###### **BY E-MAIL**

#### File No.271/2022 (General)

15.04.2024

M/s. Konica Minolta Business Solutions India Pvt. Ltd.

Attn.: Mr. Arun Kumar Ghosh <arun.ghosh@konicaminolta.com>

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Dear Mr. Arun,

1. From the attachment it is seen that the product under reference i.e. Innex CM Series – Interactive Displays are units having CPU, GPU and touch input facility.

2. **Classification:**

2.1 From the information provided, it is clear that it is not a monitor “simpliciter” but a complete data processing system with various facilities. These products, therefore, will not fall under 8528 of the First Schedule to the Customs Tariff Act 1975 as “monitors”. They will be classifiable as ‘Other Automatic Data Processing Systems’ under heading “8471 4190”.

2.2 Detailed analysis of the competing classifications under chapter 8471 and 8528 has been made in the following two decisions.

a. Ruling given by the Authority for Advance Ruling, Mumbai in the case of Viewsonic Technologies India Pvt. Ltd. reported in (2024) 15 Centax 517 (A.A.R.-Cus.-Mum.). This decision was rendered on 15.02.2024.

b. Ingram Micro India Pvt. Ltd. Vs. Principal Commissioner of Customs (Import), New Delhi reported in (2023) 2 Centax 62 (Tri.-Del.). This decision was given on 02.02.2022.

Copies of these two decisions are attached.

3. **Importability:**

Import of Automatic Data Processing systems (as well as monitors) are covered by mandatory registration requirements under Ministry of Electronics & Information Technology Order dated 18th March 2021. Thus, in the normal course, BIS registration will be needed for this. At the same time, it may be noted that in terms of para 2.62 (a) of the Handbook of Procedures for the current Foreign Trade Policy, ‘no authorisation’ shall be required for import of “bonafide technical and trade samples” of items restricted in the ITC (HS) code. Thus, as a bonafide trade sample, it should be possible to import these without BIS registration.

4. **Valuation:**

4.1 It is confirmed that as a sample unit, the product will be supplied free of charge and it is also indicated that the value for customs purposes will be shown as US$ 750. When there is no sale consideration, customs authorities will determine the value in terms of Customs Valuation Rules 2007 and if the declared value does not match the market value of similar/comparable goods, then customs may enhance the value. There is a possibility that such enhancement is made with fine and penalty for incorrect declaration of the market value for customs purposes. Therefore, it may be ensured that the appropriate value corresponding to the market price of similar/ comparable product is declared at the time of import. The same product should be available for sale and therefore, if the sale value of the same product otherwise, is available, then it can be declared as the value for customs purposes.

Regards,

Murugappan

Attached: as above.

sm/ss

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