



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 31st of January, 2023

Ruling Nos. CAAR/Mum/ARC/03/2023

in

Application No. CAAR/CUS/APPL/82/2022 - O/o Commr-CAAR-MUMBAI

Name and address of the applicant : M/s. Compugate Infocom Ltd, D-601/602 & G-601,602 Lotus Corporate Park, Ram Mandir Lane, Graham Firth Steel Compound, Western Express Highway, Goregaon(East), Mumbai-400 063.

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

Present for the applicant : Shri. Hari Radhakrishnan (Advocate)

Present for the Department : --

Ruling

M/s. Compugate Infocom Ltd. (hereinafter referred to as 'the applicant') filed an application for advance ruling before the Customs Authority for Advance Rulings, Mumbai (CAAR, in short). The said application was received in the secretariat of the CAAR, Mumbai on 18.11.2022, along with its enclosures in terms of Section 28H (1) of the Customs Act, 1962 (hereinafter referred to as the 'Act'). The applicant is seeking advance ruling on the classification of 'Optoma Creative Touch 3-series Interactive Flat Panel (IFP)' (Model - 3652RK, 3752RK, 3862RK), proposed to be imported.

2. The applicant is a registered private limited company engaged in the trading business. The applicant is intending to import "Optoma Creative Touch 3-series Interactive Flat Panel (IFP) (Model - 3652RK, 3752RK, 3862RK)" (hereinafter referred to as the 'subject goods') from China. The subject goods are an All-in-one (AIO) Computer System, that functions like



a large size tablet computer. Elaborating on hardware, the applicant submitted that it has an inbuilt Mother Board, Dual Core A52 Micro Processor (CPU), Quad-core A55 Graphics Card, 4GB RAM and 32 GB ROM with touch screen as virtual key board as an input device and video display unit as an output device, all in one place. As per Webopedia, an "All-in-one Computer System" is defined as follows, "An All in One (AIO) Computer system is a type of computer which has all the parts of a computer like CPU, memory (ram storage) motherboard, graphic processing using or graphic card, all in one place. inside the monitors body". In reference to operating systems and software, the applicant stated that the subject goods typically come loaded like a Tablet computer system, with a mobile operating system and touch screen display processing circuitry, and has two classes of Operating Systems, i.e., Mobile Operating System like Android 9.0 (Oreo), and Desktop Operating Systems Microsoft Windows, like Apple Mac and Chrome OS. It also has built-in facilities like Marketplace, Cloud Drive, and file manager that provide easy access to popular apps and cloud storage, along with Screen recording capabilities that enable easy saving of meetings, lessons or notes for later viewing or sharing. The Panel of the subject goods, has an "Embedded Android system" pre-loaded with Android 11.0 Android Operating System (OS), including a 4K-optimized user interface and is capable of functioning on Microsoft Windows 10/11, Linux, Mac OS X, Android, Chrome OS.

2.1 As per the applicant, the subject goods, which are similar to AIO, consisting of an integrated system with Central Processing Unit, Mother Board, Graphic Card, Memory (RAM + Storage), Touch Screen as Virtual Key Board as an input device and Video Display Unit as an output device, all in one place, inside the display's body and articles thereof are specifically classifiable under Chapter heading 8471 of Customs Tariff Act, 1975, as an 'Automatic Data Processing Machine (hereinafter referred as ADP)' and ought to be classified under sub heading 84714190.

2.2 Chapter heading 8471 is reiterated 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'. The inference has been made by the applicant to the notes of Chapter 84. As suggested by the applicant, the subject goods merits classification under sub heading 84714190, as an 'ADP', as it satisfies all the requirements as mandated under Note 5(A) of Chapter 84 of Customs Tariff Act, 1975. The relevant note is reiterated below:

"5(A) For the purposes of heading 8471, the expression "automatic data-processing machines" means machines, capable of

- (1) storing the processing program or programs and at least the data immediately necessary for the execution of the program;*
- (2) being freely programmed in accordance with the requirements of the user,*
- (3) performing arithmetical computations specified by the user; and*



(4) executing, without human intervention, a processing program which requires them to modify their execution, by logical decision during the processing run."

With reference to the above note, the applicant has stated that the subject goods have the necessary Hardware Memory (RAM+ Storage-SSD) in which the Operating System as well as other Software programs are stored to execute the data processing process, and thereby satisfies the condition 5 (A) (1) of the Chapter notes. The software loaded in the IFP being freely programmed in accordance with the requirements of the user, fulfilling the condition given in 5(A)(2) of the chapter notes. It performs the arithmetical computations specified by the user which satisfy the condition 5(A)(3) of the chapter notes. The subject goods have a processing program, which makes it capable of modifying their execution by logical decision during the processing run, so satisfies the condition 5(A)(4) of the chapter notes.

2.3 The applicant has made reference to Ruling No. CAAR/Mum/ARC/15/2022 dated 03.06.2022 and Ruling no. CAAR/Mum/ARC/04/2022 dated 02.02.2022, wherein 'Creative Touch 5-series Interactive Flat Panel (IFP)' has been classified under CTH 84714190. The applicant has also submitted a US Cross-ruling. In a similar matter involving the classification of flat panel display, reported in NY N2800009 dated 31.10. 2016. The National Commodity Specialist Division, United States has held that the flat panel display, which is freely programmable and houses a CPU, and an input unit and/or an output unit shall be classified under 8471.41.0150 of the Harmonized Tariff Schedule of the United States.

3. They intend to import the said goods through Import Commissionerate, Chennai. Accordingly, comments from the jurisdictional Commissioner of Customs, Import Commissionerate, Chennai were invited vide this office letter dated 17.12.2022. However, no response has been received from the jurisdictional Commissioner.

4. The application was listed for hearing on 21.12.2022. The applicant was represented by Shri. Hari Radhakrishnan (Advocate). He reiterated CAAR-I application by taking recourse to grounds of the application, relevant extracts of the tariff, previous rulings and technical write-up. He finally requested to issue ruling in the present case based on the facts on record. No one represented the jurisdictional Commissioner of Customs in the hearing.

5. I have considered all the materials placed before me in respect of the subject goods for which an advance ruling has been sought. I have gone through the written submissions as well as the points made during personal hearing. In absence of comments on this subject from the jurisdictional authority on the subject goods, I proceed to pronounce ruling on the issue on the basis of information available on record and product details available on the website <https://www.optoma.co.uk/interactive-flat-panel-displays-3-series#business>. The goods are creative Touch 3 series interactive flat panels. Different model numbers viz. 3652 RK, 3752RK, 3862RK are as per the screen sizes, namely 65 inches, 75 inches and 86 inches, respectively. The subject goods for which advance ruling has been sought, its characteristics, functionality and utility etc. are broadly discussed in the aforementioned paras. The issue



involved is whether the impugned goods, namely, 'Optoma Creative Touch 3-series Interactive Flat Panel (IFP)' can be considered as ADP machines.

5.1 The impugned goods are basically described as an ADP machine, consisting integrated system with Central Processing Unit, Mother Board, Graphic Card, Memory (RAM+Storage), Touch Screen as Virtual Key Board as an input device and Video Display Unit as an output device, all in one place, inside the display's body. The subject goods typically come loaded like a Tablet computer system, with a mobile operating system and touch screen display processing circuitry, and has two classes of Operating Systems, i.e., Mobile Operating System like Android 9.0 (Oreo), and Desktop Operating Systems Microsoft Windows like Apple Mac and Chrome OS. It has been suggested by the applicant that the subject goods merit classification under sub heading 84714190, as they satisfy all the requirements as mandated under Note 5(A) (henceforth referred as 6 (A)) to Chapter 84 of Customs Tariff Act, 1975.

5.2 Rule 1 of the General Rules of Interpretation (GRI) 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.

Chapter 8471 of Customs Tariff Act, 1975 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 6(A) states that:

"For the purposes of heading 8471, the expression "automatic data-processing machines" means machines, capable of

(1) storing the processing program or programs and at least the data immediately necessary for the execution of the program;

(2) being freely programmed in accordance with the requirements of the user,

(3) performing arithmetical computations specified by the user; and

(4) executing, without human intervention, a processing program which requires them to modify their execution, by logical decision during the processing run."

In order to merit classification under heading 8471, it is clear that subject goods need to satisfy the requirements of note 6(A) to chapter 84. Therefore, there is a need to examine whether the features and specifications of the subject goods under consideration meet the criteria as laid down in the relevant chapter note reiterated above.



5.3 From the open source available, it is understood that Automatic data processing (ADP) machines have storage capability and also stored programs which can be changed as per the performance of tasks. Digital machines process data in coded form. A code consists of a finite set of characters (binary code, standard six-bit ISO code, etc.). The data input is either automatic through the use of data media such as magnetic tapes or manual by means of keyboards, touchscreen etc. The input data are converted by the input units into signals which can be used by the machine and stored in the storage units. The data is then operated by the CPU and operating system to produce output. From para 2 and 2.1, it is evident that these machines have a main storage capability which is directly accessible for the execution of a particular program and which has a capacity sufficient to store those parts of the processing & translating programs and the data immediately necessary for the current processing run. Therefore, the goods satisfy the condition specified in Note 6(A) 1. As per Note 6(A) 2, the machine should be able to be freely programmed in accordance with the requirement of the user. From the product details submitted, it appears that these goods come configurable with off-the-shelf, end-user applications allowing the programming of the various functions in accordance with the needs of the user. As per the product details available on the website, these devices have pre-installed apps including Office Suite, which allows users to open and edit all Microsoft Office documents. Applications available include GoToMeeting, Firefox, Evernote, and many more. Therefore, the goods satisfy condition as per 6(A)2. Creative Touch 3-Series Interactive Flat Panels, perform the arithmetical computations specified by the user which satisfy condition 6(A)(3) of the chapter notes. It is submitted that Optoma Creative Touch 3- Series Interactive Flat Panels have a processing program, which make them capable of modifying its execution by logical decision during the processing run, so satisfy condition 6(A)(4) of the chapter notes. From forgoing discussions, it is clear that the subject goods satisfy all the requirements as mandated under Note 6(A) (previously referred to as 5 (A)) to Chapter 84 of the Customs Tariff Act, 1975. Accordingly, the subject goods are classifiable under CTH 8471 as ADP.

5.4 Note 6(B) to chapter 84 states Automatic data processing machines may be in the form of systems consisting of a variable number of separate units. Note 6(C) to chapter 84 specifies the conditions for a unit to be classified as being part of an automatic data processing system. Note 6(D) to chapter 84 lists certain separately presented products that are to be excluded from heading 8471, even if they can be classified as part of an ADP system. Note 6(E) to chapter 84 mentions that a machine 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. In a standalone configuration, the devices under consideration process applications compatible with the various Android operating system (OS), join wired or wireless networks, access and manipulate folders and files, and perform general computing tasks such as Internet browsing, email, and editing office documents. Therefore, from the working and features of the impugned goods, it appears that these are neither units of ADP machines nor ADP machines presented in the form of systems but ADP machines themselves.



6. ADP machines are categorized in CTH 8471 as per one dash subheading as follows:

1st one-dash subheading: Portable automatic data processing machines, weighing not more than 10 kg, consisting of at least a central processing unit, a keyboard and a display

2nd one-dash subheading: Other automatic data processing machines

As the machines under consideration do not have a keyboard, they appear to be classifiable as other ADP machines under 2nd one-dash subheading. Subheading 847141 covers other ADP machines; comprising in the same housing at least a central processing unit and an input and output unit, whether or not combined. For the machines under consideration, the LED screen satisfies the requirement for output and the touchscreen satisfies the requirement for input apart from the CPU inbuilt into the device. Therefore, the subject goods appear to be classifiable under subheading 847141 and more specifically under subheading 84714190 as "Other automatic data processing machines: Comprising in the same housing at least a central processing unit and an input and output unit, whether or not combined: Other".

6.1 It was noticed that the Applicant had made a typographical mistake in filing the application. There was a difference in the model number 3652RK referred in CAAR – 1 application vis-à-vis model number 3651RK referred in the Annexure –I Facts of the CAAR-1 Application. Accordingly, on informing the applicant, they agreed with the error on their part and made necessary rectifications and submitted a fresh application dated 27.01.2023.

7. In view of these facts, I rule that Optoma Creative Touch 3-series Interactive Flat Panel (IFP) (Model - 3652RK, 3752RK, 3862RK) merit classification under Heading 8471 and more specifically under sub-heading 8471 41 90 of the first schedule to the Customs Tariff Act, 1975.

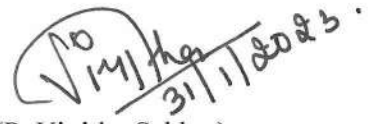



(Narendra V. Kulkarni)
Customs Authority for Advance Rulings,
Mumbai

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

1. M/s. Compuage Infocom Ltd, D-601/602 & G- 601,602 Lotus Corporate Park, Ram Mandir Lane, Graham Firth Steel Compound, Western Express Highway, Goregaon(East), Mumbai- 400 063. Email: ashish.patel@compuageindia.com , contact@agol.in
2. The Commissioner of Customs, Chennai-II (Import Commissionerate), Custom House,60, Rajaji Salai, Chennai 600 001. Email: chennai-importoffice@gov.in
3. The Customs Authority for Advance Rulings, 5th Floor, NDMC Building, Yashwant Place, Satya Marg, Chanakyapuri, New Delhi - 110021. Email: cus-advrulings.del@gov.in
4. The Principal Chief Commissioner of Customs, Mumbai Customs Zone-I, Ballard Estate, Mumbai - 400001. Email: 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, 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
7. The Commissioner (Legal), CBIC Offices, Legal/CX.8A, Cell, 5th floor, Hudco Vishala Building, C-Wing, Bhikaji Cama Place, R. K. Puram, New Delhi – 110066. Email: anishgupta.irs@gov.in, commr.legal-cbec@nic.in
8. The Webmaster, Central Boards of Indirect Taxes & Customs. Email: webmaster.cbec@icegate.gov.in
9. Guard file.




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