

**सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण****CUSTOMS AUTHORITY FOR ADVANCE RULINGS****नवीन सीमाशुल्क भवन, बेलाई इस्टेट, मुंबई - ४०० ००१****NEW CUSTOM HOUSE, BALLARD ESTATE, MUMBAI - 400 001****ई-मेल/E-MAIL: cus-advrulings.mum@gov.in**The 08th of October 2021

Ruling No. CAAR/Mum/ARC/59/2021

In

Application No. CAAR/CUS/APPL/18/2021 -0/o Commr-CAAR-MUMBAI

Name and address of the applicant: M/s. Amazon Digital Services Pvt. Ltd., 8th Floor,
World Trade Centre, Brigade Gateway 26/1,
Dr Rajkumar Road, Malleshwaram,
W Bengaluru Urban, Karnataka - 560055

Commissioner concerned: The Pr. Commissioner of Customs, Air Cargo Complex
& Airport, Air India SATS Air Freight Station
Terminal, Devanahalli, Bengaluru – 560300.

The Pr. Commissioner of Customs, Chennai VII (Air
Cargo Commissionerate), New Custom House, Air
Cargo Complex, Meenambakkam, Chennai – 600016.

The Commissioner of Customs, Chennai-II (Import
Commissionerate), Custom House, 60, Rajaji Salai,
Chennai-600 001.

The Commissioner of Customs, Air Cargo (Import), New
Customs House, Near I.G.I. Airport, New Delhi –
110037.

The Pr. Commissioner of Customs (III), (Import), Air
Cargo Complex, Sahar, Andheri (East), Mumbai –
400099.

The Commissioner of Customs (Nhava Sheva -V),
Jawaharlal Nehru Customs House, Nhava Sheva, Tal
Uran, District Raigad, Maharashtra – 400707.

Present for the applicant:

Shri Lakshmikumaran, advocate;



Sh. Prasad Salvi;
Sh. Anand Tripurai
Sh. Jeshwin Immanuel
Sh. Ashwini Bhatia,

Present for the Department:

Ruling

Amazon Digital Services Private Limited has filed an application, digitally, seeking advance rulings on classification of, (i) Networking device with Model No. N3XU6S (Outdoor Unit), (ii) Networking device with Model No. N3XU5S (Outdoor Unit), (iii) Networking device with Model No. N3XU7S (Indoor Unit), (iv) Antenna (Passive) with Model No. S8RL4H, (v) Antenna (Passive) with Model No. S8RL4G, (vi) PoE injector with Model No. POE16R - AFG, (vii) AP 23 adaptor with Model No. LA23IN, and (viii) AP 23 adaptor with Model No. PA23IN and applicability of a notification issued under sub-section (1) of section 25 of the Customs Act, 1962, having a bearing on the rate of duty. Considering the situation arising out of Covid 19 and the restrictions put in place by the Government of Maharashtra in the first week of April, 2021, the application was accepted. However, the secretariat has dated the receipt of the application as 10.08.2021, the day on which the prescribed application fee was received. The applicant has stated that the devices listed above are proposed to be imported and that the activity of importation is yet to commence. The applicant has also stated that other applications pertaining to classification of networking devices are pending before the Commissioner (Customs Authority for Advance Rulings), Mumbai. However, the devices covered under the present application are different from the other networking devices for which advance ruling applications have been filed as they are part of a different network architecture. The applicant is stated to be engaged in designing and development of systems and software applications either for its own use or for sale in India and abroad and such designing and development for or on behalf of manufacturers, owners and users of computer systems and digital or electronic equipment in India or elsewhere in the world. The applicant is also stated to be engaged in providing solutions and services related to web-technologies including hosting, providing, creating, facilitating or otherwise dealing in software and hardware technologies, internet portals, internet networks, media portals, etc. The applicant has also included pictures of the devices for which classification rulings have been sought.

2. The applicant proposes to import the subject devices for providing services to various individual customers in India. The devices in question are proposed to be installed at customer locations or buildings, but the ownership of the devices in question will remain with the applicant. The networking devices to be imported by the applicant are non-portable devices. These devices are used in conjunction with a Fire TV stick, also provided by the applicant to the customers, for providing access to audio-video content like movies, series, etc. The Fire TV sticks are provided to customers as part of the service and are to be returned by the customers on termination of service. The Fire TV sticks provided to customers are not the same as the ones that are available in the market as the software of these Fire TV sticks is modified to provide only a limited amount of the content otherwise available. According to the applicant, two kinds of networks can be created by the devices involved in the present application,



namely, Network N2B and Network N3. Both these networks enable customers to access content through the Fire TV stick, without owning a data connection as internet is accessed for this purpose through the outdoor/indoor units.

3. The applicant has explained the working of the devices in question to form Network N2B is as follows: -

(i) The ODU 1: - It is installed on the rooftop of a building and receives access to internet via LAN cable from a third-party Internet Service Provider (ISP). Further, the ODU 1 is connected to an external Hard Disc Drive (HDD) via a switch placed on the rooftop. This HDD stores cached content to be provided to customers for viewing content on demand. When a customer makes a request on the Fire TV stick to view any content, the same is first searched in the HDD installed on the rooftop of the building. If the content is not found in the HDD, the content is retrieved by the ODU 1 from the Amazon cloud via the LAN cable by accessing internet. The HDD is not placed on the rooftop of every building. Neighbouring buildings that do not have a HDD may be provided connectivity to another HDD of a nearby building via cables or wirelessly. The ODU 1 has an internal 5 GHz radio for transmission and reception of content (data) in the form of signals. The ODU 1 receives content through the LAN cable in the form of electrical signals and transmits content in the form of radio signals to ODU 2 for further transmission. The ODU 1 is MIMO enabled.

(ii) The ODU 2: - One ODU 2 is installed outside each customer premise within the building that is to be served. It has two internal radios of 2.5 Ghz and 5 Ghz. ODU 2 receives radio signals from ODU 1 and converts the same to electrical signals to be sent over radio frequency cables (coaxial cables) to Antenna 1. ODU 2 is MIMO enabled.

(iii) Antenna 1/ Antenna 2: - Antenna 1 or 2 are passive antennas placed outside each customer premise within the building that is to be served. Both antennas have RF cables permanently attached to them. Antenna 1 has two RF cables attached while Antenna 2 has one RF cable attached to it. These RF cables connect to ODU 2 and receive electrical RF signals from the same. The antennas radiate these electrical signals to the Fire TV device inside the customer premises.

(iv) PoE Injector: - The PoE injector connects to a power socket and converts AC voltage received from the socket to provide 56V DC voltage through an Ethernet cable connected to the ODU 2 outside the customer premise. The PoE injector connects directly to the power socket. It has two Ethernet ports, one of which connects via an Ethernet cable to ODU 2. One port is meant to be used as a data input and the other port is meant for providing multiplexed data and power out to the end device. However, the PoE injector imported by the applicant will be used only for powering the ODU 2 device.

4. When a user makes a request for a content on the Fire TV stick, this request is communicated by the Fire TV stick to Antenna 1/Antenna 2 via RF signals. Antenna 1/Antenna 2 transmits these RF signals to ODU 2 in the form of RF electrical signals via RF cables. ODU 2 then converts the electrical signals into RF signals and transmits the same to ODU 1 wirelessly. ODU 1 in turn converts the RF signals into electrical signals and searches for the content demanded in the cached data in the HDD. If the content is not found on the HDD of



the same building or the HDD of neighbouring buildings (connected wirelessly or via wires), then ODU 1 retrieves the content from the Amazon cloud via LAN cable. The required content received by ODU 1 in the form of electrical signals via the LAN cable is converted into RF signals to be transmitted to ODU 2. ODU 2 converts the RF signals into electrical signals to be transported over the RF cables to Antenna 1/Antenna 2. Antenna 1/ Antenna 2 in turn radiates the signals to the Fire TV for viewing by the customer.

5. The working of the devices in question to form Network N3 has been explained as follows: -

(i) The IDU: - It is installed within the customer premises, i.e., inside each house that is to be served. It has two internal radios of 2.5 Ghz and 5 Ghz. The IDU receives access to internet via LAN cable connected to a switch placed on the rooftop. Further, the IDU is connected to an external HDD via a switch placed on the rooftop. The HDD serves the same purpose in this N3 network as it does in N2b Network. The IDU receives content through the LAN cable in the form of electrical signals and transmits content in the form of RF signals directly to the Fire TV for viewing by the customer. The IDU is MIMO enabled.

6. When a user makes a request for a content on the Fire TV stick, this request is communicated by the Fire TV stick to IDU via RF signals. IDU converts these RF signals into electric signals to be transmitted over the LAN cable connected to the switch from where the content demanded is searched for in the cached data in the HDD. If the content is not found on the HDD of the same building or the HDD of neighbouring buildings, then IDU retrieves the content from the Amazon cloud via LAN cable. The required content is received by IDU in the form of electrical signals via the LAN cable. IDU converts the electrical signals into RF signals to be transmitted to the Fire TV for viewing by the customer.

7. The applicant also proposes to import Adaptor 1 and Adaptor 2 which will be used to power IDU devices to be imported by the applicant. Adaptor 1 and Adaptor 2 will plug into a socket and perform the function of conversion from AC voltage to DC voltage along with regulation of voltage to be supplied to end device. The applicant has also stated that though the aforesaid networking devices would be imported for provision of video content as described above, these are also capable of providing data services(internet) after a software modification.

8. On the aforementioned factual background, the applicant has advanced the following questions for advance rulings: -

(a) Whether ODU 1, ODU 2 and IDU are rightly classifiable under Custom Tariff Item (hereinafter referred to as 'CTI') 8517 62 90?

(b) Whether Antenna 1 and Antenna 2 are rightly classifiable under CTI 8517 70 90?

(c) Whether the PoE Injector, Adaptor 1 and Adaptor 2 will rightly be classifiable under CTI 8504 40 29?

(d) If answer to the above questions (a) to (c) is in the negative, then, what is the appropriate classification of the subject devices under Schedule I to the Customs Tariff Act, 1975 (hereinafter referred to as "the Tariff Act")?

(e) If the answer to question (b) is in the positive, whether the applicant is eligible to claim benefit of Sr. No. 05 of Notification No. 57/2017-Customs, dated 30.06.2017?



(f) If the answer to question (c) is in the positive, whether the applicant is eligible to claim benefit of Sr. No. 04 of Notification No. 25/2005-Customs, dated 01.03.2005?

9. In the original application, the applicant had requested that a copy of the application and enclosures may be forwarded to the Chairman of the Central Board of Indirect taxes and Customs to designate a Commissioner of Customs as per Regulation 13 of Customs Authority for Advance Rulings Regulations, 2021. The Secretary to the CAAR, Mumbai requested the applicant to furnish precise information w.r.t. the Principal Commissioner/Commissioner of Customs under whose jurisdiction the proposed imports would be made. In reply, the applicant has listed the air cargo complexes at Delhi, Bengaluru, Chennai and Mumbai; as well as the seaports of Chennai and Nhava Sheva as their intended ports of import. Accordingly, the application for advance rulings was sent to all the above-mentioned Principal Commissioners/Commissioners of Customs and reminders have been issued. However, comments have been received only from the Chennai seaport and Mumbai air cargo. According to the Commissioner of Customs, Chennai; in respect of classification of ODU1 (Model No. N3XU6S), ODU2 (Model No. N3XU5S), IDU (Model No. N3XU7S), the proper classification would be under sub-heading 85176290. However, in respect of PoE Injector, the suggested classification is 85176990, as opposed to 85044029 suggested by the applicant. In respect of the classification of the antennas, it is the view of the commissionerate that the correct classification is 85291029, and not 85177090, suggested by the applicant. In respect of the adaptors, the commissionerate has concurred with the view of the applicant that the correct classification is 85044029. According to the Commissioner of Customs, ACC, Mumbai; ODU 1, ODU 2, and IDU are correctly classifiable under sub-heading 85176290. In respect of Antenna 1 and 2 also, the classification suggested is same, but it is opined that benefit of exemption extended under Sr. No. 5 of the Notification No. 57/2017-Cus., dated 30.06.2017 would not be available. So far as PoE Injector and Adaptor 1 and 2 are concerned, it is suggested that the correct classification would be sub-heading 85176290 when all the items under consideration in the present application are imported together. However, if imported separately, then the correct classification would be sub-heading 85044029 and that benefit of exemption extended under Sr. No. 4 of the Notification No. 25/2005-Cus., dated 01.03.2005 would not be available as these items are intended for use with network equipment and not with automatic data processing machines or telecommunication equipment.

10. Personal hearing was fixed in this matter on 17.08.2021. The counsels of the applicant sought listing of the application on 24.08.2021 along with two other applications seeking advance rulings on similar devices. The request of the applicant was accepted. However, due to some unforeseen official commitments that arose for 24.08.2021, the matter was listed for hearing on 26.08.2021. The counsels for the applicant sought adjournment on the ground that they have received the comments of the Commissioners of Customs, Chennai and Mumbai on 25.08.2021 and require time to submit their rejoinder. They requested that the hearing may be deferred to 14.09.2021. The adjournment request was considered and the hearing was fixed on 23.09.2021. However, once again, adjournment was sought on the ground of preoccupation of the lead counsel before the Hon'ble High Court of Telangana. Finally, the hearing could take place on 29.09.2021. The counsels for the applicant and its own representatives present during the virtual hearing have explained the functionalities of all the devices involved in the present



proceedings. It was also explained that all the eight items involved in the present proceedings are intended to be used together in one network architecture and that is why all of them were grouped together in one application. The applicant has also made additional submissions in support of their application. These additional submissions include relevant extracts of the Customs Act, 1962; the Customs Authority for Advance Rulings Regulations, 2021; General Rules of Interpretation, Notes to Section XVI, Customs Tariff relating to headings 8504, 8517, 8529, 8536 and 8537 along with related HSN Explanatory Notes; decision of the WCO HS Committee in their 62nd session on antenna for base stations, IEEE standard definitions terms for antennas, new entry for antennas in the Indian Customs Tariff in the Budget, 2021 based on WCO HS Committee recommendations, US Cross Ruling No. N301401, dated 7.11.2018 on classification of POE Injectors, technical literature on telecommunication, copies of Notification Nos. 25/2005-Cus., dated 01.03.2005; 50/2017-Cus., dated 30.06.2017; and 57/2017-Cus., dated 30.06.2017; copy of the CESTAT decision in the case of Commissioner of Customs (Import) vs. Reliance Jio Infocom Ltd, reported at 2019 (11) TMI 451 on classification of antennas for base station.

11. I have gone through all the relevant records, documents, and information. I have also given serious consideration to the comments from the Commissioners of Customs from Chennai and Mumbai. Prima facie, the eight items for which advance rulings have been sought can be grouped in the three categories, as has been done by the Commissioner of Customs, ACC, Mumbai. The first category would be the three networking devices, namely ODU 1, ODU 2, and IDU. The second category would be the two passive antennas. The third category would contain the PoE Injector and the two adaptors. So far as the ODU 1, ODU 2, and IDU are concerned, their role in the network architecture is to receive a command/signal in either electrical or radio form, to convert the electrical signal into radio frequency signal or vice versa, and transmit the signal to the receiver or the Amazon cloud in the acceptable format. For example, when a viewer makes a certain request for content on the Fire TV stick, this request is communicated to the ODU 2 by the antenna in the form of electrical signal via cable. ODU 2 then converts the electrical signal into RF signal and transmits the same to ODU 1 wirelessly. ODU 1 converts the RF signal into electrical signals and searches for the content demanded in the cached data in the HDD. If the content is not found on the HDD of the same building or the connected HDDs of neighbouring buildings, then ODU 1 retrieves the content from the Amazon cloud via LAN cable in the form of electrical signal, converts the electrical signal into RF signal to be transmitted to ODU 2. ODU 2 converts the RF signal into electrical signal to be transmitted over the cables to the antennas, which in turn, radiate the signals to the Fire TV for viewing. The IDU 1 functions in a similar manner as can be gathered from the literature provided by the applicant. The applicant, as well as the Commissioner of Customs, seaport, Chennai; and ACC, Mumbai; are of the opinion that the correct classification of these three devices is sub-heading 87176290 which is a residual entry under '8517 62 -- Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus.' From the functionality point of view, there is no doubt that all these three devices carryout the functions of reception, conversion, transmission, and regeneration of voice, images, data etc. However, it is also clear that utility of these devices ultimately lies in their ability to provide content for view on a television set. Therefore, an



alternative tariff entry for these goods can be 8525 (TRANSMISSION APPARATUS FOR RADIO-BROADCASTING OR TELEVISION, WHETHER OR NOT INCORPORATION RECEPTION APPARATUS OR SOUND RECORDING OR REPRODUCING APPARATUS; TELEVISION CAMERAS, DIGITAL CAMERAS AND VIDEO CAMERA RECORDERS), which is required to be eliminated before the tariff entry 85176290 can be accepted. According to the HSN Explanatory Notes, the apparatus for radio broadcasting falling in this heading must be for the transmission of signals by means of electro-magnetic waves transmitted through the ether without any line connection. Examples of such devices, as per the HSN, include transmitters for radio-broadcasting or television, relay apparatus used to pick up a broadcast and retransmit it and so increase the range, relay television transmitters for transmission, by means of an aerial and parabolic reflector, from the studio or site of an outside broadcast to the main transmitter, television transmitters for industrial use. From the description of the three network devices, ODU 1, ODU 2, and IDU, as submitted by the applicant, it is clear that they do not transmit radio/video broadcast signals. On the contrary, their function is to extract the content from the hard disk drive or Amazon cloud/internet as per the demand of the user. Therefore, it is clear that the heading 8525 is not an appropriate classification for the network devices in question. The six-digit entry, 851762, which includes 'Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus' is a specific entry which satisfactorily encompasses the functions of the three networking devices under consideration. Therefore, in respect of ODU 1, ODU 2, and IDU, I am inclined to concur with the views of the applicant as well as those of the Id. Commissioners of Customs of Chennai Sea port and Mumbai Air Cargo.

12. Coming to the issue of classification of the passive antennas, I find from the submissions of the applicant that one of them has two RF cables attached while the second has only one RF cable attached to it and that these cables are permanently attached to the antennas. Both these are passive antennas placed outside each customer premise within the building that is to be served. These RF cables connect to ODU 2 and receive electrical RF signals from the same. The antennas radiate these electrical signals to the Fire TV device inside the customer premises. The applicant is of the view that these antennas merit classification under sub-heading 87177090 by virtue of Note 2(b) of Section XVI of the first schedule to the Customs Tariff Act, 1975. The applicant has also relied upon the recommendations of the HS Committee of the WCO in their 62nd session. The Commissioner of Customs, Chennai Sea port is of the opinion that the antennas merit classification under sub-heading 85291029 while the Commissioner of Customs, ACC, Mumbai has proposed the sub-heading 85176290 based on the Instruction No. 1/2018-Cus., dated 15.01.2018 issued by the CBIC. The HS Committee of WCO, in their 62nd session held in September, 2018; recommended heading 851770 for classification of antennas for base stations as well as microwave antennas. Section 104 of the Finance Act, 2021 has amended the Customs Tariff Act in the following manner: -

'The First Schedule shall, -

(i) be amended in the manner specified in the Second Schedule;

(ii) with effect from the 1st April, 2021, be also amended in the manner specified in the Third Schedule; and



(iii) with effect from the 1st January, 2022, be also amended in the manner specified in the Fourth Schedule.'

The relevant extracts of the Fourth Schedule, referred supra, reads as under: -

'(d) for sub-heading 8517 70, tariff items 8517 70 10 and 8517 70 90 and the entries relating thereto, the

following shall be substituted, namely: -

"- Parts:

8517 71 00 - - Aerials and aerial reflectors of all kinds; parts suitable for use therewith'

The aforementioned change would come into force w.e.f. 01.01.2022.'

In the case of Reliance Jio Infocom, reported at 2019 (369) E.L.T. 1713, the Mumbai Bench of the Hon'ble CESTAT was faced with the issue of classification of antenna to be used with Base Transmission Stations for mobile telecommunication networks. The functioning of the said antenna was explained as a piece of metal conductor which is used to produce electro-magnetic waves by application of an alternating current. On application of the alternating current, a disturbance is created in the electro-magnetic field, as a result of which electro-magnetic waves are radiated. The antenna is used merely to generate the electro-magnetic waves, which is the medium through which the data is transmitted. Considering all aspects, including the Board's instructions, the Hon'ble Tribunal held that the correct classification of the antenna for base station is under sub-heading 8517 70 90 as "parts". Even though the antenna involved in the Reliance Jio Infocom case was that of a BTS, and the antennas under consideration in the present proceedings are to be used in a network architecture for providing content to television via Fire TV Stick, the similarities of functionality cannot be ignored. Signals are transmitted between two points through a medium. This medium in the case of a wired network is a wire and in the case of wireless network, the mediums are the electro-magnetic waves. What is covered under heading 851762 are apparatuses for reception, conversion and transmission or regeneration of data and not those which merely provide the medium through which the data is transmitted. The role of antennas in the network explained by the applicant is limited to transmit the commands of the user to ODU 2 via RF cables and to receive the desired content from ODU 2 and radiate the signals to the Fire TV for viewing by the customer. The nature of various apparatuses specified under heading 851762 suggest that they are capable of interacting/interfacing with data in its original form for converting such data. It appears that antennas are not capable of any such conversion referred to in the heading 851762. Therefore, keeping in view the functionality, there doesn't appear to be significant difference between the two antennas involved in the present proceedings vis-a-vis the antenna for base stations in the case of Reliance Jio Infocom. In view of the aforementioned line of reasoning, I am inclined to concur with the views of the applicant w.r.t. the issue of classification of the Antenna 1 and Antenna 2 and not inclined to accept the views of the jurisdictional Commissioners of Customs. As mentioned above, the views of the Commissioner of Customs, ACC, Mumbai is influenced by the Board's instructions, which was discussed in detail in the Reliance Jio Infocom case and did not find favour. Besides, the views of the Commissioner of Customs, ACC, Mumbai do not take into account the change in the tariff w.e.f. 01.01.2022, which appears to be in compliance of the recommendations of the HS Committee of the WCO. Since, I am inclined to hold the classification of antennas under



heading 8517, specifically under sub-heading 85177090, the suggestion of the Commissioner of Customs, Chennai to classify antennas under heading 8529 doesn't appear to have merit since that heading applies to parts suitable for use solely or principally with the apparatus of heading 8525 to 8528.

13. PoE Injectors, according to the applicant, connect to a power socket and converts AC voltage received from the socket to provide 56V DC voltage through an Ethernet cable connected to the ODU 2 outside the customer premise. It has two Ethernet ports, one for use as a data input and the other is meant for providing multiplexed data and power out to the end device. The applicant, however, has stated that the PoE injector proposed to be imported would be used only for powering the ODU 2 device. The two adaptors, proposed to be imported, would be used to power the IDU device. The adaptors, when plugged into a socket, would perform the function of conversion from AC voltage to DC voltage along with regulation of voltage to be supplied to end device. From the information provided, it appears that the primary purpose of the PoE Injector and the two adapters are to provide power to devices, along with conversion of the AC power supply into DC power required by the networking devices. According to the applicant, all these three devices merit classification under sub-heading 85044029. The Commissioner of Customs, Chennai is of the opinion that the PoE Injector merits classification under sub-heading 85176990, while he concurs with the applicant's views regarding classification of the adapters. The opinion of the Commissioner of Customs, ACC, Mumbai, placing reliance on the Section Notes 3 and 4 to Section XVI, is that when imported together with the ODU 1, ODU 2 etc., the classification would be sub-heading 85176290; and when imported separately, the correct classification would be sub-heading 85044029. The relevant section notes are as under: -

'3. Unless the context otherwise requires, composite machines consisting of two or more machines fitted together to form a whole and other machines designed for the purpose of performing two or more complementary or alternative functions are to be classified as if consisting only of that component or as being that machine which performs the principal function.

4. Where a machine (including a combination of machines) consists of individual components (whether separate or interconnected by piping, by transmission devices, by electric cables or by other devices) intended to contribute together to a clearly defined function covered by one of the headings in Chapter 84 or Chapter 85, then the whole falls to be classified in the heading appropriate to that function.'

However, I am unable to persuade myself that the networks N2B and N3 described by the applicant can be called composite machines to attract the mandate of the aforementioned section notes. The devices for which advance rulings are sought would be used in a particular network architecture, but these devices, taken together, cannot be called as a composite machine. The applicant has cited the US Cross Ruling N301401, dated 7.11.2018 which has considered classification of POE Injectors (electronic devices used to provide power and data transmission over a single media cable). Based on the facts that, injectors take a data only connection from a business router or switch and add power via an AC power adapter connected to standard U.S. outlet; that they transmit both the power and the data over an Ethernet cable



to a POE-enabled device, such as a camera, an access point or an IP phone; that, injectors are only needed when the source device does not have a POE-enabled output; that, injectors can be used by themselves or with a POE Splitter; that, the POE injectors do not alter the data, they only add power to the transmission cable; that the output is automatically determined based upon the necessary power requirements, up to a maximum of 15.4W, and they are 802.3af compliant; the applicable subheading for the POE Injector (model # TL-POE150S), and the POE Splitter (model # TL-POE10R) was held to be 8504.40.8500 in the Harmonized Tariff Schedule of the United States which provides for Electric Transformers, static converters(rectifiers) and inductors. Considering the nature and usage of these devices, it is my considered opinion that, as a means to provide power and to convert AC power supply to DC for usage by the devices, the proper classification of PoE Injector, and Adaptors 1 and 2 would be 85044029 as rectifiers. I also do not see any basis in the line of reasoning that classification would be different if all the devices under consideration in the present proceedings are imported together or separately. Since, I have held that the PoE Injector is not a device for reception, conversion and transmission or regeneration of voice, images, data etc., the classification of 85176990 suggested by the Commissioner of Customs, Chennai Seaport also doesn't appear to be proper.

14. Now, coming to the issue of eligibility for exemption/s, I find that the applicant has desired rulings on eligibility for benefit of Sr. No. 5 of Notification No. 57/2017-Cus., dated 30.06.2017 and Sr. No. 4 of Notification No. 25/2005-Cus., dated 01.03.2005. In the additional submissions of the applicant, there is a reference to Notification 50/2017-Cus. dated 30.6.2017 (Sr. No. 490 - For CTH 8537), without specifying the reasons behind such reference which was not a part of the original application. Sr. No. 5 of the Notification No. 57/2017-Cus., dated 30.06.2017, as amended extends nil rate of duty to goods classified under sub-heading 85177090, subject to condition that such goods are not parts of cellular mobile phones. In this case I have held that passive antennas with Model Nos. S8RL4H and S8RL4G are classifiable under sub-heading 85177090 and since such antennas are not parts of cellular mobile phones, the nil rate benefit under Sr. No. 5 of Notification No. 57/2017-Cus., dated 30.06.2017 would be available to the antennas. Sr. No. 4 of Notification No. 25/2005-Cus., dated 01.03.2005 extends exemption to static converters for automatic data processing machines and units thereof, and telecommunication apparatus, other than static converters for cellular mobile phones falling under six-digit entry 850440. In respect of PoE Injector and Adapters 1 and 2, I have held that proper classification is sub-heading 85044090. However, none of these three devices are meant for use in automatic data processing machines or telecommunication apparatus. Therefore, I hold that the benefit of this exemption would not be available. Finally, the relevance of Notification 50/2017-Cus. dated 30.6.2017 to the present proceedings is not understood. None of the eight items under consideration in the present proceedings are classifiable under heading 8537. Therefore, I am not giving any consideration to this notification.

In view of the discussions, as aforesaid, I rule as under: -

- (a) Networking devices with Model Nos. N3XU6S, N3XU5S and N3XU7S are held classifiable under sub-heading 85176290 of the first schedule to the Customs Tariff Act, 1975.



(b) Passive antennas with Model Nos. S8RL4H and S8RL4G are held classifiable under sub-heading 85177090 of the first schedule to the Customs Tariff Act, 1975.

(c) PoE injector with Model No. POE16R - AFG, AP 23 adaptors with Model Nos. LA23IN, and PA23IN are held classifiable under sub-heading 85044029 of the first schedule to the Customs Tariff Act, 1975.

(d) Passive antennas with Model Nos. S8RL4H and S8RL4G would be eligible to claim benefit of Sr. No. 5 of the Notification No. 57/2017-Cus., dated 30.06.2017.

(e) PoE injector with Model No. POE16R - AFG, AP 23 adaptors with Model Nos. LA23IN, and PA23IN would not be eligible to claim benefit of Sr. No. 4 of the Notification No. 25/2005-Cus., dated 01.03.2005.

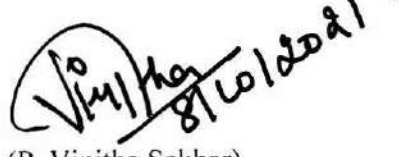

(M. R. Mohanty)

Customs Authority for Advance Rulings,
Mumbai.



This copy is certified to be a true copy of the ruling and is sent to: -

1. M/s. Amazon Digital Services Private Limited, 8th Floor World Trade Centre, Brigade Gateway 26/1, Dr Rajkumar Road, Malleshwaram, W Bengaluru Urban, Karnataka - 560055
Email: ijeshwin@amazon.com
2. The Pr. Commissioner of Customs, Air Cargo Complex & Airport, Air India SATS Air Freight Station Terminal, Devanahalli, Bengaluru - 560300. Email: commrapacc-cusblr@nic.in
3. The Pr. Commissioner of Customs, Chennai VII (Air Cargo Commissionerate), New Custom House, Air Cargo Complex, Meenambakkam, Chennai - 600016.
Email: pcommr7acc-cuschn@gov.in
4. The Commissioner of Customs, Chennai-II (Import Commissionerate), Custom House, 60, Rajaji Salai, Chennai-600 001. Email: commr2-cuschn@gov.in
5. The Commissioner of Customs, Air Cargo (Import), New Customs House, Near I.G.I. Airport, New Delhi - 110037. Email: commraccimp-cusdel@nic.in
6. The Pr. Commissioner of Customs (III), (Import), Air Cargo Complex, Sahar, Andheri (East), Mumbai - 400099. Email: import.acc@gov.in
7. The Commissioner of Customs (Nhava Sheva -V), Jawaharlal Nehru Customs House, Nhava Sheva, Tal Uran, District Raigad, Maharashtra - 400707. Email: commr-ns5@gov.in
8. The Customs Authority for Advance Rulings, 5th Floor, NDMC Building, Yashwant Place, Satya Marg, Chanakyapuri, New Delhi - 110021. Email: cus-advrulings.del@gov.in
9. The Principal Chief Commissioner of Customs, Mumbai Customs Zone-I, Ballard Estate, Mumbai -400001. Email: ccu-cusmum1@nic.in
10. The Chief Commissioner (AR), Customs Excise & Service Tax Appellate Tribunal (CESTAT), West Block-2, Wing-2, R.K. Puram, New Delhi - 110066.
Email: cdrcestat123@gmail.com, ccar.cestat-delhi@gov.in
11. The Member (L & J), 158-B, 2nd floor, Central Boards of Indirect Taxes & Customs, North Block, New Delhi-110001.
Email: mem.lj-cbic@nic.in, memcxlegal.cbic@gov.in, memberinv.cbic@gov.in
12. The Member (Customs), Central Boards of Indirect Taxes & Customs, North Block, New Delhi-110001. Email: mem.cus-cbec@nic.in
13. The Webmaster, Central Boards of Indirect Taxes & Customs.
Email: webmaster.cbcc@icegate.gov.in
- ✓ 4. Guard file.


(P. Vinitha Sekhar)
Secretary,
Customs Authority for Advance Rulings,
Mumbai.





सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण
CUSTOMS AUTHORITY FOR ADVANCE RULINGS
नवीन सीमाशुल्क भवन, बेलाई इस्टेट, मुंबई - ४०० ००१
NEW CUSTOM HOUSE, BALLARD ESTATE, MUMBAI - 400 001
E-MAIL: cus-advrulings.mum@gov.in

Dated: 11.10.2021

S.No.	Complete Address	Barcode
1.	M/s Ingram Micro India Pvt Ltd ,5th Floor A Wing, Empire Plaza, LBS Marg, Gandhi Nagar, Vikhroli West, Mumbai – 400 083	EM719808411IN
2.	The Pr. Commissioner of Customs, Chennai VII (Air Cargo Commissionerate), New Custom House, Air Cargo Complex, Meenambakkam, Chennai – 600016.	EM719809006IN
3.	The Commissioner of Customs. Air Cargo (Import), New Customs House, Near I.G.I. Airport, New Delhi – 110037	EM719808765IN
4.	The Pr. Commissioner of Customs (III), (Import), Air Cargo Complex, Sahar, Andheri (East), Mumbai – 400099	EM719808751IN
5.	The Principal Commissioner of Customs (Airport & ACC), 15/1, Strand Road, Custom House, Kolkata- 700001	EM719808875IN
6.	The Customs Authority for Advance Rulings, 5 th Floor, NDMC Building, Yashwant Place, Satya Marg, Chanakyapuri, New Delhi - 110021	EM719808986IN
7.	The Chief Commissioner (AR), Customs Excise & Service Tax Appellate Tribunal (CESTAT), West Block-2, Wing-2, R.K. Puram, New Delhi - 110066	EM719808990IN
8.	The Member (Customs), Central Boards of Indirect Taxes & Customs, North Block, New Delhi-110001	EM719808867IN

Receivers Signature

Senders Signature

Kunal Singh Katoch
11/10/21

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