

**THE AUTHORITY FOR ADVANCE RULINGS  
IN KARNATAKA  
GOODS AND SERVICES TAX  
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD  
GANDHINAGAR, BENGALURU – 560 009**

**Advance Ruling No. KAR ADRG 48/2022  
Date : 12-12-2022**

Present:

1. **Dr. M.P. Ravi Prasad**  
Additional Commissioner of Commercial Taxes . . . . Member (State)
2. **Sri. Kiran Reddy T**  
Additional Commissioner of Customs & Indirect Taxes . . . .Member (Central)

1.	Name and address of the applicant	M/s. VIRTULIVE TECHNOLOGIES PVT. LTD., # 683 A, 15 <sup>th</sup> Cross, 100 Feet Ring Road, 3 <sup>rd</sup> Floor, JP Nagar 2 <sup>nd</sup> Phase, Bengaluru – 560 078.
2.	GSTIN or User ID	29AAFVCV8708G1ZX
3.	Date of filing of Form GST ARA-01	07-11-2022
4.	Represented by	Sri. Gangadhara Rao, Manager & DAR, Sri. Raghav Narayan, Co-founder & Vice President (Sales)
5.	Jurisdictional Authority – Centre	The Principal Commissioner of Central Tax, Bangalore South Commissionerate, Bengaluru. (Range-DSD6)
6.	<b>Jurisdictional Authority – State</b>	ACCT, LGSTO-91, Bengaluru.
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- under CGST Act & Rs.5,000/- under KGST Act through debit from Electronic Cash Ledger vide reference No. DC2911220019514 dated 04.11.2022.

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017  
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s. Virtulive Technologies Private Limited (herein after referred to as 'Applicant'), # 683 A, 15<sup>th</sup> Cross, 100 Feet Ring Road, 3<sup>rd</sup> Floor, JP Nagar 2<sup>nd</sup> Phase, Bengaluru – 560 078, having GSTIN 29AAFVCV8708G1ZX, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of



CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017, in form GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act, KGST Act.

2. The applicant stated that they developed a product "Walltop Computer", which is an integration of core computing elements with the following features and specifications; the user community of the product broadly cover all the users who are in need of Laptop or computer as it adds more value than Laptop and computers.

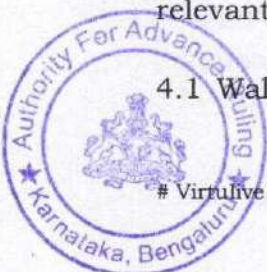
- (a) Intel 10th/11th Generation i5/i7 processor with 16GB memory (expandable to 64GB)
- (b) Internal storage of 1TB SSD (Expandable to 2TB) Storage
- (c) WIFI/Bluetooth/USB and HDMI user interfaces
- (d) 4G/5G compatible LTE Module that enhances its connectivity to the mobile networks.
- (e) Optimized in-house developed system integration processor controller, a proprietary design
- (f) Built-in array microphone and wireless microphone modules for user interaction.
- (g) Integrated high intensity (1200 lumens) LED Optical Projection system with a life of 30000 hours acting as a display.
- (h) The projected interactive display size is 120-inch diagonal – the biggest for any computer.
- (i) Enables any wall surface as an interactive environment for collaborative meetings in conjunction with above.
- (j) Allows to connect with blue tooth keyboard and IR pen to provide input by the users.

3. In view of the above, the applicant has sought advance ruling in respect of **classification of their product "Walltop Computer"**.

**3.1 Admissibility of the application:** The question raised by the applicant is on classification of their product "Roombr", a walltop computer, which is covered under "classification of any goods or services or both" and hence is admissible under Section 97(2) (a) of the CGST Act 2017.

4. **BRIEF FACTS OF THE CASE:** The applicant furnished the following facts relevant to the issue:

4.1 Walltop Computer – Build



With the advent of collaborative domain of online-education, online-meetings, the need to have a large screen visible across bigger classrooms or corporate halls is a necessity ensuring interactivity. The need was to bring in an interactive large screen on a flat surface which adopts user-based interactivity supported by high performance computing power. The key drivers for this were, portability, ease of operation, high intensity long life display. The result is WALLTOP Computer an indigenous product developed by the applicant in India using state of art technologies.

4.2 **Roombr** the first **WALLTOP Computer** in the world, is a result of three years of R&D and fully developed in our labs with supporting collaborative software suite. It is extending the computing power to an interactive wall so that meetings, classroom teachings can be more vivid and realistic. Key constituents of this product are:

- a. Intel 10th/11th Generation i5/i7 processor system equivalent or higher
- b. 16GB memory (expandable to 64GB),
- c. Internal storage of 1TB SSD (Expandable to 2TB) Storage
- d. WIFI /Bluetooth 4.x /USB 3.x and HDMI user interfaces
- e. 4G/5G compatible LTE Module enabling connectivity to the mobile networks.
- f. Optimized in-house developed system integration processor controller.
- g. Built-in array microphone/d wireless microphone modules for user interaction.
- h. Integrated 3D LED Optical Projection - 1200 lumens as display projector.
- i. Life of Projection system is 30000hours acting as a display.
- j. The projected Interactive display is 120-inch diagonal – big screen.
- k. Bluetooth keyboard and IR pen to provide interactivity support.
- l. Projected surface (any wall) acts as interactive environment using IR pens.

4.3 The main operating system for the product is WINDOWS 11 to provide seamless integration to the applications like OFFICE 365, pre-defined educational content and customised presentations as the need be. The device just needs a stable power input and can be set up in less than an hour to be made fully functional. The product can be tabletop positioned or mounted in the ceiling to



provide user flexibility of usage. The overall size of the system is **300mmx300mmx144mm**. It weighs  $\approx$  **3KG's** and thermal well managed allowing over 8 hours of continued operation even at elevated temperatures of 45°C.

## 5. Applicant's Interpretation of Law:

5.1 Based on the above features and the specifications the applicant contends that the impugned product can easily be grouped and classified under the category of Automated Data Processing Machines, falling under tariff heading 8471 41 90. The relevant entries of the classification are as under:

### 5.2 HSN Classification 8471 4190

Based on the technical details provided above, it is very clear that the device is to be grouped under the main classification:

8471 AUTOMATIC DATA PROCESSING MACHINES AND UNITS THEREOF; MAGNETIC OR OPTICAL READERS, MACHINES FOR TRANSCRIBING DATA ON TO DATA MEDIA IN CODED FORM AND MACHINES FOR PROCESSING SUCH DATA, NOT ELSEWHERE SPECIFIED OR INCLUDED

Under sub classification:

8471 41 *Comprising in the same housing at least a central processing unit and an input and output unit, whether or not combined:*

8471 41 90 - Other

5.3 The Roombr Walltop Computer is an Automated Data Processing Machine that comprises in the same housing a central computing unit – Intel Processor or equivalent processor-based mother board with RAM and storage and as an input – the interactive projected screen using the Optical engine using IR pens or through on-screen keyboard or external Bluetooth Keyboard.

5.4 Based on these functional details the applicant claimed that the subject product be classified under the HSN Code 84714190. The applicant also furnished the extract of customs tariff relevant to heading 8471.

## PERSONAL HEARING PROCEEDINGS HELD ON 10.11.2022

6. Sri. Gangadhara Rao, Manager & Authorised Representative of the applicant along with Sri. Raghav Narayan, Vice President (Sales) appeared for personal hearing proceedings and reiterated the facts narrated in their application.



## FINDINGS & DISCUSSION

7. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and the KGST Act, 2017 are in pari-materia and have the same provisions in like matters and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.

8. We have considered the submissions made by the applicant in their application for advance ruling. We also considered the issues involved on which advance ruling is sought by the applicant and relevant facts along with the arguments made by the applicant & the submissions made by their learned representative during the time of hearing.

9. The applicant sought advance ruling in respect of the classification of their product i.e. a Walltop Computer "roombr". The applicant claims that it is the first walltop computer with the features of (i) true to life image quality, (ii) high speed computing for superior performance, (iii) dual cameras for unparalleled video experience, (iv) clear audio conferencing, (v) high fidelity speakers for optional sound performance, (vi) multiple interface connections, (vii) fast and powerful operating system and (viii) platform to integrate collaboration apps. The applicant also claims that the impugned product is with supporting collaborative software suite to extend the computing power to an interactive wall so that meetings, classroom teachings can be more vivid and realistic, with the following constituents/specifications.

- a. Intel 10th/11th Generation i5/i7 processor system equivalent or higher
- b. 16GB memory (expandable to 64GB),
- c. Internal storage of 1TB SSD (Expandable to 2TB) Storage
- d. WIFI /Bluetooth 4.x /USB 3.x and HDMI user interfaces
- e. 4G/5G compatible LTE Module enabling connectivity to the mobile networks.
- f. Optimized in-house developed system integration processor controller.
- g. Built-in array microphone/d wireless microphone modules for user interaction.
- h. Integrated 3D LED Optical Projection - 1200 lumens as display projector.
- i. Life of Projection system is 30000hours acting as a display.

The projected Interactive display is 120-inch diagonal – big screen.



k. Bluetooth keyboard and IR pen to provide interactivity support.

l. Projected surface (any wall) acts as interactive environment using IR pens.

The applicant, in view of the foregoing, contends that their product i.e. walltop computer "roombr" is an automated data processing machine that comprises in the same housing a central processing unit with Intel/other equivalent processor based mother board, RAM & Storage and also has interactive projected screen using optical engine using IR pens or on-screen keyboard or external Bluetooth keyboard as an input unit/device. Therefore the product is classifiable under tariff heading 8471 41 90.

10. In view of the above, we proceed to examine the classification of the impugned product. In this regard we invite reference to Explanations (iii) and (iv) appended to the Notification No. 01/2017- Central Tax (Rate), dated 28.06.2017, which are relevant to determination of Classification of a product & are as under:

(iii) "Tariff item", "sub-heading" "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(iv) The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

Accordingly we make a reference to the Section Notes and Chapter Notes of the relevant Chapters of the Customs Tariff and also the corresponding Harmonised Commodity Description and Coding System Explanatory Notes of World Customs Organisation (WCO).

11. We observe that Section XVI of the Customs Tariff Act 1975 covers *Machinery and Mechanical Appliances; Electrical equipment; Parts thereof; Sound recorders and reproducers, Television image and sound recorders and reproducers, and parts and accessories of such articles.* Chapter 84 of the said Act covers *Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof and tariff heading 8471 deals with automatic data processing machines and units thereof etc.,* and relevant portions of said heading are as under:

8471	AUTOMATIC DATA PROCESSING MACHINES AND UNITS THEREOF; MAGNETIC OR OPTICAL READERS, MACHINES FOR TRANSCRIBING DATA ON TO DATA MEDIA IN CODED FORM AND MACHINES FOR PROCESSING SUCH DATA, NOT ELSEWHERE SPECIFIED OR INCLUDED
------	---



8471 30	- Portable automatic data processing machines, weighing not more than 10 Kg, consisting of at least a Central processing unit, a keyboard and a display:
8471 30 10	--- Personal Computer
8471 30 90	--- Other
	- Other automatic data processing machines :
8471 41	-- Comprising in the same housing at least a central processing unit and an input and output unit, whether or not connected
8471 41 10	--- Micro Computer
8471 41 20	--- Large or Main frame computer
8471 41 90	--- Other
8471 49 00	-- Presented in the form of systems
8471 50 00	- Processing units other than those of sub-headings 8471 41 or 8471 49, whether or not containing in the same housing one or two of the following types of unit: storage units, input units, output units
8471 60	- Input or output units, whether or not containing storage units in the same housing :
8471 60 10	--- Combined input or output units
	--- Printer
8471 60 24	---- Graphic printer

12. The applicant contends that their product qualifies to be an automatic data processing machine. We proceed to examine the said issue. In this regard we invite reference to Section Note 5 to Section XVI which defines the expression "**machine**", for the purpose of the chapter notes, to mean *any machine, machinery, plant, equipment, apparatus or appliance cited in the headings of chapter 84 or 85.*

Further Note 5(A) to Chapter 84 defines the expression "**automatic data processing machines**", for the purposes of heading 84.71, to mean *machines capable of:*

- (i) *Storing the processing program or programs and at least the data immediately necessary for the execution of the program;*
- (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 program which requires them to modify their execution, by logical decision during the processing run*

Thus for any machine or equipment to qualify as an automatic data processing machine it must be capable of fulfilling all the conditions simultaneously.



Further Note 5(B) of Chapter 84 stipulates that automatic data processing machines may be in the form of systems consisting of a variable number of separate units.

13. The product "roombr", in the instant case is a machine capable of performing all the functions envisaged under Note 5(A) to Chapter 84, simultaneously. It has 16GB RAM & internal storage of 1 TB and hence is capable of storing the programs / data for execution of the programs; it has Intel 10<sup>th</sup>/11<sup>th</sup> Generation i5/i7 processor mother board and hence can be freely programmed in accordance with the requirements of the user; can also perform arithmetical computations specified by the user and can execute a processing program & take logical decisions during the running of the said program. Therefore the impugned product squarely gets covered under category of automatic data processing machines.

14. Further explanatory notes pertaining to tariff heading 8471 specify that the Automatic data processing machines may comprise in the same housing, the central processing unit, an input unit (eg., a keyboard or a scanner) and an output unit (eg., a visual display unit). Further a complete automatic data processing system must comprise, at least:

- (i) A Central Processing Unit which generally incorporates the main storage, the arithmetical and logical elements and the control elements; in some case, however, these elements may be in the form of separate units.
- (ii) An Input Unit which receives input data and converts them into signals which can be processed by the machine.
- (iii) An Output Unit which converts the signals provided by the machine into intelligible form (printed text, graphs, displays etc.) or into coded data for further use (processing, control etc.)

In the instant case the impugned product "roombr" comprises a central processing unit, a Bluetooth keyboard and IR pen to provide interactivity support as an input unit and a projected interactive display as an output unit. Therefore, even on this aspect also the impugned product squarely gets covered under the category of automatic data processing machines under the tariff heading 8471 41.

15. Now we proceed to decide the sub classification of the impugned product. The heading 8471 41 has three sub headings covering Micro Computer, Large or main frame computer and other. In the instant case the impugned product is neither a micro-computer nor a large or main frame computer and thus it gets covered under others. Therefore the impugned product is classifiable under tariff heading 8471 41 90.

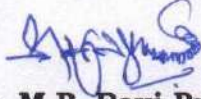




16. In view of the foregoing, we pass the following

**R U L I N G**

The product "roombr", a walltop computer is rightly classifiable under tariff heading 8471 41 90.

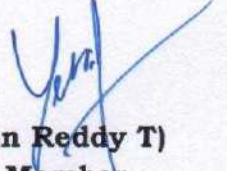


**(Dr. M.P. Ravi Prasad)**

**Member**

**MEMBER**

Karnataka Advance Ruling Authority  
Place : Bengaluru,  
Bengaluru - 560 009



**(Kiran Reddy T)**

**Member**

**MEMBER**

Karnataka Advance Ruling Authority  
Bengaluru - 560 009

Date : 12-12-2022

To,

The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Principal Commissioner of Central Tax, Bengaluru South Commissionerate, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-91, Bengaluru.
5. Office Folder.

