



सीमा शुल्क प्रधान आयुक्त का कार्यालय

एयरकार्गो कॉम्प्लेक्स, मेन्ज़ीस एवियेशन बोम्बा कार्गो टर्मिनल, देवनहल्ली, बेंगलूरु 560 300

OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:

AIR CARGO COMPLEX: MENZIES AVIATION BOBBA CARGO TERMINAL: DEVANAHALLI:
BENGALURU - 560300.

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C.No.VIII/10/391/2019 BACC SIIB
DIN:20191272MP00000X9C5E

Dated:23.12.2019

To,

M/s. India Medtronic Private Limited,
Kasthurba Road, D Souza Layout, Ashok Nagar,
Bengaluru, Karnataka 560001

By SPAD/Hand Delivery

Gentlemen,

Sub: Payment of differential duty on mis-classification of Camera Module-Reg.

Please refer to the Bill of Entries (as per Annexure-A enclosed), filed for clearances of 'Camera Control Unit' under CTH 9018 90 96 & 9018 90 44 by paying BCD of 5%, 7.5% & 10% and IGST of 12% as per Sl.No.218 of Schedule-II of Notfn.No.01/2017 Integrated Tax (Rate) dated 28.06.2017.

2.1 In this regard, it is relevant to mention that, Rule 1 of the General Rules for the Interpretation of the first Schedule to the Customs Tariff Act, 1975 states that

"The titles of Sections, Chapters and Sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require according to the following provisions."

2.2 The Note 1 of Section XVIII to the first Schedule covering Chapters 90-92 reads as below:

1. This Chapter does not cover :

(h) searchlights or spotlights of a kind used for cycles or motor vehicles (heading 8512); portable electric lamps of heading 8513; cinematographic sound recording, reproducing or re-recording apparatus (heading 8519); sound-heads (heading 8522); **television cameras, digital cameras and video camera recorders (heading 8525);** radar apparatus , radio

navigational aid apparatus or radio remote control apparatus (heading 8526); connectors for optical fibres, optical fibre bundles or cables (heading 8536); numerical control apparatus of heading 8537; sealed beam lamp units of heading 8539; optical fibre cables of heading 8544;

2.3 Note 2 of Section XVIII to the first Schedule covering Chapters 90-92 reads as below:

"Subject to Note 1 above, parts and accessories for machines, apparatus, instruments or articles of this Chapter are to be classified according to the following rules:

(a) parts and accessories which are goods included in any of the headings of this Chapter or of Chapter 84, 85 or 91 (other than heading 8487, 8548 or 9033) are in all cases to be classified in their respective headings;"

2.4 The relevant entries under sub-heading 8525 80 and 9018 90 (claimed by importer) in the Customs Tariff reads as under:

8525 80	-	Television cameras, digital cameras and video camera recorders:
8525 80 10	---	Television cameras
8525 80 20	---	Digital cameras
8525 80 30	---	Video camera recorders
8525 80 90	-	Other
9018 90	-	Other instruments and appliances:
	---	Diagnostic instruments and apparatus:
9018 90 44	----	Endoscopes
9018 90 96	----	Laprosopes

3. In view of the above, it is revealed that imports of 'Camera Control Unit' used for Diagnostic instruments viz. Endoscopes & Laprosopes is classified wrongly under CTH 9018 9044 & 9018 90 96 instead of the correct classification under CTH 8525 80 90 of the First Schedule to the Customs Tariff Act, 1975, as the Section XVIII to the first Schedule covering Chapters 90-92 specifically exclude the items covered under heading 8525 in accordance with note 2(h), as detailed supra. Further, it is clearly mentioned in the Note 2 of Section XVIII to the first Schedule covering Chapters 90-92 that parts and accessories which are goods included in any of the headings of this Chapter or of Chapter 84, 85 or 91 (other than heading 8487, 8548 or 9033) are in all cases to be classified in their respective headings.

4. As clear from the description of the goods declared in the bill of entry, the imported item is a "Camera module" and fall appropriately under sub-heading 8525 80 and merit classification under CTH 8525 80 90 and accordingly excluded to be classified as parts of Diagnostic instruments and apparatus as discussed at para 3 and attracts BCD @ 15% (from 14.12.2017 to 05.07.2019) and 20% (from

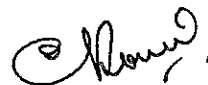
06.07.2019 onwards) and IGST @ 28%(from 01.07.2017 to 30.12.2018) as per Sl.No.151 of Schedule-IV and 18% from 31.12.2018 onwards, as per Sl.No.383 of Schedule-III of IGST Notfn.No.01/2017 Integrated Tax (Rate) dated 28.06.2017. This has resulted in short payment of BCD, SW Cess and IGST of **Rs.63,57,011/-** (as detailed in the Annexure A).

4. Further, it has been observed that the items with the similar description have been cleared by you at different instances by classifying it correctly under CTH 8525 80 90 and payment of 15% BCD and 18% IGST, few samples of which are also enclosed as **Annexure-B**.

5. In view of the mis-classification of the said items, as discussed above, you are hereby directed to pay the differential duty of **Rs.63,57,011/-** along with applicable interest and penalty within 10 days of receipt of this letter.

6. The matter may be treated as most urgent.

Yours sincerely,



Encl: As above.

(Dr. Nirmal Joy)
Deputy Commissioner
Special Intelligence & Investigation Branch

Copy to the CHA SANCO TRANS LTD, to ensure payment of dues immediately.

ANNEXURE-A

ANNEXURE-A																						
LIMITED				DUTY PAID						DUTY PAYABLE								DIFFERENTIAL DUTY PAYABLE				
Sl. No.	CTH Claimed	Item Description	Ass. Value	BCD Rate	BCD Amount	SWC/Cess Amount	IGST Notfin	IGST Rate	IGST Amount	Total Duty	Proper CTH	BCD Rate	BCD Amount	SWC/Cess Amount	IGST Schedule	IGST Amount	Total Duty	BCD Amount	SWC/Cess Amount	IGST Amount	Total Duty	
3	90189044	(95.3731) CAMERA CONTROL UNIT 95.3731 SET FV10X1	3598623	7.5%	2,69,897	8,097	11218	12%	4,65,194	7,43,188	85258090	15%	5,39,793	16,194	1151	28%	11,63,291	17,19,278	2,69,897	8,097	6,98,097	9,76,090
4	90189096	(95.3731) CAMERA CONTROL UNIT 35.3731 SET FV10 X1	7621882	10%	7,62,188	76,219	11218	12%	10,15,235	18,53,642	85258090	15%	11,43,282	1,14,328	1151	28%	24,86,258	37,43,869	3,81,094	38,109	14,71,023	18,90,227
1	90189066	(95.3731) CAMERA CONTROL UNIT 95.3731 SET FV10 X1	3810941	5%	1,90,547	19,055	11218	12%	4,82,465	6,92,067	85258090	15%	5,71,641	57,164	1151	28%	12,43,129	18,71,994	3,81,094	38,109	7,60,664	11,79,867
2	90189096	(95.3731) CAMERA CONTROL UNIT 95.3731 SET	1270834	5%	63,516	6,352	11218	12%	1,60,822	2,30,689	85258090	15%	1,90,547	19,055	1151	28%	4,14,376	6,23,978	1,27,031	12,703	2,53,555	3,93,289
11	90189096	(95.3731) CAMERA CONTROL UNIT 95.3731 SET FV10 X1	3810941	5%	1,90,547	19,055	11218	12%	4,82,465	6,92,067	85258090	15%	5,71,641	57,164	1151	28%	12,43,129	18,71,994	3,81,094	38,109	7,60,664	11,79,867
11	90189096	(95.3731) CAMERA CONTROL UNIT 95.3731 SET FV10 X1	2974475	10%	2,97,448	29,745	11218	12%	3,96,200	7,23,332	85258090	15%	4,46,171	44,637	1151	28%	9,70,274	14,61,062	1,48,724	14,872	5,74,074	7,37,670
Total																			63,57,011			

Annexure B(India Medtronics Pvt Ltd)

BE_NO	BE_DT	ITEM_NO	CTH	Goods Description	BCD_RAT E	BCD_AMT	IGST Rate	IGST_AMT	IGST Schedule	ASSESSMENT VALUE	DUTY
2047672	13-Feb-19	18	85258090	(95.3731) CAMERA CONTROL UNIT 95.3731 SET FV10 X1	15	148723.8	18	207915.8	III383	991491.78	371512
2250978	1-Mar-19	14	85258090	(95.3731) CAMERA CONTROL UNIT 95.3731 SET FV10 X1	15	594895.1	18	831663.3	III383	3965967.12	1486047.9
3016697	27-Apr-19	1	85258090	(95.3731) CAMERA CONTROL UNIT 95.3731 SET FV10 X1	15	148723.8	18	207915.8	III383	991491.78	371512
3080455	2-May-19	2	85258090	(95.3731) CAMERA CONTROL UNIT 95.3731 SET FV10 X1	15	227676.9	18	318292.3	III383	1517846.06	568736.9
3626190	12-Jun-19	24	85258090	(95.3731) CAMERA CONTROL UNIT 95.3731 SET FV10 X1	15	1024546.2	18	1432315.6	III383	6830308.07	2559316.4
3626190	12-Jun-19	24	85258090	(95.3731) CAMERA CONTROL UNIT 95.3731 SET FV10 X1	15	1024546.2	18	1432315.6	III383	6830308.07	2559316.4