates are proportioned, depending on the end design pattern, and are transferred to a mixer, where in resin; pigments & other chemicals are added to the aggregate mix. After thorough mixing the mixture is transferred by means of belt conveyors on to the distributor unit. The distributor unit disperses the material uniformly to the shape of the slab. This distributed material is subjected to

compaction by applying mechanical pressure and vibration under vacuum conditions. This makes the slab a highly compacted one with resin as a binding agent. This highly compacted slab is then cured to enhance the catalysis process. The curved slab is taken out of the oven and then cooled to room temperature.

ii) This the cooled slab becomes a solid rock like substance This slab is then trimmed, calibrated and polished to glossy finish or to different surface textures as per the end requirement.

- d. At present, the applicant is paying GST on such Quartz Slabs (Artificial Stone) and classifying them under HSN 68029900.
- e. The applicant is of the opinion that correct classification of such Quartz Slabs (Artificial Stone) is under HSN 6810. The HSN *inter alia* covers articles of artificial stone. Further since 'Quartz Slabs' are not covered under the expression 'Tiles, Flagstone, Bricks and similar articles', hence it is classifiable in 'other' of other' category failing under 68109990 attracting GST @ 18%.
- f. Since goods are finished and complete goods in themselves being articles of stone, said goods are appropriately classifiable under Heading 6810 under GST.
- g. Reliance is also placed on decision of appellate authority for advance ruling under GST. Maharashtra in the case of HAFELE INDIA PVT. LTD. reported at 2018 (15) G.S.T.L. 600 (App A.A.R. - GST)



2. **QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT**

- a. What is the classification of Slabs of Quartz (Artificial Stone)?
- b. What will be the applicable rate of GST on Quartz Slabs (Artificial Stone)?

3. **PERSONAL HEARING**

In the matter personal hearing was granted to the applicant on 30.04.2019 at Room no. 2.29 NCRB, Statue Circle, Jaipur. Shri Keshav Maloo, C.A. (Authorised Representative) of applicant appeared for PH. During the PH, he reiterated the submissions already made in the application. He further requested that the case may be decided at the earliest.

4. **COMMENTS OF THE JURISDICTIONAL OFFICER**

The jurisdictional officer (STO, Ward-3, Circle-M, Commercial Taxes and SGST, Jaipur) has submitted his comments vide e-mail dated 18.03.2019 which can be summarized as under:

- a. Slabs of quartz are not covered under any schedule.
- b. HSN Code 6802 does not specifically cover slabs of quartz.

5. **FINDINGS, ANALYSIS & CONCLUSION:**

- a. While going through the submissions made by the applicant, we found that the applicant is a supplier of Quartz Slabs (Artificial Stone) and is presently invoicing them under HSN Code 68029900.
- b. Quartz is neither an article of cement nor a concrete article. It can at the maximum be classified only under the entry "Articles of artificial stone". Artificial stone is understood thus-





Artificial stone is a name for various kinds of synthetic stone products used from the 18th century onward. They have been used in building construction, civil engineering work, and industrial uses such as grindstones.

- c. Engineered stones are the latest development of artificial stones. Engineered stones are a mix of marble powder, resin, and pigment cast using vacuum oscillation to form blocks.

There are two major varieties of engineered stones based on the main composition of its aggregates (stone powders), marbles and quartz. The process is more or less similar except in certain details, however the two products have different commercial applications.

Engineered marbles are most commonly used as flooring for large commercial projects. Engineered quartz is widely used in the developed world for counter tops, window sills, and floor and wall coverings.

- d. Artificial stone is formed when pieces of natural stone, or crushed or powdered natural stone, is agglomerated with plastic resins, cement or other binders. In artificial (agglomerated) stone, the binding material and the natural stone are uniformly agglomerated throughout the body of the article.
- e. Quartz slabs are processed item therefore they will fall under Chapter 68-*Articles of cement, of concrete or of artificial stone, whether or not reinforced*. The chapter heading 6810 covers "*Articles of cement, of concrete or of artificial stone, whether or not reinforced*". The relevant portion of the said entry is reproduced below:-

6810	ARTICLES OF CEMENT, OK CONCRETE OR OF ARTIFICIAL STONE, WHETHER OR NOT REINFORCED
	-Tiles, flagstones, bricks and similar articles :
681011	-- Building blocks and bricks :
68101110	--- Cement bricks
68101190	--- Other
681019	-- Other:
68101910	--- Cement tiles for mosaic
68101990	--- Other
	-Other articles:
68109100	-- Prefabricated structural components for building or civil engineering
681099	-- Other:
68109910	---Concrete boulder
68109990	--- Other

- f. The classification of floor and wall tiles of agglomerated stone is dependent on the precise type of binding material used in the products. Subheading 6810.19.12 provides for floor and wall tiles of stone agglomerated with binders other than cement (e.g. plastic resins). Floor and wall tiles of stone agglomerated with cement are classifiable in subheading 6810.19.14. The slabs supplied by the applicant are however not made of stone but quartz.
- g. The slabs supplied by the applicant are composed of 92% quartz and 8% resin binder. In view of the above, the product can merit classification under the residuary category of tariff entry 68101990.



6. In view of the foregoing, we rule as follows:-

RULING

- a. The Slabs of Quartz (Artificial Stone) is classifiable under HSN Code 68101990.
- b. The applicable rate of GST on Quartz Slabs (Artificial Stone) is 18% (CGST 9% +SGST 9%).


J.P. MEENA 315719
Member
(Central Tax)




HEMANT JAIN 315719
Member
(State Tax)

SPEED POST

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F.No. AAR/Pacific-Quartz/2018-19/32-35

Dated: 08.05.2019

Copy to:-

1. Commissioner, SGST & Commercial Taxes, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme-, Jaipur 302005.
2. Commissioner, CGST and Central Excise Jaipur Commissionerate, NCRB, Statue Circle, Jaipur, Rajasthan 302005.
3. STO, SGST and Commercial Taxes, Ward-3, Circle-M, Jaipur, Rajasthan.