



सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण
CUSTOMS AUTHORITY FOR ADVANCE RULINGS
नवीन सीमाशुल्क भवन, बेलार्ड इस्टेट, मुंबई - ४०० ००१
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The 5th of April, 2024

Ruling Nos. CAAR/Mum/ARC/56/2024

in

Application No. CAAR/CUS/APPL/115/2023-O/o Commr-CAAR-MUMBAI

Name and address of the applicant: M/s Viewsonic Technologies India Private Limited, B-8, KHADER NAWAZ KHAN ROAD, NUNGAMBAKKAM, CHENNAI, TAMIL NADU - 600006

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

Present for the applicant: Sh. Ashwani Kumar Prabhakar, Advocate

Present for the Department: None

Ruling

M/s Viewsonic Technologies India Private Limited (IEC No. 0409009709) (hereinafter referred to as 'applicant') filed an application (CAAR-1) 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 **28.08.2023** along with its enclosures in terms of Section 28H (1) of the Customs Act, 1962. The applicant is seeking advance ruling on the classification 05 models of 'Interactive Display System 'ViewBoard' namely VIEWBOARD IFP-105S, VIEWBOARD IFP-6533, VIEWBOARD IFP-7533, VIEWBOARD IFP-8633, VIEWBOARD IFP-9850-4.

2. The applicant has informed that they are a registered private limited company which is engaged in the distribution of Information Technology and Telecommunication products. They intend to import 05 models of Interactive Display System (View Board) from their



related supplier, ViewSonic International Corporation, and sell it further to their distributors/consumers. The details of the Product in question are as below:

Sr. No	Name of the Product	Sr. No	Name of the Product
1.	VIEWBOARD IFP- 105S	4.	VIEWBOARD IFP-8633
2.	VIEWBOARD IFP-6533	5.	VIEWBOARD IFP-9850-4
3.	VIEWBOARD IFP-7533		

2.1 The subject goods, also known as Interactive Flat Panel, comprise of Liquid Crystal Display panels with LED backlight. They have an in-built Central Processing Unit and RAM for execution of programs. They have pre-installed operating system, namely, Android 7.0 that is customized for the subject goods, along with an Open Pluggable Specification Slot, thus enabling the user to download and install new programmes and operate other operating systems like Windows etc. The detailed specification of products is provided in Annexure attached to the CAAR-1 application.

2.2 The applicant has further informed that the products use Ultra Fine Touch Technology to offer more precise writing and faster processing time, it has an air quality sensor, germ resistant screen, two touch pens (stylus), remote control and 70-80% glare free surfaces with a flicker free display. They are touch enabled with additional features such as multi-touch interaction, handwriting recognition, freehand touch, go typing, etc. along with applications such as calculator, stopwatch, buzzer, etc. The subject goods have slots for HDMI, VGA, LAN, USB, RS232 and audio ports, along with a high internal storage capacity. They are used in classrooms for teaching and in companies for presentations, meetings, etc. Their physical features include being wall mounted, not incorporating tilt, swivel or height adjustment mechanism and being available in different sizes ranging from 24 inches to 98 inches. Internet can be accessed by connecting them to a dongle via USB ports or by the use of a LAN cable.

2.3 These Interactive Display Systems can also be connected to laptops, and input can be given either from the Interactive Display Systems to the laptop or vice versa. The subject goods allow user to record and share lectures/ notes/ presentations via email or QR codes. Further being cloud enabled, user can upload the notes on a pre-set cloud storage.

3. The applicant refers to Chapter heading 8471 of Customs Tariff Act, 1975, specifically classifiable under the entry of sub heading 847141, that covers ADPM "Comprising in the same housing at least a central processing unit and an input and output unit, whether or not combined". Relevant extracts from Chapter heading 8471 and Note 6(A) to Chapter 84 as submitted by the applicant is reproduced below:

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 combined:

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

Note-6 appended to Chapter 84:

6.(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.

3.1 The product in question for obtaining the best fidelity, is capable of displaying 1280 x 1024 or 1600 x 1200 and 1920 x 1080 resolution ('Resolution' refers to the sharpness, or details of the visual image) in VGA Mode. A computer monitor has a much higher resolution than what is required in a video monitor like TV. This criterion appears to be satisfied in the case of the product under consideration. Moreover, a 15-pin VGA connector (which is



apparently used in the product) has three separate lines for the red, green and blue colour signals (RGB) and two lines for horizontal and vertical synchronizing signals while in a normal television, all of these signals are combined into a single composite video signal. The separation of the signal is one reason why a computer monitor can have so many more pixels than a TV set (Ref: "How Computer Monitors work" by Jeff Tyson") (A pixel represents the smallest piece of the screen that can be controlled individually and a complete screen image, is composed of thousands of pixels). The NTSC (short for National Television System Committee), the PAL (short for Phase Alternation by Line) and the SECAM (short for Systeme Electronique Couleur Avec Memoire) are all television and video standards which define a composite video signal whereas computer video standards generally use RGB (Red, Green and Blue) video signals. Moreover, the subject goods are having capacity of storing the processing programme or programmes and at least the data immediately necessary for the execution of the programme and the said item is being freely programmed in accordance with the requirements of the user.

3.2 Having regard to the technical information and parameters furnished in respect of the products and in the light of the aforementioned Rulings passed by the Authority for Advance Ruling, it can be inferred that the product in question - is a display unit of an automatic data processing machine classifiable under CTH 8471 and cannot be used, per se, as a video monitor and television receiver of the heading 8528 of the Schedule. It may not be out of place to mention here that as per the HSN Explanatory Note (a) below the Heading 85.28 which inter alia covers Video Monitors, this Heading excludes "Display Units of automatic data processing machines, whether or not presented separately (heading 8471)". The classification of the product under consideration which is found to be a display unit of an automatic data processing machine would therefore be only under Heading 8471.

3.3 The applicant states that Commercial Touch Display, Commercial Display (ADPM) And Video Display Units are monitors used with Automatic Data Processing (ADP) machines. Monitors used along with ADP machines were classified till 31.12.2006, under heading 8471 of the First Schedule to the Customs Tariff Act, 1975. Due to HS 2007 changes brought into effect from 1.1.2007, such monitors are presently classifiable under sub heading 852840. However as per Customs Circular No. 33/2007-Cus dated 10.9.2007 all types of monitors and projectors which are solely or principally used with an ADP machine were extended with exemption of customs duty vide Sl. No. 17 of notification No. 24/2005-Customs dated 1.3.2005. In the case of Re: Compuage Infocom Ltd. [(2023) 2 Centax 273 (A.A.R.-Cus.-MUM.)] It has been held that; " Automatic data processing machines - All-in-one (AIO) Computer - Creative Touch 5-series Interactive Flat Panel - All-In-One (AIO) computer systems, functioning like large size tablet computer, having central processing unit, mother board, graphic card, in-built memory (RAM + Storage), touch screen as virtual key board as input device and video display unit as output device and also having embedded Android system pre-loaded with Android, 9.0 (Oreo) Android Operating System (OS) are classifiable as automatic data processing machines under Tariff Item 8471 41 90 of First Schedule to Customs Tariff Act, 1975." [paras 8, 11 and 12].



3.4 As per applicant the subject goods viz. Commercial Touch Display, Commercial Display (ADPM) And Video Display Units are monitors used with Automatic Data Processing (ADP) machines. Since, the subject goods being an automatic data processing machine/units, cannot be used as video monitor and television receiver under Heading 85 28 of Customs Tariff Act, 1975 it is a fit case to be classified under sub-heading 8471 of Customs Tariff Act, 1975.

3.5 In the support of his contention the applicant has relied upon the below two case laws:

1) In Re: Compuage Infocom Ltd. [(2023) 2 Centax 273 (A.A.R.-Cus. MUM.)]

2) In Re: Bloomberg Data Services (India) Pvt. Ltd. [2004 (174) E.L.T. 442 (A.A.R.)]

4. The applicant intends to import the said goods through Import Commissionerate, Chennai-II. Accordingly, comments from the jurisdictional Commissioner of Customs, Import Commissionerate, Chennai-II were invited vide letter dated 08/10/2023 and 01/01/2024. vide letter dated 02.01.2024, it has been informed that The Interactive Display Systems (VIEWBOARD IFP) of different sizes and models are classifiable under CTI 8528 5900, as per the Annexure-I ibid, the exemption under Notification No. 24/2005- Cus is not applicable for the said goods. enclosing Annexure-I. The letter also enclosed Annexure-I which is reproduced verbatim:

Annexure – I

4.1 It is observed that from the grounds, description, specifications etc., given by the applicant, they are of the opinion that the goods under consideration declared as "Commercial Touch Display, Commercial Display (ADPM) and Video Display Units" with common name of "VIEWBOARD IFP" – consisting of 5 models" are being Monitors used with Auto Data Processing Machine. In this regard, the applicant contended that as ADP machine is covered under the sub headings 852841(Cathode Ray Tube Monitors), 852851(Other types) and 852861 (Projectors) and are extended with exemption, the same should be classified under heading 8471 as was held in the case of Compuage Infocom Ltd. [(2023) 2 Centax 273 (A.A.R.-Cus.-MUM.)] and since, the subject goods being an automatic data processing machine/units, cannot be used as video monitor and television receiver under Heading 8528 of Customs Tariff Act, 1975. Accordingly, it has been claimed that these goods are classifiable under CTSH 84714190 and also eligible for exemption under Ntn No. 24/2005- Cus as per Board's Circular No. 33/2007 Cus dated 10.09.2007. However, the contentions of the applicant appear incorrect in view of the followings:

4.1.1. The main heading of 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". The Subheading 84714190 covers, inter alia, "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.

4.1.2 As per Chapter Note 6 to the Chapter 84:

(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. loudspeakers 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,

4.1.3 It is observed that an Interactive Flat-Panel Display (IFPD) is a large-format touchscreen display ideal for meeting rooms, class rooms and collaborative spaces. It is a replacement for clunky or outdated projector technology with a higher-quality display, enhanced connectivity, and built-in software solutions. These solutions are perfect for business opportunities, educational pursuits, and even at home leisure. In a nutshell on IFPD-short for Interactive Flat Panel Display-it a type of interactive whiteboard (IWB). An IWB is a large electronic display that has a touchscreen and is able to access, manipulate, and interact with electronic files. They easily and beautifully handle the highly collaborative needs of today's office space with 20 points of touch and wide viewing angles with options for ultra-fine 4K resolution and the ability to present a surprisingly natural handwriting experience. IFPDs support communication and collaboration in ways never before possible in the meeting room. Most IFPDs have a number of built-in software integrations, like Cast, Chrome etc. which come pre-installed on all displays. An interactive flat panel does not require a projector because all hardware is contained in a flat panel display.

4.1.4 It is further observed that there are various types of Interactive Devices and known by various names in the industry i.e., Interactive Whiteboard/ Smartboard, Interactive Flat Panel Display, Interactive Intelligent Panels etc. is an advanced technology used in classroom teachings, conferences etc. The Interactive Display Systems can be used to present documents, information and videos to different groups, educational purposes i.e., e-learning for example to a group of students in a classroom or during a meeting in a business environment.

4.1.5. It is also observed as per Note 6(D) to Chapter 84, Heading 8471 does not cover the monitors and projectors not incorporating television reception apparatus when presented separately even if they meet all the conditions mentioned in Para(C) of the said Note. Further, para (E) states that machines, instruments or apparatus 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.

4.1.6 The subject goods are not merely an ADPM and in fact it has many other additional inbuilt features with the main purpose to interact through display as per the intended use i.e., training, conferences, educational purposes, teaching via e-learning etc. The goods are mainly Display devices incorporating and working in conjunction with an automatic data processing machine i.e., inbuilt CPU. Therefore, the primary function of the goods is to display the given input data/images/pictures/videos etc.

4.1.7. ADP machines performing specific functions other than Data processing are required to be classified as per their respective functions. Even though the functions of an ADP machines are inbuilt, the subject goods viz., Interactive Flat Panels being primarily used as



Display System cannot be considered as a simple input or output device and is to be identified with its primary function of display by applying Note 6 (I) of Chapter 84 Note as mentioned above.

4.1.8. As per Rule 1 of the General Rules for the interpretation of the Harmonized System, 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 and, provided such headings or Notes do not otherwise require, according to the provision stipulated therein.

4.1.9. Further, Rule 3(a) states that the heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.

4.1.10. The appropriate heading for classification of the impugned goods therefore shall be 8528 which 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:

Cathode-ray tube monitors:

8528 42--Capable of directly connecting to and designed for use with an automatic data processing machine of heading 84.71

8528.52—Other

Other monitors:

8528.52--Capable of directly connecting to and designed for use with an automatic data processing machine of heading 84.71

8528.59 – Other

4.1.11. Since, the description mentioned in the application is "Interactive Flat Panel", the main function of subject goods is interaction through display. Essentially, it acts as a display monitor, meaning that you can select to view documents, videos and even web links on a larger scale.

4.1.12. Further, as per Chapter Note 3 to Section XVI states that "Unless the context otherwise requires, composite machines consisting of two or more machines fitted 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". I find that the



primary function of the subject goods is display and are also marketed as products with efficient display qualities, touch screen, write or draw on screen etc.

4.1.13 The Hon'ble Supreme Court in the case of Commissioner of Customs, Bangalore Vs. N.L. Systems (India) P. Ltd.-2010 (256) ELT 173 (SC) held that PXI Controller which was a computer based instrumentation product and capable of being controlled by a Personal Computer/Laptop but is not a PC/laptop-principal function of controllers is executing, control, algorithms for real-time monitoring and control of devices - controller performs functions in addition to data processing what is imported is a system containing on ADPM and if the contention of the Importer herein is accepted, it would mean that every machine that contains an element of ADP would be classifiable as an ADP machine under Chapter 84 which would completely obliterate the specific function test and the concept of functional unit. Hon'ble Court upheld the classification of the department and held that goods were rightly classified under Chapter 90. The same principle applies to this case.

4.1.14. Hon'ble Supreme Court in the case of Deena Jee Sansthan vs Commissioner of Central Excise, Meerut-2019 (365) ELT 353 (SC) held that the classification of product should be by applying common parlance test that the said product i.e., "Shampoo" is used as cosmetics only and not as ayurvedic medicament even though the product has all the ingredients mentioned in books on ayurveda listed in Drugs and Cosmetics Act.

4.1.15. In view of the above, the subject goods cannot be considered as an Automatic Data Processing machine under CTH 8471. It is pertinent to mention here that even Cellular Android Phones do incorporate all the functions of an ADP Machine and also works on Android OS, yet the same is classified under cellular phones as the primary function is communication. Applying the same analogy, the principle function of the item under import is to interact through display and hence the impugned goods are classifiable under sub-heading 8528 5900 which deals with other monitors.

4.1.16. In case of Commissioner of Customs (Import & General), New Delhi Vs Integral Computer Lid 2016 (337) EL.1 580 (Tri-Del) dated 07.04.2016 the Hon'ble Tribunal has held that "Interactive Electronic White Board" is a teaching device mainly used for class room teaching or in conferences and meetings and work and gets the display function by combined action with a computer and projector cannot be considered as a simple input or output device and is to be identified with its primary function of display and has classified the goods under sub- heading 8528 5100 i.e., other monitors (now CTI 8528 5900)". The issue is squarely covered in the present case.

5. Personal hearing in the matter was scheduled on 09.01.2024 through virtual mode however the same could not be convened as the applicant could not appear. Again personal hearing in the matter was scheduled on 16.01.2024 wherein the authorized representative of the applicant Shri. Ashwani Kumar Prabhakar reiterated the written submission made in the application. He contended that the subject goods are Interactive Flat Panel Display having the storage and processing capabilities. They also cited the case laws and advance rulings Order



in support of their contention that their product/subject item is properly classifiable under CTH 84714190 and that the product in question is entitled for exemption under Notification No. 24/2005 dated 01.03.2005 Sr. No 2. He sought one-week time to submit comprehensive reply and rebuttal to the department comments received/provided. No one appeared from the department side either physically or through e-hearing.

6. The applicant vide their rebuttal dated 05.03.2024 (sent through e-mail on 06.03.2024) has forwarded their submission against the department reply letter dated 02.01.2024 wherein they have stated that the capability to be used in conjunction with other ADPM does not mean that the machine ceases to be ADPM on standalone basis and that the size of display is only a feature and not principal function and in terms of Note 6(E) of Chapter 84 of the Customs Tariff these goods would not merit classification as per specific use and the subject machines are more than mere display devices and not classifiable under Heading No 8528 as monitor or display which do not have capability of functioning independently or through two way communication or process/store data on their own. Therefore, the subject goods are correctly classifiable under CTH 8471. The applicant also mentioned a number of rulings on identical goods issued by advance ruling authority of Mumbai and Delhi in support of their contention.

7. I have perused the records of the case - CAAR-1 application, reply from jurisdictional Commissionerate, rejoinder of the applicant, oral submissions made during the hearing and the legal framework governing the classification of proposed imports in the form of relevant Chapter notes, Section notes and HSN Explanatory Notes to the respective Chapter headings. I proceed to deliberate upon the issue on the basis of information available on record. The subject goods, 'Interactive Display System (View Board)' has an in-built Central Processing Unit, RAM for execution of programs, pre-installed operating system namely Android 7.0, Open Pluggable Specification Slot to download and install new programmes and operate other operating systems such as Windows, etc. Additional features include, slots for HDMI, VGA, LAN, USB, RS232 and audio ports, high internal storage capacity, UFT (Ultra Fine Touch) Technology to offer more precise writing and faster processing time, air quality sensor, germ resistant screen, two touch pens (stylus), remote control, 70-80% glare free surfaces with a flicker free display, multi-touch interaction, handwriting recognition, freehand touch, go typing and applications such as calculator, stopwatch, buzzer. They are wall mounted, do not incorporating tilt, swivel or height adjustment mechanism and are available in dimensions 24" to 98". They are used in classrooms for teaching and in companies for presentations, meetings etc. Further, these Interactive Display Systems can also be connected to laptops and input can be given either from the Interactive Display Systems to the laptop or vice versa. Internet can be accessed by connecting them to a dongle via USB ports or by the use of a LAN cable. They allow user to record and share lectures/ notes/ presentations via email or QR codes and upload the notes on a pre-set cloud storage. 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, View Board IFP as mentioned in para 2 can be



considered as ADP machines and can merit classification under sub heading 84714190 of Customs Tariff Act, 1975.

7.1. The Jurisdictional authority, Commissioner of Customs, Chennai-II(Import), has categorically stated that the claim of the applicant (classification under CTH 8471) is not accepted for the following reasons:

i. The subject goods are not merely an ADPM, in fact it has many other additional inbuilt features with the main purpose to interact through display as per the intended use i.e., training, conferences, educational purposes, teaching via e-learning etc. The goods are mainly Display devices incorporating and working in conjunction with an automatic data processing machine i.e., inbuilt CPU. The primary function of the goods is to display the given input data/ images/pictures/videos etc.

ii. ADP machines performing specific functions other than Data processing are required to be classified as per their respective functions. Even though the functions of an ADP machines are inbuilt, the subject goods viz., Interactive Flat Panels being primarily used as Display System cannot be considered as a simple input or output device and is to be identified with its primary function of display by applying Note 6 (E) of Chapter 84.

iii. As per Note 6(D) to Chapter 84, Heading 8471 does not cover monitors and projectors not incorporating television reception apparatus when presented separately even if they meet all the conditions mentioned in Para(C) of the said Note. Further, para (E) states that machines, instruments or apparatus 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.

iv. The description mentioned in the application is "Interactive Flat Panel", thus the main function of subject goods is interaction through display. Essentially, it acts as a display monitor, enabling one to select, to view documents, videos and even web links on a larger scale.

As per jurisdictional Commissionerate, Chennai II, the impugned goods cannot be considered as an Automatic Data Processing machine under CTH 8471, instead they are classifiable under sub-heading 8528 5900 which deals with other monitors.

7.2 The applicant provided a rebuttal in response to the comments from jurisdictional Commissioner of Customs, Chennai-II(Import).

7.2.1 The applicant has informed that subject products are actually all in one touch series Interactive flat panel having inbuilt Central Processing Unit (CPU), inbuilt memory (Random Access Memory (RAM) and storage, Motherboard, Graphie Card. Touch Screen as virtual Key board as input device and video display unit as Output device and also having android system and thereby satisfying all the conditions of Chapter Note 6(A) of Chapter 64 of The



Customs Tariff. Hence the subject Goods are having inbuilt input and output unit along with processing unit and capable of performing multiple function and thereby satisfying all the requisite features of an automatic data processing machine (ADPM). Therefore, the subject goods are rightly classifiable under CTH 8471.

7.2.2 The subject all in one – Touch series interactive flat panel Monitors having Dual pen capability, ultra-fine touch and palm awareness technology, eye care technology and centralised remote management system via my Viewboard Manager and these screen/Monitor are having much higher resolution than Video/TV Monitor. Therefore, the subject goods commonly known as Interactive flat panel (IFP) cannot be used as video monitor and television receiver under CTH 8528.

7.2.3 The applicant further states that in terms of Tariff Item contained in Chapter 85 and the HSN Explanatory notes to CTH 8528, it is more than apparent that CTH 8528 would cover monitors which are capable of receiving and displaying the signals when attached to any of the devices like Automatic Data processing Machine, Video Camera or Recorder and such monitor do not have the capability of functioning independently or through two way communication nor these monitors are capable of processing any data or storing the data on their own. However, these IFPs are having inbuilt features of ADP machines, and therefore, they are rightly classifiable under CTH 84714190.

7.2.4 Further, the applicant states that there are numerous rulings already issued on identical items which are stated as under:

- i. Advance Ruling No. CAAR/Del/Supertron/10/2023 dated 09.05.2023 in case of M/s. Supertron Electronics Private Limited
- ii. In RE: Compuage Infocom Ltd. [(2023) 6 Centax 21 (A.A.R-Cus.-Mum)]
Ruling No CAAR/Mum/ARC/03.2023
- iii. Ingram Micro India Private Limited Vs. Principal Commissioner of Customs (Import), New Delhi [(2023) 2 Centax 62 (Tri.-Del.)]
- iv. In RE: Next Education India Private Limited [2022(60) G.S.T.L 483 (A.A.R-GST-Telangana)]

8. I have examined the comments forwarded by Commissioner of Customs, Chennai-II(Import) and the rejoinder submitted by the applicant. It is observed that the Jurisdictional Commissionerate has described the subject goods as 'Interactive Flat-Panel Display (IFPD)' that is a large-format touchscreen display ideal for meeting rooms and collaborative spaces; that is a replacement for clunky or outdated projector technology with a higher-quality



display, enhanced connectivity, and built-in software solutions; that in a nutshell it is a type of interactive whiteboard whose main function is interaction through display; that the subject goods are not merely an ADPM and in fact it has many other additional inbuilt features with the main purpose to interact through display; that they are mainly display devices incorporating and working in conjunction with an automatic data processing machine i.e. inbuilt CPU; that the primary function of the goods is to display the given input data/images/pictures/videos etc. They have placed emphasis on the following Chapter Notes of Chapter 84.

i. Note 6(D) to Chapter 84, that categorically states that, "Heading 8471 does not cover monitors and projectors, not incorporating television reception apparatus' when presented separately",

ii. Note 6 (E) of Chapter 84 that states "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. " and

iii. Chapter Note 3 to Section XVI that states "Unless the context otherwise requires, composite machines consisting of two or more machines fitted 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"

8.1 It is pertinent to mention that the principles for classification of goods are governed by the General Rules of Interpretation (GM) and Harmonized Commodity Description and Coding System (Harmonized System or HSN). According to Rule 1 of the General Rules of Interpretation (GRI), *"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 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 cited above.

8.2 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. It is evident that these machines have an in-built CPU, Android operating software and high internal 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)(i). As per Note 6(A)(ii), 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 with a pre-installed operating system, namely, Android, that is the customized operating system for these device. It has an OPS slot, enabling connection of additional hardware and installing other operating software such as Windows, etc. It is capable of downloading and installing new programmes in accordance with the needs of the user and executing any application/program stored on its memory. Therefore, the goods satisfy condition as per 6(A)(ii). Interactive Display System, perform the arithmetical computations specified by the user which satisfy condition 6(A)(iii) of the chapter notes. It is submitted that Interactive Display System, has a processing program, which make them capable of modifying its execution by logical decision during the processing run, so it satisfies condition 6(A)(iv) 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 justify the expression "automatic data processing machine" as is mandated in Note 6(A) of Chapter 84.

8.3 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, 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.

8.4 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".

9. The jurisdictional Commissionerate, Chennai Import-II have contended against applicant's request to classify the subject goods under Chapter heading 8471 and have submitted that the appropriate heading for classification of impugned goods shall be under Chapter heading 8528. However, on careful consideration of all parameters of the case, I find that the subject goods are capable of performing plethora of functions independently on standalone basis and these devices are much more than mere display devices. In fact, display is only one of the features of the goods and cannot be construed to be its only function, much less its principal function. Also, the subject goods satisfy all the conditions laid down under Note 6(A) of Chapter 84, thereby validating the expression "automatic data processing machine". Further, I find that the subject goods are comprised of below mentioned elements mentioned in the HSN Explanatory notes to Chapter heading 8471,

"A complete automatic data processing system must comprise, at least:

(1) A central processing unit which generally incorporates the main storage, the arithmetical and logical elements and the control elements; in some cases, however, these elements may be in the form of separate units.

(2) An input unit which receives input data and converts them into signals which can be processed by the machine.

(3) An output unit which converts the signals provided by the machine into an intelligible form (printed text, graphs, displays, etc.) or into coded data for further use (processing, control, etc.)



9.1 I also note that a number of rulings and judgments have been quoted by the concerned Commissioner to justify classification under heading 8528. However, it is felt that judgment of CESTAT, New Delhi in the case of M/s Ingram Micro India Private Limited (2023) 2 Centax 62 (Tri. - Del.) is the most appropriate, giving detailed explanation for classification of goods similar to the subject goods under heading 8471. It is also noted that the Customs Authority for Advance Rulings, Mumbai as well as Delhi examined the question of classification of similar goods and ruled for classification of such goods similar to the subject goods in sub-heading 8471 4190 while referring to the Final Order of Hon'ble CESTAT New Delhi in an appeal filed by M/s Ingram Micro India Pvt. Ltd.

10. In view of forgoing discussion and the facts on record, I find that models of Interactive Display System (VIEWBOARD IFP-105S, VIEWBOARD IFP-6533, VIEWBOARD IFP-7533, VIEWBOARD IFP-8633, VIEWBOARD IFP-9850-4) merit classification under Heading 8471 and more specifically under sub-heading 84714190 of the first schedule to the Customs Tariff Act, 1975.

11. I rule accordingly.

P K Rameshwaram
5/9/24

(P K Rameshwaram)

Customs Authority for Advance Rulings, Mumbai



F. No. CAAR/CUS/APPL/115/2023-O/o Commr-CAAR-Mumbai

Dated: 05-04-24

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

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05.04.2024.

(V M Sobhan Sindhu)

Asstt. Commissioner & Secretary
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