IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL, NEW DELHI, PRINCIPAL BENCH NEW DELHI
COURT-IV

Appeal No. C/50496,52073/2015 -CU (DB)

[Arising out of the Order in Appeal No. OIA-CCA-CUS-576-2014 dated 10.11.2014 and OIA-CC-A-CUS-231-2015 dated 20.02.2015 passed by Commissioner (Appeals) of Customs, New Delhi]

Commissioner of Customs, New Delhi … Appellant

vs.

M/s. Integral Computer Limited … Respondent

Appearance:

Rep. by Ms. Suchitra Sharma, DR for the Revenue
Rep. by Shri S.K. Pahwa, Advocate for the Assessee

Coram: Hon'ble Mrs. Archana Wadhwa, Member (Judicial)
Hon'ble Mr. V. Padmanabhan, Member (Technical)

Date of Hearing : **23.03.2017**

Date of Decision : **06.04.2017**

Final Order No 52733-52734/2017 –CU (DB)

Per Mr. V. Padmanabhan

The appeals have been filed by the Revenue against OIA Nos. OIA-CCA-CUS-576-2014 dated 10.11.2014 and OIA-CC-A-CUS-231-2015 dated 20.02.2015 passed by Commissioner (Appeals) of Customs, New Delhi.

2. The dispute is with reference to certain goods imported by the respondent at ICD, TKD. The respondent filed bill of entry and declared the imported goods as accessories for computer system (PC cabinet with built in

audio, key board, mouse pad, external port, USB Camera). The Original Adjudicating Authority vide the assessment order rejected the classification indicated in the bills of entry under CETH 8473 30 99 and ordered the classification under CETH 8529 10 29. When the respondent carried the matter in appeal before the Commissioner (Appeals), the goods in question were ordered to be classified under 8473 30 99 as proposed by the respondent. Aggrieved by the impugned order, Revenue is in appeal before the Tribunal seeking to reinstate the assessment order passed by the adjudicating authority.

3. With the above background, we have heard Ms. Suchitra Sharma, ld. Jt. CDR for the Revenue as well as Shri S.K. Pahwa, ld. Counsel for the respondent.

4. The imported goods comprising the PC cabinet with built-in key board, mouse pad, mother board, USB camera and sound card. The processor, HDD storage and optical device and on board VGA display when added to the system, the system is capable of functioning as a personal computer. As rightly submitted by the respondent, it has been mentioned that the imported PC cabinet, after it is loaded with accessories, HDD and other components, become a wall-mounted PC. Such a machine is intended to be used along with a suitable projects for operation of “interactive electronic

white board" which is used for teaching, conferencing etc. The respondent is in the business of supplying such teaching aids.

5. In the assessment order passed by the adjudicating authority, the view taken is that the impugned goods are solely or principally a part of interactive electronic whiteboard (which has been imported by the respondent) and the classification has been settled under 8528 51 00. Accordingly, the adjudicating authority classifies the impugned goods as a part of such electronic whiteboard under CETH 8529 10 29 (as part of the goods falling under Chapter heading 85.25 to 85.28). The Commissioner (Appeals) in the impugned order has adopted a stand that the impugned goods are nothing but accessories of computer system and hence, classifiable under CETH 8473. He has further held that the impugned goods cannot be consider as solely or principally a part of interactive whiteboard even if the interactive whiteboard can only be used in conjunction with the computer. In his view, the computer is not a part of interactive whiteboard and hence, the impugned goods should be classified as part of computer and not as part of interactive whiteboard.

6. We have perused the brochure of the interactive whiteboard submitted by the respondent. We find, it is designed to work in conjunction with a wall-mounted PC as well as suitable projector. The PC, in conjunction with an optical reader projector lights on the interactive whiteboard through

a medium of projector. From the above description, it is easy to see that the teaching aid comprise of PC, projector as well as interactive electronic whiteboard. The impugned goods are parts which can be used into PC by addition of suitable parts such as processor, HDD, RAM etc. This fairly establishes that impugned goods are parts/ accessories of PC, therefore, the classification of the goods will be under Chapter heading 8473. They do not become part of the Interactive Electronics Whiteboard even if the computer itself is used to project on to the whiteboard.

7. In view of the above discussion, we find no reasons to interfere with the impugned order. Accordingly, the impugned order is upheld and the appeals filed by the Revenue are rejected.

[Order pronounced in the open court on 06.04.2017]

(**Archana Wadhwa**)
Member (Judicial)

(**V. Padmanabhan**)
Member (Technical)

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