



सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण

**CUSTOMS AUTHORITY FOR ADVANCE RULINGS**

नवीन सीमाशुल्क भवन, बेलार्ड इस्टेट, मुंबई - ४०० ००१

**NEW CUSTOM HOUSE, BALLARD ESTATE, MUMBAI - 400 001**

**ई-मेल/E-MAIL: cus-advrulings.mum@gov.in**

The 20<sup>th</sup> of December 2021

Ruling No. CAAR/Mum/ARC/70/2021

In

Application No. CAAR/CUS/APPL/73/2021 -0/o Commr-CAAR-MUMBAI

Name and address of the applicant: M/s Audio Distribution House Pvt., Ltd, Office No. 1 & 2, Al Sabreen CHS, Kamal Apt., Near Jama Masjid, S.V Road, Bandra (West), Mumbai - 400050

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

Present for the applicant: Sh. L. Gokulraj, Advocate;

Present for the Department: --

**Ruling**

M/s Audio Distribution House Pvt. Ltd. has filed an application on 01.09.2021 seeking advance rulings on the classification of data projector (Optoma SA520) and applicability of Sr. No. 17 of Notification No. 24/2005-Customs, dated 01.03.2005, as amended.

2. The applicant is a registered private limited company engaged in the trading business. They intend to import “data projectors (Optoma SA520)” from China. As per the applicant, the subject goods are data projectors used in schools, business meetings, and conferences, and are principally meant for use with an automatic data processing system. They are designed to function in places like conference rooms, business meetings, financial institutions, etc., with a connection to a computer or a laptop. In other words, the subject goods are stated to be designed in such a way that enables them to function in well-lit places. The product has a native resolution of 800\*600 (SVGA). It also supports computer signals up to ultra-extra graphics array (UXGA). SVGA (super video graphics array) and UXGA (ultra-extra graphics array) are computer display standards. The projector provides a brightness of 4000 ANSI lumens. The contrast ratio of the projector is 25000:1 and a native aspect ratio is 4:3, though the product is also compatible with an aspect ratio of 16:9.



The device supports connections such as HDMI, VGA-in/out, composite, audio-in/out, USB-A. They have proposed sub-heading 85286200 as an appropriate classification entry, which includes projectors capable of connecting to an automatic data processing system.

2.1 The applicant has compared their device with a home theatre/ video projector, classifiable under sub-heading 85286900. A home theatre projector generally supports high resolution (4K UHD 3840\*2160). They are characterised with high contrast ratio in the range of 100000:1 to 1200000:1 and possess a native aspect ratio of 16:9. Therefore, there are significant variations between the features of a data projector and a video projector. It is stated that impugned devices are not home theatre projectors. According to the applicant, subject goods having additional features of HDMI/composite/S-Video port, etc., are data projectors, which are designed primarily to be used with an automatic data processing system. In support of the above, the applicant has submitted the following case laws: -

*Epson India Pvt. Ltd. V. Commissioner, (366) ELT 847 (Tri-Chennai).*

*Commissioner of Customs V. M/s. Epson India Pvt. Ltd., ELT A173 (SC).*

*Commissioner of Customs V. Vardhaman Technology Pvt. Ltd., (301) ELT 427,*

*M/s. Casio India Co. Pvt. Ltd. V. Commissioner of Customs, (Tri-New Delhi), vide Final order dated 55283/2016.*

*Sony India Pvt. Ltd. V. Commissioner of Customs and Central Excise, New Delhi, (370) ELT 1774 (Tri-Del).*

2.2 The applicant further stated that they are eligible to claim nil rate of duty on the impugned device under Sr. No. 17 of Notification No. 24/2005-Customs, dated 01.03.2005, as amended.

3. In their CAAR - I form, the applicant has declared that they would import through the jurisdiction of Principal Commissioner/Commissioner of Customs, Mumbai, Zone -II. The application was forwarded to the jurisdictional Principal Commissioners of Customs for comments. However, no reply has been received, though reminders have also been sent.

4. The application was listed for hearing on 02.12.2021. The applicant was represented by Shri L. Gokulraj, advocate. No one appeared on behalf of the jurisdictional Principal Commissioner. Shri Gokulraj explained the application in detail and stated that since customs authorities tend to take different views in respect of the classification, they have sought this advance ruling. Shri Gokulraj also informed that for a similar product they have already obtained advance rulings.

5. I have considered all the materials placed before me in respect of the subject device. I have gone through the submissions made by the applicant during the personal hearing. No reply has been received from the jurisdictional Principal Commissioner/ Commissioner. In the absence of any comment from the jurisdictional Principal Commissioner/ Commissioner of Customs, on the impugned subject matter, I proceed to render an advance ruling, on the basis of available information. The issue at hand is to decide the classification of data projector (Optoma SA520) and applicability of Sr. No. 17 of Notification No. 24/2005-Customs, dated 01.03.2005, as amended. A projector is an optical device that projects an image/video onto a surface, commonly a projection screen. The idea of a projector is to convert a small image into a much larger one so



that a greater number of people can see it. A projector accepts a video/image as an input, processes it with the assistance of its inbuilt optical projection system consisting of a lens and optical source and projects the enhanced output on the projection screen. Therefore, the compatibility of a projector with input devices, such as a computer, a DVD player, etc. feeding images/videos to it and its ability to project these inputs accurately on the screen form important attributes for the classification of a projector. Based on applications, a projector can be classified as a business/data projector or as a video/home theatre projector. A business projector is generally brighter and equipped to deal with a variety of media options. They generally have a low contrast ratio. They possess resolution to match computer or laptop screens. The video/home projectors falling under CTH 85286900 are different from business projectors since they are used to project in a small room and small audience with dark ambience and low/medium lamp brightness. They generally have a high or very high contrast ratio to support movies and gaming projection. They are characterised by high resolution along with connectors supporting audio and video equipment and gaming solutions. They are optimized for film and TV. The critical differences between the two projectors can be summarised as below: -

Table 1: Comparison between Data projectors and Video projectors

Sr. No.	Feature	Data Projector (Product Catalogue)	Video Projector (Normal range)	Remarks
1.	Native Aspect Ratio	4:3	16:9	A projector's aspect ratio refers to the ratio between its width and height. 16:9 is the standard aspect ratio of Blu-ray discs and HDTV signals. It is the only widescreen aspect ratio natively supported by the DVD. Most home theatre projectors employ this aspect ratio. Business projectors usually have an aspect ratio of 4:3, as this is more suitable for documents and presentations.
2.	Native Resolution	800*600	3840*2160	Resolution refers to the number of lines of an image displayed on the screen. The greater the resolution, the greater the picture quality. The resolution in data projectors is less as compared to video projectors.
3.	Contrast Ratio	25000:1	100000:1 to 1200000:1	This indicates the difference between the brightest and darkest colours. It is higher in video projectors as compared to data projectors.
4.	Brightness in lumens	4000	1800 to 2400	Data projectors are generally much brighter than video projectors as they are designed to fill much larger spaces. Also, they are usually equipped to deal with rooms with more ambient light. A video projector does not need such brightness.



5.1 Rule 1 of the GI Rules lays down that the titles of sections, chapters and sub-chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes. The relevant CTHs are reproduced below. CTH 8528 covers *monitors and projectors, not incorporating television reception apparatus, reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus*. The third 1-dash sub-heading covers projectors. CTH 85286200 covers *projectors; capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471*. CTH 85286900 is a residual entry. CTH 8471 covers *automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included*. Chapter Note 5 (E) to Chapter 84 states that *machines incorporating or working in conjunction with an automatic data processing machine and performing a specific function other than data processing are to be classified in the headings appropriate to their respective functions*. Therefore, projectors working in conjunction with devices under 8471 will be classified under CTH 85286200. The product data sheet lists computer graphics compatibility standards of the product, namely, UXGA, WXGA, SXGA, XGA, SVGA, VGA and Mac. Further, the VGA port facilitates the connection between the said projector and a laptop/ computer. Therefore, it is evident that the projector in question is usable with an automatic data processing machine, which makes it classifiable under CTH 85286200. Reliance is placed upon *Epson India Pvt. Ltd. V. Commissioner reported in 2019 (366) ELT 847 (Tri- Chennai)*. The Hon'ble Tribunal, Chennai held that *the projectors which are principally used for data projection by being connected to either a laptop or a desktop computer shall be eligible to be classified under CTH 85286100* (erstwhile tariff heading for projectors capable of directly connecting to and designed for use with an automatic data processing system of heading 8471).

5.2 The projector under consideration has got certain additional ports such as HDMI, audio, composite, etc. Further, the product is compatible with an aspect ratio of 16:9, though the aspect ratio of 4:3 is native. These facts make it capable of being a video projector and consequently classifiable under CTH 85286900 also. GI Rule 3 states that *"the heading which provides the most specific description shall be preferred to headings providing a more general description"*. The website, <https://www.optomausa.com/>, of the manufacturer of the impugned device was referred to understand how the projector is marketed by the manufacturer. It is listed under the business category of projectors on the said website. The product description present on the website is reproduced here: *"The SA520 is designed for business and education, provides 4000 lumens of brightness and SVGA image quality, offers necessary functions and best value. With an optional HDCast Pro dongle, you can wirelessly connect to your laptop, tablet or mobile device and share your streaming videos, photos or documents to the big screen. Especially designed for business and education environments, up to 4 computers can project the content simultaneously."* From the above description, it is clear that these are marketed as data projectors only. From the product catalogue and information available on the website, it is clear that data projectors are principally meant for use with an automatic data processing system. They are designed to project in places



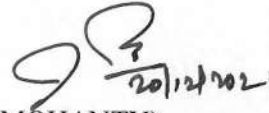
like conference rooms, business meetings, financial institutions etc. with connectors matching that of a laptop/ computer. They possess both indoor and outdoor projection capability. The projector imported by the applicant has got additional features such as composite port, HDMI port etc. Apart from this, it is also compatible with the 16:9 aspect ratio. The additional ports and compatibility with the 16:9 aspect ratio give additional utility in the form of an audio-video display. The differentiating features of data projectors compared to that of video projectors are discussed in table 1, which substantiates that the principal use of impugned goods, based on functions and features, is with automatic data processing machines. The presence of additional features cannot dis-entitle the impugned goods from classification under CTH 85286200. Reliance is placed upon *Vardhaman Technology P. Ltd. the Tribunal* where it was held that *the projectors merely having additional function cannot be denied classification under CTH 85286100* (erstwhile tariff heading for projectors capable of directly connecting to and designed for use with an automatic data processing system of heading 8471). Therefore, the goods under consideration are classifiable under subheading 85286200.

6. Sr. No. 17 of Notification No. 24/2005-Customs, dated 01.03.2005, as amended, exempts all goods under subheading 85286200 of kind solely or principally used in an automatic data processing system of heading 8471. The impugned goods are solely or principally used with a computer or laptop, i.e., an automatic data processing machine. Therefore, the goods under consideration are entitled to the exemption.

7. The classification of data projector (Optoma X400LVe) and applicability of Sr. No. 17 of Notification No. 24/2005-customs. dated 01.03.2005, as amended - were subject matter in another advance ruling application by the same applicant before me. In the Ruling No. CAAR/Mum/ARC/63/2021, dated 28.10.2021, I had the occasion to examine in detail the contentions of the applicant, the contending tariff entries, the relevant chapter and section notes, as well as the explanatory notes to the harmonised commodity classification system of the world customs organisation. My conclusions in the said proceedings remain equally valid in the present proceedings considering the fact that the products in question are substantially similar in specification and functionalities.

8. Accordingly, I rule that the imported goods are classifiable under sub-heading 85286200 of the first schedule to the Customs Tariff Act, 1975 and would be eligible to avail benefit of Sr. No. 17 of Notification No. 24/2005-Customs, dated 01.03.2005, as amended.



  
(M.R. MOHANTY)  
Customs Authority for Advance Rulings,  
Mumbai

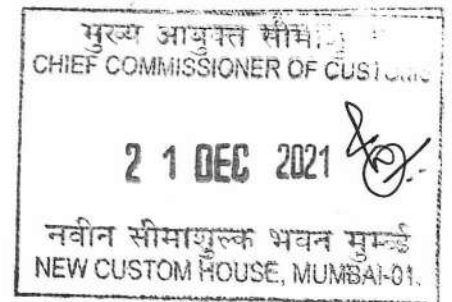
This copy is certified to be a true copy of the ruling and is sent to: -

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Email: [arvind@mzaudiodistribution.co.in](mailto:arvind@mzaudiodistribution.co.in)
2. The Commissioner of Customs (Nhava Sheva -V), Jawaharlal Nehru Customs House, Nhava Sheva, Tal Uran, District Raigad, Maharashtra – 400707. Email: [commr-ns5@gov.in](mailto:commr-ns5@gov.in)
3. The Customs Authority for Advance Rulings, 5<sup>th</sup> Floor, NDMC Building, Yashwant Place, Satya Marg, Chanakyapuri, New Delhi - 110021. Email: [cus-advrulings.del@gov.in](mailto:cus-advrulings.del@gov.in)
4. The Chief Commissioner of Customs, Mumbai Customs Zone-I, Ballard Estate, Mumbai -400001.  
Email: [ccu-cusmum1@nic.in](mailto:ccu-cusmum1@nic.in)
5. 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](mailto:cdrcestat123@gmail.com), [ccar.cestat-delhi@gov.in](mailto:ccar.cestat-delhi@gov.in)
6. The Member (Customs), Central Boards of Indirect Taxes & Customs, North Block, New Delhi-110001. Email: [mem.cus-cbec@nic.in](mailto:mem.cus-cbec@nic.in)
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~~18/~~ Guard file.



(Manoj Kumar Hessa)  
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**CUSTOMS AUTHORITY FOR ADVANCE RULINGS**  
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**E-MAIL: cus-advrulings.mum@gov.in**

Dated: 21.12.2021

S.No.	Complete Address	Barcode
1.	M/s Audio Distribution House Pvt., Ltd, Office No. 1 & 2, Al Sabreen CHS, Kamal Apt., Near Jama Masjid, S.V Road, Bandra (West), Mumbai - 400050	EM719849985IN
2.	The Commissioner of Customs (Nhava Sheva -V), Jawaharlal Nehru Customs House, Nhava Sheva, Tal Uran, District Raigad, Maharashtra - 400707	EM719849742IN
3.	The Customs Authority for Advance Rulings, 5 <sup>th</sup> Floor, NDMC Building, Yashwant Place, Satya Marg, Chanakyapuri, New Delhi - 110021	EM719849861IN
4.	The Chief Commissioner (AR), Customs Excise & Service Tax Appellate Tribunal (CESTAT), West Block-2, Wing-2, R.K. Puram, New Delhi - 110066.	EM719849739IN
5.	The Member (Customs), Central Boards of Indirect Taxes & Customs, North Block, New Delhi-110001	EM719849858IN

Receivers Signature

