



TELANGANA STATE AUTHORITY FOR ADVANCE RULING
CT Complex, M.J Road, Nampally, Hyderabad-500001.
(Constituted under Section 96(1) of TGST Act, 2017)

Present:

Sri B. Raghu Kiran, IRS, Additional Commissioner (Central Tax)
Sri S.V. Kasi Visweswara Rao, Additional Commissioner (State Tax)

A.R.Com/14/2019

Date:17.01.2022

TSAAR Order No.01/2022

[ORDER UNDER SECTION 98(4) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 AND UNDER SECTION 98(4) OF THE TEALANGANA GOODS AND SERVICES TAX ACT, 2017.]

1. M/s. Next Education India private limited, 8-2-269/A/2/1 to 6, 1st Floor, 3rd Floor, East Wing, Sri Nilaya Cyber Spazio, Road No.2, Banjara Hills, Hyderabad, Telangana, 500034 (36AABCH9484P1ZQ) has filed an application in FORM GST ARA-01 under Section 97(1) of TGST Act, 2017 read with Rule 104 of CGST/TGST Rules.
2. At the outset, it is made clear that the provisions of both the CGST Act and the TGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the TGST Act. Further, for the purposes of this Advance Ruling, the expression 'GST Act' would be a common reference to both CGST Act and TGST Act.
3. It is observed that the queries raised by the applicant fall within the ambit of Section 97 of the GST ACT. The Applicant enclosed copies of challans as proof of payment of Rs. 5,000/- for SGST and Rs. 5,000/- for CGST towards the fee for Advance Ruling. The Applicant has declared that the questions raised in the application have neither been decided by nor are pending before any authority under any provisions of the GST Act. The application is therefore, admitted.
4. **Brief facts of the case:**

M/s. Next Education India Private limited is in the business of supplying interactive flat panels with Android combining all functions of processor, monitor, touch input and speaker into a single unit. The applicant claims that the embedded processor of the device runs on android operating system facilitating the processing of programs and arithmetical computations. The device has infrared touch screen which uses LED and light sensor and therefore it is sensitive to finger touch of users. The applicant would like to know the HSN classification of this good. Hence this application.
5. **Question raised:**

Whether the appropriate HSN classification of the above described Interactive Flat panel with Android would be under the heading 8471?
6. **Personal Hearing:**
The Authorised representatives of the unit namely Savith V Gopal, CA & Vasudev Rao, BVM, Senior Manager - Finance attended the personal hearing held on 25-11-2021. The authorized representatives reiterated their averments in the application submitted and contended as follows:
 1. That, they are into supply of Digital Class rooms specifically interactive flat panels.

2. That in their opinion the interactive flat panels fall under HSN 8471.
3. That, they seek clarification regarding the opinion expressed.

7. Discussion & Findings:

The commodity dealt by the applicant according to the Material papers provided by them has the following features:

Feature	Description
Computing	Quad Core, ARM Cortex A73 processor with 2 GB ram and 16 GB internal storage running Android Oreo 8.
Display	65" TFT LCD screen with 16:9 aspect ratio capable of displaying 1.07 Billion colors.
Interactivity	Full screen touch with 15 continuous touch points. Physical buttons for power, menu, volume controls and source selection.
Connectivity	HDMI, USB, LAN, VGA, CVBS, Mic, Headphone are available to receive signals from other Automatic Data Processing Machines
Audio	Dual front facing speakers 2x15 Watts.
Power	100V-240V AC

The notes in Chapter 84 of the HSN in Custom Tariff Code defines automatic data processing machine as follows at para-5:

"5.(A) For the purposes of heading 8471, the expression "automatic data processing machine" means machine capable of :

- (i) storing the processing programme or programmes and at least the data immediately necessary for the execution of the programme;
- (ii) being freely programmed in accordance with the requirements of the user;
- (iii) performing arithmetical computations specified by the user; and
- (iv) executing, without human intervention, a processing programme which requires them to modify their execution, by logical decision during the processing run.

(B) Automatic data processing machines may be in the form of systems consisting of a variable number of separate units.

(C) Subject to paragraphs (D) and (E), a unit is to be regarded as being part of an automatic data processing system if it meets all of the following conditions :

- (i) it is of a kind solely or principally used in an automatic data processing system;
- (ii) it is connectable to the central processing unit either directly or through one or more other units; and
- (iii) it is able to accept or deliver data in a form (codes or signals) which can be used by the system. Separately presented units of an automatic data processing machine are to be classified in heading 8471.

However, keyboards, X-Y co-ordinate input devices and disk storage units which satisfy the conditions of (ii) and (iii) above, are in all cases to be classified as units of heading 8471.

(D) Heading 8471 does not cover the following when presented separately, even if they meet all of the conditions set forth in paragraph (C):

- (i) printers, copying machines, facsimile machines, whether or not combined;
- (ii) apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network);
- (iii) loud speakers and microphones;
- (iv) television cameras, digital cameras and video camera recorders;
- (v) monitors and projectors, not incorporating television reception apparatus.

(E) 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 or, failing that, in residual headings."

The chapter specifically contains Entry 8471 as follows:

"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."

Further specific Entry 847141 contains:

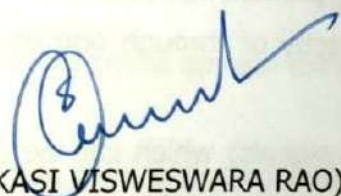
"Other automatic data processing machines, comprising in the same housing at least a central processing unit and as input and output unit, whether or not combined."

The goods sold by the applicant has a Central processing unit, memory & storage with an onscreen display of output which is based on the input supply by the user. Therefore in view of the notes to Chapter 84 and also the HSN entries under 8471, the goods fall under HSN 8471.

8. The ruling is given as below:

In view of the above discussion, the questions raised by the applicant are clarified as below:

Questions	Ruling
Whether the appropriate HSN classification of the above described Interactive Flat panel with Android would be under the heading 8471?	Yes.



(S.V. KASI VISWESWARA RAO)
ADDL. COMMISSIONER(STATE TAX)



(B. RAGHU KIRAN)
ADDL. COMMISSIONER(CENTRAL TAX)

[Under Section 100(1) of the CGST/TGST Act, 2017, any person aggrieved by this order can prefer an appeal before the Telangana State Appellate Authority for Advance Ruling, Hyderabad, within 30 days from the date of receipt of this Order]

To
M/s. Next Education India private limited,
8-2-269/A/2/1 to 6, 1st Floor, 3rd Floor,
East Wing, Sri Nilaya Cyber Spazio, Road No.2,
Banjara Hills, Hyderabad, Telangana, 500034 .

Copy submitted to :

1. The Commissioner (State Tax) for information.
2. The Commissioner (Central Tax), Hyderabad Commissionerate, GST Bhavan, L.B. Stadium Road, Basheerbagh, Hyderabad 500 004.

Copy to:

1. The Superintendent (Central Tax) Jubilee Hill-II Range. H.No.8-2-677/P, 1st to 3rd Floors, Road No.12, Banjara Hills, Hyderabad -500 034.

//t.c.f.b.o//

Superintendent (Grade-I)