

AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,
CHENNAI 600 006.

ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND
UNDER SECTION 98(4) OF THE TNGST ACT, 2017

Members present:

Shri C. Thiyagarajan, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit II Commissionerate, Chennai - 600 034.	Shri B.Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.
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Advance Ruling No. 29 /ARA/2025, dated 12.08.2025

1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.

2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-

- (a) On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.*
- (b) On the concerned officer or the Jurisdictional Officer in respect of the applicant.*

3. In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.

4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.

5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.

GSTIN Number, if any/User id	33AACCA1237A1ZM
Legal Name of Applicant	M/s. Acer India Private Limited
Trade Name of Applicant	M/s. Acer India Private Limited
Registered Address/ Address provided while obtaining User id	C/o. DBS Corporate Services Private Limited, DBS HOUSE, No. 31A, Cathedral Garden Road, Chennai – 600 034.
Details of Application	Application Form GST ARA-01 received from the applicant on 23.10.2024.
Jurisdictional Officer	State – Valluvarkottam Assessment Circle Chennai (Central) Division. Centre – Chennai North Commissionerate
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	Wholesale Business, Retail Business, Warehouse/Deport The applicant is engaged in the business of manufacturing and selling business laptops, desktops, workstation computers, chrome books, tablets, monitors, projectors, digital signage, smart devices, electronics and accessories and supporting IT peripherals including trading thereof and provision of ancillary services connected therewith. The applicant in the course of its business, undertakes supply of various models of 'Acer' Interactive Flat Panels within India either after importing them as finished goods or getting them manufactured on contract basis through third parties.
Issues on which advance ruling required	Classification of any goods or services or both. Applicability of a notification issued under the provisions of this Act.
Question(s) on which advance ruling is required	a) What is the appropriate classification of various models of ACER Interactive Flat Panels for the purpose of GST? b) What is the applicable rate of GST?

M/s. Acer India Private Limited, (hereinafter called as the "Applicant") is a company engaged in the business of manufacturing and selling business laptops, desktops,

workstation computers, chrome books, tablets, monitors, projectors, digital signage, smart devices, electronics and accessories and support in IT peripherals including trading thereof and provision of ancillary services connected therewith. The applicant in the course of its business, undertakes supply of various models of 'Acer' braded Interactive Flat Panels within India either after importing them as finished goods or getting them manufactured on contract basis through third parties. They have their principal place of business at C/o. DBS Corporate Services Private Limited, DBS HOUSE, No. 31A, Cathedral Garden Road, Chennai – 600 034 and registered under GST with GSTIN 33AACCA1237A1ZM.

2. The Applicant has made a payment of application fees of Rs.5,000/- each under sub rule (1) of Rule 104 of CGST Rules, 2017 and TNGST Rules, 2017. The Applicant has filed this application seeking Advance Ruling on the following questions, viz.,

a) What is the appropriate classification of various models of ACER Interactive Flat Panels for the purpose of GST?

b) What is the applicable rate of GST?

3. The applicant submits that the present application is maintainable under Section 97 of the CGST / TNGST Act, 2017 as they have sought clarification on

- i. Classification of any goods or services or both;
- ii. Applicability of notification issued under the provisions of this Act;

3.1 Prima facie, we find that the queries raised by the applicant gets covered under clauses (a) and (b) of the Section 97(2) of the CGST Act, 2017, and as such are liable to be admitted.

4. FACTS OF THE CASE AS STATED BY THE APPLICANT:

4.1 Tvl. ACER India Pvt. Ltd., (the Applicant) is involved in the business of manufacturing and selling business laptops, desktops, workstation computers, chrome books, tablets, monitors, projectors, digital signage, smart devices, electronic and accessories and supporting IT peripherals including trading thereof and provision of ancillary services connected.

4.2 The applicant, in the course of its business, undertakes supply of various models of 'Acer' branded Interactive Flat Panels (hereinafter referred to as 'product'/'IFP') within India either after importing them as finished goods or getting them manufactured on contract basis through third parties.

4.3 IFP is a large-sized automatic data processing machine with an interactive screen having an embedded interactive white board software and compatible CPU called as Open Pluggable Specification ('OPS'), and encompasses a built-in processor/ memory/ storage, along with an Android Operating Software turning it into a media computer.

4.4 The product has 4GB/ 8 GB RAM along with a storage capacity of 32 GB, extended to 512 GB through MICRO SD INTERNAL. It consists of various input and output connectivity ports, specifically HDMI, VGA, USB, LAN network, RS232, RJ-45, touch ports, Bluetooth, MIC/ earphone, etc. The IFP has a multi touch feature and is compatible with a stylus and a remote control, procured along with the IFP.

4.5 IFP has a 4K User Interface and has an Android Operating System, with the ability to write and store documents, assisting in file management, undertaking multiple tasks at the same time on the IFP, supporting music and video players and a user-friendly toolbar. The IFP can be considered to function as an 'All-in-One-PC'. Further, Copies of the brochure of Acer Interactive Flat Series is enclosed with application.

4.6 IFP contains a self-sufficient embedded program which is catered to the requirements of the user. The product is also capable of having storage, processing data available in coded form and executing it without any human intervention. They undertakes supply of various models of IFP with different display sizes.

4.7 The applicant is supplying Interactive Flat Panel under Tariff Heading 8471 which classifies as *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.*

5. INTERPRETATION OF LAW BY THE APPLICANT:

- a) The IFP is a large-sized automatic data processing machine with an interactive screen having an embedded interactive white board software and compatible CPU called as Open Pluggable Specification ('OPS'), and encompasses a built-in processor/memory/storage, along with an Android Operating Software turning it into a media computer.
- b) The Applicant submits that for the purpose of classification of goods under GST, the Notification Nos. 1/2017 and 2/2017-Central Tax (Rate), each dated 28.06.2017, refer to customs classification and the rules for interpretation of the first schedule of the Customs Tariff Act, 1975 including the Sections, Chapter notes and the general explanatory notes. The relevant extract has been reproduced herein below for reference:

...

Explanation.- For the purposes of this Schedule,-

(i)...

(ii)...

(iii) "Tariff item", "sub-heading" "heading" and "Chapter" shall mean respectively a tariff item, heading, sub-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 said Customs Tariff Act, 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.

- c) The Applicant submits that the General Rules of Interpretation (hereinafter referred to as 'GRI') lay down the principles that govern the classification of goods in the particular nomenclature. As per Rule 1 of the General Rules for the Interpretation of Import Tariff ('**Interpretation Rules**') classification shall be determined according to the terms of the heading and any relative Section or Chapter Notes. The relevant portion of the GRI is reproduced below:

"GENERAL RULES FOR THE INTERPRETATION OF THE HARMONIZED SYSTEM

Classification of goods in the Nomenclature shall be governed by the following principles:

1. 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 following provisions:."

- d) The Applicant submits that Section XVI of the Customs Tariff lays down the Section Notes for "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" thus covering Chapter 84 and Chapter 85 of the Customs Tariff.

- e) The Applicant submits that the relevant portions of HSN entry and Explanatory Notes to HSN for Chapter 8471, which the Applicant considers to be applicable to the Applicants IFP is as follows-

Relevant entries from GST Tariff – Chapter 84 71

8471	<i>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</i>
	- <i>Other automatic data processing machines :</i>
8471 41	- <i>Comprising in the same housing at least a central processing unit and an input and output unit, whether or not combined:</i>
8471 41 90	---- <i>Other</i>

Relevant portion of the Explanatory Notes to HSN

Note 5 of Section XVI defines machine as follows:

5.- For the purposes of these Notes, the expression “machine” means any machine, machinery, plant, equipment, apparatus or appliance cited in the headings of Chapter 84 or 85.

Chapter Note (6), under Chapter 84 as per the Customs Tariff, reads as under:

“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 a 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."

Explanatory notes to Chapter 8471

"(I) AUTOMATIC DATA PROCESSING MACHINES AND UNITS THEREOF

Data processing is the handling of information of all kinds, in pre-established logical sequences and for a specific purpose or purposes.

Automatic data processing machines are machines which, by logically interrelated operation performed in accordance with pre-established instructions (program), furnish data which can be used as such or, in some cases, serve in turn as data for other data processing operations.

*This heading covers data processing machines in which the logical sequences of the operations can be changed from one job to another, and in which the operation can be automatic, that is to say with no manual intervention for the duration of the task. These machines mostly use electronic signals but may also use other technologies. **They may be self-contained, all the elements required for data processing being combined in the same housing, or they may be in the form of systems consisting of a variable number of separate units.***

This heading also covers separately presented constituent units of automatic data processing systems described above."

“Thus, machines which operate only on fixed programs, i.e., programs which cannot be modified by the user, are excluded even though the user may be able to choose between a number of such fixed programs.

These machines have storage capability and also stored programs which can be changed from job to job.”

- f) The Applicant submits that on a perusal of the Tariff Entry and Explanatory Notes, Chapter Heading 8471 is the most appropriate chapter heading to cover various models of IFP which is an automatic data processing machine.
- g) The Applicant submits that the product intended to be supplied is an IFP which contains a self-sufficient embedded program, which is catered to the requirements of the user. The product is also capable of having storage, processing data available in coded form and executing it without any human intervention.
- h) The Applicant further submits that the explanatory notes to Chapter Heading 8471 further lays down the three essentials that is required for any product to classify itself as an ADP machine. They are-
 - A central processing unit with storage, arithmetical and control elements.
 - An input unit which receives input data and converts them into signals which can be processed by the machine.
 - 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.).
- i) Basis the above, it is submitted that the IFP being a large-sized automatic data processing machine with a touch-screen with in-built Operating System and having an inbuilt processor which helps in processing and storage of data along with input and output ports for easy connectivity such as LAN network, USB, HDMI, VGA, etc is evidently functioning as an ADP machine.
- j) Additionally, it is submitted that the IFP is a touchscreen panel that displays the text typed or written on it with the help of a stylus. It is a multi-touch screen that functions as an 'All-In-One-PC' and is classifiable under CTH 8471 as an ADP Machine.
- k) The Applicant in this regard further places reliance on the following decisions-
 - a. In the case of **Re: M/s Next Education India Private Limited** reported at **2022-VIL-14-AAR** the description of the product under consideration was IFP. The Assessee therein was undertaking the business of supplying interactive flat panels. Basis the

explanatory notes, the Authority held that the product was rightly classifiable under Chapter Heading 8471. The relevant paragraph is extracted below:

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
<i>Whether the appropriate HSN classification of the above-described Interactive Flat panel with Android would be under the heading 8471?</i>	Yes.

- b. In the case of **In Re: Savex Technologies Pvt. Ltd. (2023) 5 Centax 10 (A.A.R. - GST - Chh.)** it was observed that if the product duly satisfies the stipulations as mentioned in the Section note and chapter note of Section XVI and Chapter 84 it is classifiable under Chapter Heading 8471, as an ADP machine. Relevant extract is reproduced hereunder:

12. In view of the above discussions we are of the considered view that it would be appropriate to conclude that BenQ Interactive Flat Panel RP7502 Black 75", imported and subsequently supplied to the applicant by their supplier namely i.e., M/s Benq India Private Limited would merit classification under chapter heading 8471 only when the stipulations as mentioned in the section note and chapter note stands complied. In case the impugned machine consisting of individual components (whether separate or interconnected by piping, by transmission devices, by electric cables or by other devices) intended to contribute together to a clearly defined function covered by one of the headings in Chapter 84 or Chapter 85, then the same as a whole would merit classification in the heading appropriate to that function, as stipulated in section note 4 to section XVI supra.

...

14. The ruling so sought by M/s Savex Technologies Pvt. Ltd., E-7/8, Sector-5, Devendra Nagar, Raipur, Chhattisgarh GSTIN:22AAACS5547H2ZH the applicant is accordingly answered as under: -

RULING

(a) For the product BenQ Interactive Flat Panel RP7502 Black 75" being supplied/traded by the applicant to qualify under chapter heading 84714190, it must necessarily satisfy the stipulations as mentioned in the Section note and chapter note of Section XVI and Chapter 84 respectively, as discussed hereinabove. In case the impugned machine consisting of individual components (whether separate or interconnected by piping, by transmission devices, by electric cables or by other devices) intended to contribute together to a clearly defined function covered by one of the headings in Chapter 84 or Chapter 85, then the same as a whole would merit classification in the heading appropriate to that function.

(b) The rate of tax applicable on such goods depends upon the classification of the same and the effective rates of the same is specified in schedules appended to Notification no. 01/2017-CT(Rate), dated 28-6-2017. Subject to the adherence of stipulations as discussed in ruling (a) above, the applicable Rate of tax is 9% CGST + 9%SGST on goods classifiable under 8471, in terms of entry no. 360 to Schedule-III to Notification no. 01/2017-CT(Rate), dated 28-6-2017.

...

- l) The Applicant submits that in light of the ratios set out in aforesaid case laws, it can be observed that an IFP is an automatic data processing machine classifiable under CTH 8471.
- m) The Applicant submits that Harmonized System is a standardized numerical method of classifying traded products around the world when assessing duties and taxes. Hence reference is drawn to the following CROSS rulings on the classification of IFP under Harmonized Tariff Schedule of the United States (HTSUS)-
 - a. In **CLA-2-84:OT:RR:NC:1:120** the merchandise under consideration was a Microsoft surface measuring 42.5 inches long by 27 inches wide by 21 inches high with a 30 inch XGA, DLP interactive tabletop display operating by gesture and touch-based input. It was held to be classifiable under CTH

8471.41.0150 as it met the conditions of an automatic data processing machine set forth in Note 5 A to Chapter 84, Harmonized Tariff Schedule of the United States (HTSUS). Relevant portion of the extract is reproduced below:

The Surface meets the conditions of an automatic data processing machine set forth in Note 5 A to Chapter 84, HTSUS. It is freely programmable by the user with no hardware or software blocks preventing the user from downloading any operating system or off-the-shelf software.

...

The applicable subheading for the Microsoft Surface will be 8471.41.0150, Harmonized Tariff Schedule of the United States (HTSUS), which provides for "Automatic data processing machines and units thereof...: 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." The rate of duty will be free.

- b. In **CLA-2-84:OT:RR:NC:N4:120** a Clever Touch Plus Monitor, an interactive whiteboard with a flat panel display having an incorporated ADP machine being a single, standalone unit, met all the conditions of Legal Note 5(A) to Chapter 84, Harmonized Tariff Schedule of the United States (HTSUS) was held to be properly classifiable under CTH 8471. Relevant portion of the extract is reproduced hereunder:

The Clever Touch Plus is stated to meet all the following conditions of Legal Note 5(A) to Chapter 84, Harmonized Tariff Schedule of the United States (HTSUS): it stores the processing program (Android OS), programs compatible with the installed OS, and the data necessary for the execution of those programs; it is freely programmable since the user may add or remove programs when necessary, and the user may also write new programs on the PC; it performs computations as specified by the user; and its processing program is executed by logical decisions without human intervention.

The Clever Touch Plus is properly classified as an ADP machine under 8471.41.0150, HTSUS, where the LED screen satisfies the requirement for an output and the touchscreen satisfies the requirement for the input.

The applicable subheading for the Clever Touch flat panel display will be 8471.41.0150, HTSUS, which provides for "Automatic data processing machines and units thereof; ...: 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." The general rate of duty will be Free.

- n) The Applicant submits that as discussed in Para 9, IFP meets the three essential conditions for any product to be classified as an ADP machine and hence the same is classifiable under Chapter Heading 8471.
- o) The Applicant submits that any ADP machine comprising of at least a central processing unit and input and output unit shall be classifiable under CTH 8471 41. In the present scenario, the IFP contains an in-built processor and hard disk assisting in storage of data. It contains various input and output ports for the purpose of to-and-fro connectivity flow.
- p) Additionally, the Applicant submits that the said product has a multi touch screen panel. Data transmission takes place through the connectors such as USB cable, LAN cable, HDMI cable, etc. and post processing of the same, the said data is transmitted to the screen of the IFP. Therefore, in line with the said description, the product is clearly classifiable under CTH 8471 4190.
- q) The Applicant in this regard further places reliance on the following decisions pertaining to classification of IFP under Customs Act, 1962 –
 - a. In the case of the case of *M/s Ingram Micro India Private Limited Vs Principal Commissioner of Customs (Import), ICD Tughlakabad, New Delhi* reported at 2022-VIL-87-CESTAT-DEL-CU the facts and the disputed product were similar to that of the present product. The Tribunal held as follows:

18. The impugned goods are IFP having an in-built CPU (ARM Cortex A.73 dual-core 1.2GHz Processor), a 2GB RAM and Android 7.0 Operating software. In addition, they also have an internal storage capacity of 16GB. Thus, goods are machines which are capable of storing data or programmes for the execution of programmes and satisfy condition no. (i) of Chapter Note 5(A) to Chapter 84.

19. The goods come with a pre-installed operating system, namely, Android 7.0. The said Android version is a customized operating system for these IFP. Further, the goods also have an OPS slot. With the use of the OPS Slot, additional hardware can be connected to the goods and the OPS Slot can also be used for installing other operating software such as Windows, etc. on the goods. Thus, the goods are machines on which the user is able to load and execute a program. In other words, the goods are capable of executing any application/ program which is stored on its memory. A user can, with the use of either Android or other operating systems, download and install new programmes in accordance with their needs and usage. Thus, goods are machines which can be freely programmed in accordance with the need of the user and hence, satisfy condition (ii) of Chapter Note 5(A) to Chapter 84.

...

24. The goods are capable of working as an ADPM on a standalone basis and can also be used in conjunction with other ADPM, but this would not mean that the goods would cease to be ADMP in their own right, capable of working on a standalone basis. The large size display (65 inches and 75 inches) is only a feature/specification of the product and this cannot be construed to be its function, much less its principal function. The Deputy Commissioner and the Commissioner (Appeals), therefore, committed an error in holding that the large size of display would mean that the goods are meant for display purpose to a large gathering and, therefore, in terms of Note 5(E) of Chapter Note 84, the goods would merit classification as per the specific use.

...

...

33. In view of the aforesaid, there is no manner of doubt that the goods would merit classification under CTI 8471 41 90 as claimed by the appellant and not under CTI 8528 52 00 as claimed by the Department.

- b. In the case of the case of *In Re: M/s Audio Distribution House Pvt Ltd 2022-VIL-72-AAR-CU* the dispute pertained to classification of interactive flat panel. It was held that the said imports are rightly classifiable under CTH 84714190. The relevant portion is extracted below:

7. From the facts on the record and forgoing discussion, it is observed that the conditions mandated under Note 6 (A) to Chapter 84 of Customs Tariff Act, 1975 are fulfilled by the goods under consideration for which the advance ruling is sought. Technical literature available on record portrays the subject item as an All-In-One (AIO) which is a fully functional ADP machine that operates without restrictions. The AIO is equipped with hardware and software which allow it to perform, without artificial constraints, general computing tasks, where users are free to add or remove applications of their choice. **In view of these facts, I rule that Viewsonic Creative Touch Interactive Flat Panel with model numbers specifically mentioned in Table-A merit classification under Heading 8471 and more specifically under sub-heading 84714190 of the first schedule to the Customs Tariff Act, 1975.** Further, since BIS certification is a mandatory requirement for import of these goods, necessary certificate from BIS authorities shall be produced before the Customs authorities at the time of import.

c. In the case of *Hewlett Packard India Sales Pvt Ltd v. Commissioner of Customs (Import)*, *Nhava Sheva reported at 2023-VIL-03-SC-CU*, wherein the issue before the Hon'ble Supreme Court was with respect to the classification of an 'All-in-One Integrated Desktop Computer'. The question pertained with respect to the portability of such a product and while allowing the Appeals filed by the Assessee, the Apex Court set aside the order of the Tribunal classifying the goods under CTH 8471 30 10.

d. Additionally, reference is made to the following case laws, wherein the product in dispute were IFP and the same were classified under CTH 8471 41 90:

- *In Re: M/s Compuage Infocom Ltd, 2022-VIL-57-AAR-CU*
- *In Re: M/s. Savex Technologies Pvt. Ltd. 2023-VIL-19-AAR*
- *In Re: M/s Audio Distribution House Pvt Ltd 2022-VIL-02-AAR-CU*

r) The Applicant submits that apropos the above, it is submitted that the product intended to be imported in the present scenario is capable of working as an ADP machine on a standalone basis. The IFP is a multi-touch panel which comes with a stylus for writing onto the flat panel. It has a 4K User Interface with storage capabilities and a preloaded Operating System.

s) The Applicant further submits that IFP contains various connectivity related ports such as LAN network, USB, HDMI, etc. that helps in proper reception and transmission of data.

The said data is processed with the help of the in-built processor and the same is then displayed onto the touch screen panel. Therefore, basis the above analysis, it is submitted that the product is rightly classifiable under CTH 8471 41 90.

- t) The Applicant further submits that IFP is considered as an automatic data processing machine in common parlance and is classified under Chapter Heading 8471. The "Common parlance test" or the "popular meaning test" is a tool of interpretations which are required to arrive at the correct classification of a good.
- u) The Applicant submits that IFP is understood as an "automatic data processing machine" in the commercial world which is evident from the submissions made by various industry players in the aforesaid rulings relied upon by the Applicant.
- v) In this regard, reference is made to **Commercial Central Excise vs. Wockhardt Life Sciences Ltd** reported in 2012 (277) ELT 0299 S.C, wherein the Hon'ble Supreme Court held that the determination of the tariff entry under which a particular goods shall fall will have to be on the basis of tangible material or evidence to determine how such article is understood in the commercial world. The relevant paragraphs from the above mentioned decision has been extracted below for ease of reference:

"30. There is no fixed test for classification of a taxable commodity. This is probably the reason why the 'common parlance test' or the commercial usage test' are the most common [see A. Nagaraju Bors. v. State of A.P., 1994 Supp (3) SCC 122 = 1994 (72) E.L.T. 801 (S.C.)]. Whether a particular article will fall within a particular Tariff heading or not has to be decided on the bases of the tangible material or evidence to determine how such an article is understood in 'common parlance' or in 'commercial world' or in 'trade circle' or in its popular sense meaning. It is they who are concerned with it and it is the sense in which they understand it that constitutes the definitive index of the legislative intention, when the statute was enacted [see D.C.M. v. State of Rajasthan, 1980 (4) SCC 71 = 1980 (6) E.L.T. 383 (S.C.)]. One of the essential factors for determining whether a product falls Chapter 30 or not is whether the product is understood as a pharmaceutical product in common parlance [see C.C.E. v. Shree Baidyanath Ayurved, 2009 (12) SCC 413 = 2009 (237) E.L.T. 225 (S.C.)]; Commissioner of Central Excise, Delhi v. Ishaan Research Lab (P) Ltd. - 2008 (13) SCC 349 = 2008 (230) E.L.T. 7 (S.C.)]. Further, the quantity of medicament used in a particular product will also not be a relevant factor for, normally, the extent of use of medicinal ingredients is very low because a larger use may be harmful for the human body. [Puma

Ayurvedic Herbal (P) Ltd. v. C.C.E., Nagpur - 2006 (3) SCC 266 = 2006 (196) E.L.T. 3 (S.C.); State of Goa v. Colfoax Laboratories - 2004 (9) SCC 83 = 2003 (158) E.L.T. 18 (S.C.); B.P.L. Pharmaceuticals v. C.C.E. - 1995 Supp (3) SCC 1 = 1995 (77) E.L.T. 485 (S.C.).

[Emphasis Supplied]

- w) Basis the above, it is submitted that IFP has been understood as an ADP machine in the trade circle and those concerned with it understand it as an ADP only.
- x) In light of the aforesaid arguments, it is submitted that IFP machine is an ADP machine in common parlance and classifiable under Chapter Heading 8471.

Applicable rate of GST

- y) The Applicant submits that the applicable rate of GST on the IFP supplied by them under CTH 8471 41 90 shall be 18% IGST on import as a finished good. The GST Tariff for the same is reproduced below:

<i>Chapter Heading</i>	<i>Description of Goods</i>	<i>CGST Rate</i>	<i>SGST Rate</i>	<i>IGST Rate</i>
8471	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.	9%	9%	18%

6.1 The applicant falls within the administrative jurisdiction of 'STATE'. The jurisdictional authority, Assistant Commissioner (ST), Valluvarkottam Assessment Circle vide their letter dated 09.06.2025 have stated that there is no adjudication or decided in the applicant's case relating to the question raised in the application for advance ruling.

6.2. Further informed that, according to the Sl. 360 of Schedule – III of the Notification No. 01/2017 – Central Tax (Rate) dated June 28, 2017 ("the Goods Rate Notification"), the Impugned Product will attract 18% GST if it is classified under tariff heading 8471. In case, the Impugned Product IS classifiable under any heading other than tariff heading 8471 owing to their functionality, the same shall attract 28% GST as appended by the Goods Rate Notification.

Sl. No. 360 of Schedule – III to the Goods Rate Notification:

“Schedule III – 9%”

S. No.	Chapter/ Heading/ Subheading/ Tariff item	Description of Goods
360	8471	<i>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”</i>

6.3 Held that the rate of tax applicable on such goods depends upon the classification of the same and the effective rates of the same is specified in schedules appended to Notification No. 01/2017-CT (Rate) dated 28.6.2017. Subject to the adherence of stipulations as discussed above, the applicable Rate of tax is 9% CGST + 9% SGST on goods classifiable under 8471, in terms of Entry No. 360 to Schedule-III to Notification No. 01/2017-CT (Rate) dated 28.6.2017. In case the impugned goods are classifiable under heading other than 8471 owing to its functionality as discussed hereinabove, the said goods will attract rate of tax as specified in the schedules appended to Notification No. 01/2017-CT (Rate) dated 28.6.2017 on such supplies on the basis of description specified therein, including rate of tax @ 14% CGST + 14% SGST (specified in Schedule-IV to the Notification).

6.4 The Central jurisdictional authority has not furnished any reply in this regard. Hence, it is construed that there are no proceedings pending or decided on the issue raised by the applicant.

7. PERSONAL HEARING

7.1 Mr. J. Rishab & Ms. Gayathri G S of M/s. Shivadas and Shivadas Law Chambers, Bangalore appeared for the personal hearing as authorized representatives (AR) of M/s. Acer India Private Limited on 16.06.2025. The AR reiterated the submissions made in their application for advance ruling.

7.2 The Authorised Representatives explained the features of IFPDs (interactive Flat Panel Display) Imported and supplied by them. For supply of IFPDs, apart from imports they are also procuring indigenously, make some additions and supplying the same to their

customers. These IFPDs are being supplied mostly to educational institutions. AR further informed that though the nomenclature for the product is IFPD, the product imported and supplied by them includes additional features which the Automatic Data Processing (ADP) machine has. Quoting the circular issued by the Customs Department, which classifies IFPDs under 85285900 and parts of IFPDs under 8529, AR informed that in addition to the list of facilities available in the IFPDs as per the circular, it works with Android as the base software, has memory storage, Operating System (OS) & microprocessor which an ADP machine possess. AR differentiated the actual and simple IFPDs with the ADP and argued that the product being dealt by them would rightly classified under 8471 as ADP.

7.3 The members asked AR to furnish the sample copies of BOEs and the Notification/Circular which was challenged before Court, in addition to interim order by the Court/Tribunal. They furnished the same.

8. DISCUSSION AND FINDINGS

8.1 We have carefully considered the submissions made by the applicant in the advance ruling application, the additional submissions made during the personal hearing held on 16.06.2025 and the documents furnished by them subsequently.

8.2 The applicant in addition to engaged in the business of manufacturing and selling business laptops, desktops, workstation computers, chrome books, tablets, monitors, projectors, digital signage, smart devices, electronics and accessories and ~~not~~ question to be answered is whether the 'Interactive Flat Panel Display' with the specifications and features submitted by the applicant would be classifiable under 8471 as 'Automatic Data Processing Machines and units thereof' or under 852852 as "other Monitors capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471". Once the classification is decided, the rate of tax can be ascertained.

8.3 As per the facts presented by the applicant before us, the applicant intends to supply various models of 'ACER' branded interactive Flat Panel (IFP) to be sold in India. IFP is a large interactive screen having an embedded interactive white board, software, in-built processor and additional compatible CPU called as Open Pluggable Specification (OPS), and encompasses a built-in processor, memory, and storage, along with an android operating system software.

8.4 The applicant's product is 'Interactive Flat Panel Display' (IFPD), having features of an Automated Data Processing machine. Now, it is pertinent to know what an ADP machine, its purpose and what an IFPD and where & why it is used.

8.5 In common parlance, an ADP machine refers to the use of computer systems and software to efficiently and accurately process, organise, and manage data. It performs a wide

range of activities related to handling of data in the digital format. They are designed to streamline data related tasks, reducing the need for manual intervention and minimising the risk of costly errors. They are widely used in various fields including manufacturing, Finance, healthcare and Logistics. However, as per the Chapter notes 6 of Chapter 84 of the GST Tariff, for the purpose of heading 8471, the expression 'automated 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 paragraph (D) and (E), a unit is to be regarded as being a 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.

9. An IFPD is touch enabled screen that allows users to interact directly with the content. It often comes with built-in software and features for collaboration and engagement, making them suitable for classrooms and professional settings. Primarily, it is an output device, displaying information from computer like text, images and videos. It now combines with a touch screen and often built-in computing capabilities. With regard to interaction, it allows users to touch, write, draw, and manipulate content directly on the screen, often supporting multi-touch and stylus input. It's typical uses are mainly in Classrooms for interactive lessons, conference rooms for presentations and collaboration, and retail spaces for interactive displays.

10. An IFPD has far better screen quality featuring 4K resolutions and a clear picture regardless of lighting. It is more versatile, enhanced wide viewing angles, quality of images which make it possible for more participants to see the screen from long distance. Most IFPDs have a number of built-in software integrations, which come pre-installed on all displays. They also have the option of a slot-in PC that will make the display a fully functional Windows computer.

11. Most IFPDs, which not only connect wirelessly but also integrate seamlessly with wireless networks for secure internal sharing. And with the built-in apps, there are bound to be multiple ways to share your screen or your digital whiteboard.

12. One should understand that IFPD is an improved version of a projector/monitor. An IFPD is a large, flat-screen display that combines the features of a traditional display with interactive capabilities. While all electronic gadgets are prone to up gradation and improvement, IFPD is no exception. The modern IFPDs now enhanced to include all the basic features of an ADP are commonly used in educational settings, corporate environments, and various collaborative spaces. Here are some key features and characteristics of interactive flat panel displays:

1. Touchscreen Interface: IFPDs typically have a touchscreen interface that allows users to interact with the content directly on the screen. This can include tapping, swiping, and dragging, similar to a smartphone.
2. High Resolution: They usually offer high-definition (HD) or ultra-high-definition (UHD) resolution, providing clear and vibrant visuals.
3. Multi-Touch Capability: Many IFPDs support multi-touch functionality, enabling multiple users to interact with the screen simultaneously. This is particularly useful for collaborative activities.

4. Built-in Software: Interactive flat panels often come with pre-installed software for presentations, white-boarding, and other interactive applications, making them versatile tools for teaching and collaboration.
5. Connectivity Options: They typically feature various connectivity options, including HDMI, USB, and wireless connections, allowing easy integration with computers, mobile devices, and other technology.
6. Collaboration Tools: Many IFPDs include tools for real-time collaboration, such as screen sharing, annotation, and digital note-taking, facilitating group work and discussions.
7. Durability: Designed for frequent use, IFPDs are usually built with durable materials to withstand the rigors of classroom or conference room environments.

13. Overall, an interactive flat panel displays enhances engagement and collaboration by providing an intuitive and interactive way to present and share information particularly in classrooms and meeting rooms, but they are also used in other settings such as trade shows, museums, and exhibitions.

14. In spite of the in-built features of an ADP machine, IFPD is unique in itself for the intended the purpose such as touch screen interface, large screen size, multi-touch capability and high resolution for larger audience. Now let us discuss and compare the above features with an ADP machine.

15. As per the tariff reproduced above, an ADP machine must be capable of

- (a) storing, processing programmes and data immediately necessary for the execution of the programme
- (b) being freely programmed according to the requirements of the user;
- (c) performing arithmetical computations specified by the user; and
- (d) executing a processing or modify the programme without human intervention, by logical decision during the processing run;

16. While the IFPD satisfies all the criteria of an ADP, its intended purpose is to display big with resolution to reach audience in a large gathering especially in official meetings, conferences and in class rooms. It is only the IFPD that is improved or upgraded to accommodate features of an ADP, but the essential character of an IFPD is to deliver the functions it is intended to.

17. An IFPD and an ADP is differentiated primarily by the core functionality. ADP focusses on storing, processing and retrieving data. The IFPD is designed for user interaction with visual content, often in collaborative settings. ADP machines are essentially computers designed for data manipulation whereas IFPDs are primarily display devices with

touch sensitive capabilities. The human interaction with an ADP machine involves inputs through keyboards, mouse etc., however, the primary focus is on processing data and not direct interaction with the display. The core function of an IFPD is to provide large, flat display surface where users can directly interact through touch since IFPDs have touch sensors and interactive software which enable the users to manipulate content, write, draw and collaborate directly on the screen.

18. In the instant case, the classification need to be decided on the end use of the product though there are humpty number of judgements which decided that the classification of the product shall not be decided on the end use.

19. With the advancement in science & technology, particularly in the field of computer science and information technology, the user prefer all in one machine which cater to their needs instead of individual gadgets for specific purposes. As per the requirements of the trade, the products manufactured by any electronic industry tries to imbibe all possible facilities in a single product to make it a multipurpose gadget. In this scenario, the classification of the product need to be done based on the basic intended use or ultimate end use for which the product is made.

20. IFPDs with a large display and touch capabilities has specific essential purpose and the features of ADP incorporated inside it is only additional to the main purpose of the equipment. The unique features exclusive for an IFPD is to provide large, flat display surface where users can directly interact through touch since IFPDs have touch sensors and interactive software which enable the users to manipulate content, write, draw and collaborate directly on the screen. This facility is not available in an ADP machine as its intended purpose is for data storing, processing and manipulation which also satisfies the criteria described in the GST tariff. The size and capacity of an ADP machine is based on the quantum of data it processes and the speed with which the tasks are achieved. Just because an IFPD is having the features of an ADP machine, it shall not be called as an ADP machine in normal trade parlance but it is only called as 'Interactive Flat Panel Display' because of its primary end use. The purpose of IFPD is to facilitate viewing for big group of people during official meetings, classrooms etc. The user who is conducting such class/meeting can surf, write draw by directly touching the screen or through stylus. Since an IFPD is not intended to be used as an ADP, the wide variety of configuration available with ADP shall not be available here. Basic additional essential features of an ADP machine with minimum configuration is sufficient for an IFPD for its use. However, the variety with regard to an ADP machine is based on the processing speed, capacity to store data, to perform robust arithmetic calculations, modification by logical reasoning without human intervention.

21. An ADP on the other hand has the primary purpose of storing, processing of program and its execution, performing arithmetical computation as per the requirements of the user, able to modify the programme without human intervention, by logical decision during the processing. An ADP is differentiated with IFPD based on the usage, i.e touch sensitivity, and large display screen. The large screen ADP is commonly used only in control rooms and server rooms to display real time data and system information.

22. For the above reasons, it can be construed that IFPD shall not be classified as ADP due to its intended purpose.

23. As contended by the applicant, the nature of product includes all-in-one composite system which incorporates the features of an ADP also. In such cases, through Rule 2(b), going by Rule 3(b) of the General Interpretative Rules (GIR) of HSN, a product made up of different components which cannot be classified by 3(a) shall be classified as if they consisted of the materials or component which gives them their essential character, in so far as the criteria is applicable. For the sake of convenience, Rule 2(b) and Rule 3(b) of General Interpretative Rules (GIR) is reproduced below.

2(b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of Rule 3.

3(b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3(a) shall be classified as if they consisted of the material or component which gives them their essential character, in so far as this criteria is applicable.

24. The above interpretative rules for classification of a product is further insisted at para 3 of the Section XVI of Section Notes as,

Unless the context otherwise requires, composite machines consisting of two or more machines fitted together 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

25. Similarly, para 6(E) of the Chapter Notes to Chapter 84 states,

(E) Machines incorporating or working in conjunction with an automatic data processing machine and performs a specific function other than data processing are to be classified in the headings appropriate to their respective functions or, or failing that, in residual headings.

26. Further, para 8 of the Chapter notes to Chapter 84 is very specific which states that,

8. A machine which is used for more than one purpose is, for the purposes of classification, to be treated as if its principal purpose were its sole purpose.

27. Therefore as per the above paras in General Interpretative Rules (GIR) of HSN, Section Notes and Chapter notes, it is inferred that IFPD is a composite system with additional features of an ADP, which are ancillary to the main function of large display and touch capabilities. On a combined reading of para 3(b) of GIR, para 3 of the Section Notes, para 6(E) of the Chapter Notes and para 8 of the Chapter notes it is very clear that though a machine performs various functions, it has to be classified under the heading of its principal function or in its residual heading.

28. The applicant further contended that in the absence of any specific classification for IFPD in the tariff, the product should be classified in the heading applicable to the product and available in the tariff. 6(E) of the Chapter notes to Section 84 comes into picture and states that the machines incorporating the ADP features are to be classified to their respective functions and if not available are to be classified under residual heading.

29. As the appropriate classification is not available for the product in question in the tariff, the CBIC came up with the clarification for classification of the said product by way of Circular No. 12/2025-Customs dated 7th Apr, 2025. Earlier, after examination of the issue and with changes made in the budget 2025-26, has issued Notification No. 23/2005-Customs dated 04-04-2025 amending Sl. No. 515C of Notification No. 50/2017-Customs dated 30-06-2017 to remove the IGCR (Import of Goods at Concessional Rate of Duty) condition for "All goods other than IFPD" falling under Chapter heading 85285900 for which the IGST rate of tax has been reduced to NIL. Since the chapter heading covers "Other" under the category of "Other monitors", to distinguish IFPDs from monitors other than IFPDs, based on the technical inputs from Ministry of Electronics and Information Technology has issued the specification for both IFPDs and monitors and classified the IFPDs under 85285900 and parts of IFPDs under Chapter heading 8529 as per entry Sl. No. 515D of Notification No. 50/2017-Customs dated 30-06-2017, as monitors are having an exclusive classification in the tariff.

30. The features of an IFPD enumerated in the circular is not restrictive as claimed by the applicant, but throws light on the major differences between IFPD and the monitors for the purpose of classification as the rate of tax for both the product are different. Therefore, this features of IFPD listed in the circular shall not be compared with an ADP machine, as the intended purpose of ADP machine is different from IFPDs.

31. In view of the detailed discussions supra, we rule as under:-

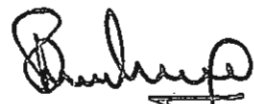
RULING

(i) What is the appropriate classification of various models of ACER Interactive Flat Panels for the purpose of GST?

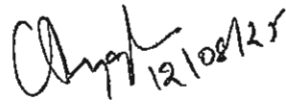
Various models of ACER Interactive flat Panels with additional features are still classifiable under 85285900.

(ii) What is the applicable rate of GST?

The applicable rate of GST is 28%.


(B. Suseel Kumar)
Member (SGST) 12/08/2025




(C. Thiyagarajan)
Member (CGST) 12/08/2025

To

M/s. ACER INDIA PRIVATE LIMITED,
GSTIN: 33AACCA1237A1ZM
C/o. DBS Corporate Services Private Limited,
DBS HOUSE,
No. 31A, Cathedral Garden Road,
Chennai – 600 034.

(By RPAD)

Copy submitted to

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3. The Commissioner of GST and Central Excise,
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