

**TAMILNADU STATE APPELLATE AUTHORITY FOR ADVANCE RULING**  
(Constituted under Section 99 of Tamil Nadu Goods and Services Tax Act 2017)

A.R. Appeal No.06/2025/A2

Date: 08.12.2025.

**BEFORE THE BENCH OF**

<b>Shri. Madan Mohan Singh., I.R.S.,</b> Chief Commissioner of GST & Central Excise/Member (CGST), Appellate Authority for Advance Ruling, Tamil Nadu, Nungambakkam, Chennai -600 034.	<b>Shri. S. Nagarajan, I.A.S.,</b> Commissioner of State Tax/ Member (SGST), Appellate Authority for Advance Ruling, Tamil Nadu, Chennai – 600 005.
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**Order-in-Appeal No. AAAR/07/2025 (AR)**

(Passed by Tamil Nadu State Appellate Authority for Advance Ruling under  
Section 101(1) of the Tamil Nadu Goods and Services Tax Act, 2017)

**Preamble**

1. In terms of Section 102 of the Central Goods & Services Tax Act 2017/Tamil Nadu Goods & Services Tax Act 2017 ("the Act", in Short), this Order may be amended by the Appellate authority so as to rectify any error apparent on the face of the record, if such error is noticed by the Appellate authority on its own accord, or is brought to its notice by the concerned officer, the jurisdictional officer or the appellant within a period of six months from the date of the Order. Provided that no rectification which has the effect of enhancing the tax liability or reducing the amount of admissible input tax credit shall be made, unless the Appellant has been given an opportunity of being heard.
2. Under Section 103(1) of the Act, this Advance ruling pronounced by the Appellate 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) of Section 97 for advance ruling;
  - (b) on the concerned officer or the jurisdictional officer in respect of the applicant.
3. Under Section 103 (2) of the Act, this advance ruling shall be binding unless the law, facts or circumstances supporting the said advance ruling have changed.
4. Under Section 104(1) of the Act, where the Appellate Authority finds that advance ruling pronounced by it under sub-section (1) of Section 101 has been obtained by the Appellant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void ab-initio and thereupon all the provisions of this Act or the rules made thereunder shall apply to the Appellant as if such advance ruling has never been made.

Name and Address of the Appellant	M/s. ACER INDIA PRIVATE LIMITED. C/o. DBS House, No. 31A, Cathedral Garden Road, Chennai – 600 034.
GSTIN Number, if any / User id	33AACCA1237A1ZM
Advance Ruling Order against which appeal is filed	AAR Order No. 29/ARA/2025 dated 12-08-2025.
Date of filing Appeal	09-09-2025 (online).
Represented by	Shri. G. Shivadass, Senior Advocate of M/s. Shivadass & Shivadass Law Chambers and & Authorised Representatives
Jurisdictional Authority – STATE	Division: Chennai (Central), Zone: Central-III . Circle: Valluvarkottam.
Other Authority – CENTRE	Chennai North Commissionerate, Triplicane Division, Range-I.
Whether payment of fees for filing appeal is discharged. If yes, the amount and challan details	Challan CPIN No. 25093300029004 dated 05-09-2025.

M/s. Acer India Private Limited, (hereinafter called as the "Appellant") is a company engaged in the business of manufacturing and selling of 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 appellant supplies various models of 'ACER' brand "Interactive Flat Panel Display" (IFPD) within India either after importing them or getting them manufactured on contract basis through third parties. The principal place of business is at C/o. DBS Corporate Services Private Limited, DBS HOUSE, No. 31A, Cathedral Garden Road, Chennai – 600 034. The appellant is registered with GSTIN 33AACCA1237A1ZM and falls within the administrative jurisdiction of STATE.

2. The Applicant has made a payment of application fees of Rs.10,000/- each under sub rule (1) of Rule 106 of CGST Rules, 2017 and TNGST Rules, 2017.

- The Applicant had filed application before the Authority for Advance Ruling and sought clarification 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. Authority for Advance Ruling (AAR) vide order No. 29/ARA/2025 dated 12-08-2025 have ruled that Various models of ACER Interactive flat Panels with additional features are still classifiable under 85285900 and that the applicable rate of GST is 28%.

4. Aggrieved by the above ruling of the AAR, the appellant preferred this present appeal on the following grounds.

- (a) Describing the features of an IFPD, the appellant states that it can be considered to function as an 'All-in-One-PC.
- (b) The appellant states that the classification of any goods should be as per the principles laid down in the General Rules of Interpretation and then as per the relevant Section notes, chapter notes and the relevant entries of the tariff.
- (c) Quoting Note 5 of Section XVI, Chapter Note (6) of Chapter 84 and Explanatory Notes to Chapter 8471 under the Indian Customs Tariff Act, 1975, the appellant contended that various models of IFPD would be appropriately covered under chapter heading of an Automatic Data Processing Machine.
- (d) The appellant submits that the product intended to be supplied is IFPD which contains a self-sufficient embedded program which is catered to the requirements of the user. The products basic feature includes storage, processing data available in the coded form and executing it without any human intervention.

- (e) The four essentials required for any product to classify as Automatic Data Processing (ADP) machine in terms of Note 6A of Chapter 84 of the tariff is duly satisfied by IFPD supplied by the appellant and tabulated the same and contended that the product is rightly classifiable under HSN 84714190.
- (f) The explanatory notes to Chapter 8471 lays down the three essentials that is required for any product to classify as an ADP machine namely, a CPU with storage, arithmetical and control elements, an input unit which receives input data and converts them into signals which can be processed and Output unit which converts the signals provided into an intelligible form, or into coded data for further use. The appellant states that the product is a large sized Data processing machine with all the features of an ADP.
- (g) In support of their claim, the appellant quoted CESTAT's decision in the case of *M/s. Ingram Micro India Private Limited Vs Principal Commissioner of Customs(Import), ICD, Tughlakabad, New Delhi (2022-VIL-87-CESTAT-DEL-CU)*, wherein classification of similar product was discussed. Further cited following cases in support of their claim.
- (i) *M/s. Audio Distribution House Private Limited – 2022-VIL-72-AAR-CU*
  - (ii) *M/s. Hewlett Packard India Sales Pvt Ltd Vs Commissioner of Customs (Import), Nava Sheva – 2023-VIL-03-SC-CU*
  - (iii) *M/s. Compuage Infocom Ltd – 2022-VIL-57-AAR-CU*
- (h) The appellant placed reliance on the Customs Circular No. 20/2013-Cus dated 14-05-2013 which clarified that the main function of a 'tablet computer' was to function as an ADP machine while the mobile phone calling function was held to be supplementary. Hence, contended that the said product is rightly classifiable under 84714190 as an ADP machine attracting GST rate of 18% as per Schedule-III of Notification No. 01/2017-CT(rate) dated 28-06-2017.
- (i) The appellant submits that the end use of the product is not relevant for classification and the classification of any goods should be as per the description in the individual headings, related Section/Chapter Notes.

- (j) The appellant cited the following case laws in support of their claim.
- (i) *Indian Aluminium Cables Ltd Vs. Union of India- 1985(3) SCC 284*
  - (ii) *Commissioner of Central Excise, Delhi Vs Carrier Aircon Ltd – 2006(199) ELT 577 (SC)*
  - (iii) *Dunlop India Ltd & Madras Rubber Factory Ltd Vs Union of India and Others – 1983 (13) ELT 5(SC)*
  - (iv) *Commissioner of Central Excise Vs. Gopsons Papers Ltd – 2015(324) ELT 5 (SC)*
- (k) The appellant contended that Circular No. 12/2025-Customs dated 07-04-2025 covers only IFPDs with limited features and does not cover IFPDs which qualify as an ADP machine. The appellant submits that the guidelines of the impugned circular differentiate only Monitors and IFPDs. They contended that the additional features make it an ADP machine classifiable under CTH 84714190.
- (l) The appellant stated that the circular is restrictive in nature and cannot be made applicable to the IFPDs supplied by the Appellant.
- (m) The appellant submits that the product in question i.e the IFPD qualifies as an automatic data processing machine as it satisfies all the conditions enumerated under Note 6A to Chapter 84. Hence, the product is classifiable under 8471 vide Sl. No. 360 of Schedule-III of Notification No. 01/2017-CT(Rate) dated 28-06-2017 attracts 18%.
- (n) Enumerating the para-wise comments, the appellant prayed the appellate authority, Tamilnadu to
- (1) Set aside/modify the impugned advance ruling passed by the Authority for Advance Ruling;
  - (2) Hold that Interactive Flat Panel Displays supplied by the Appellant are rightly classifiable under HSN 84714190;
  - (3) To grant personal hearing; and
  - (4) To pass any such further or other order(s) as may be deemed fit and proper in facts & circumstances as may be deemed fit and proper in facts and circumstances of the case.

### **PERSONAL HEARING**

5. The Appellant, was given an opportunity to be heard in person on 03-12-2025. Shri. G. Shivadass, Senior Advocate on behalf of Shri. Prashanth Shivadass of M/s. Shivadass & Shivadass Law Chambers and Authorised Representatives of the Appellant appeared for the virtual personal hearing as scheduled. The Authorised Representatives (AR) of the appellant reiterated the submissions made by the appellant in their appeal application and explained the facts and circumstances leading to the present appeal. AR stated that the Notification and circular issued by the department were challenged before Hon'ble High Court of Delhi which is still pending and listed in the month of January, 2026.

### **DISCUSSION AND FINDINGS**

6. The appellant undertakes supply of various models of 'ACER' branded Interactive Flat Panel Display (IFPD) within India either as finished goods imported by them or getting them manufactured on contract basis through third parties. IFPD is an interactive screen having an embedded interactive white board software and compatible CPU known as open pluggable specification and has a built-in processor/memory/storage along with Android operating Software.

7. The Appellant filed Advance Ruling application under Section 97 of the CGST Act/TNGST act, 2017 before Authority for Advance Ruling (AAR) and sought

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?*

Authority for Advance Ruling vide its order No. 29/ARA/2025 dated 12-08-2025 held that "various models of ACER Interactive Flat Panels with additional features are still classifiable under 85285900 and that the applicable rate of GST is 28%".

8. Aggrieved, the Appellant filed an appeal before the Appellate Authority for Advance Ruling (AAAR) under Section 100(1) of the CGST/TNGST Act, 2017 against the order of AAR and is seeking to set aside/modify the impugned advance ruling passed by AAR, to hold that Interactive Flat Panel Displays supplied by them are rightly classifiable under HSN 84714190 and to pass any such further or other order(s) as may be deemed fit and proper in facts & circumstances of the case.

9. As the product namely IFPD contains all the aspects of an ADP machine, the appellant tries to classify the same as an ADP Machine as the product satisfies all the features of an ADP Machine. However, it is pertinent to mention here that the chapter notes 6A of Chapter 84 explains that the expression 'automated data processing machine' for the purpose of classification of a product under 8471 which meets the capability listed in note 6A by any machine.

10. As per the explanation contained in the note 6(A), it is clear that the primary function of an ADP machine is to store the processed program, to freely program in accordance with the requirements of the user, performing arithmetical computations for achieving a desired output and most importantly, to execute without human intervention, a processing program which requires them to modify their execution by logical decision during the processing run. The use of an ADP machine has the benefits of increased efficiency and speed, reduced human error, handling of vast and large volumes of data and the real-time processing and analysis enhances the user to make swift decision making.

11. From the functionality of an ADP machine its specifications are identified primarily with its processor (CPU or mother board), Memory (RAM), Storage Capacity (SSD/HDD), Graphics card (GPU) and Operating System (OS). Whereas, specifications of an IFPD typically include screen size, resolution, brightness, contrast ratio, response time and wide viewing angles. Other key features are color depth, built-in speakers, various connectivity options, and interactive multi-touch technology. This specification of an IFPD proves to show

the primary function of the product. The basic features of an ADP machine is incorporated in an IFPD for performing simple and specific function when needed or during its use in the business meetings, for educational purposes and to reach large audience. Whereas, the sole function of an ADP machine is for data analysis, data processing and creating & executing software programs to the need of the user. It is not possible to use an ADP machine as an IFPD since, its features do not suit it to be used as an IFPD. But an IFPD can be used as an ADP machine only for limited purpose.

12. The product sheet submitted by the appellant along with appeal application depicts the features and specification of IFPD. There are 13 main features listed in the product sheet which include,

1. 65"/75"/86" and 98" Large screen to reach large audience
2. 4K/IPS Screen/DLED
3. Quadcore Processor
4. Eye-catching, Razor-sharp images with 4KUH Resolution
5. 40 points Touch Display with infrared (IR) Technology
6. Built-in player supports interactive white board(IWB) feature
7. Stunning image with 1.07 Billion colors
8. Reliable solution to sustain 16/7 operation
9. WiFi 6E
10. BT 5.4
11. Android 14
12. OPS Slot with PC option for computing
13. Wide angle Viewing.

13. Out of thirteen important features listed above, the primary feature is the screen size, the nature of screen technology, image sharpness and resolution, touch display with IR(Infra-red) technology, interactive white board feature, colours, duration of operation and wide angel viewing relates only to display and viewing. Hence, the principal use of the above products is for display and viewing. The other features incorporated in the product is to upgrade it into an All-in-One facility for the user to avoid attaching too many gadgets and equipment during its usage.

14. The other features such as internet connectivity, blue tooth facility, OPS slot for PC option for computing and Andriod-14 are only ancillary features to the main function of the product. Further, out of 13 listed features, for all variant of the product, only the screen size varies and all other features and specifications remains the same. Therefore, the essential character of the said product is only for viewing and display hence rightly classifiable under HSN 85285900.

15. When the Basic Customs Duty of IFPD and ADP machine were same, the trade and industry was not keen on the correct classification of an IFPD. With the changes made in the Budget, 2025-26, CBIC has issued Notification No. 23/2025-Customs dated 04-04-2025 amending Sl. No. 515C of Notification No. 50/2017-Customs dated 30-06-2017 to exclude IFPD from the benefit of Import of Goods at Concessional Rate of Duty which resulted in imposition of Basic Customs Duty on IFPDs. As appropriate specific classification is not available for IFPDs, and to distinguish from Monitors, CBIC issued Circular No. 12/2025-Customs dated 7<sup>th</sup> April, 2025, to alleviate the confusion among Trade and Industry to classify IFPD under 85285900.

16. The analogy drawn by the appellant placing reliance on Circular No. 20/2013-Cus dated 14-05-2013 to the present issue is incorrect as the Tablet Computer is a 'mobile computer', between a laptop and a smartphone i.e, larger than a phone but smaller than a laptop. It is considered as a type of computer as per the technical features and it is designed as substitute for laptop. The calling function of a Tablet computer is only an auxiliary function of the product. Hence, CBIC's Circular classifying the tablet computer under 847130 is proper and cannot be compared with the current issue.

17. The appellant relied on various decisions that the classification of a product cannot be determined on the end use of the product. All the decisions cited by the appellant related to Central Excise era where the taxability and classification has to be determined during the process of manufacturing a product. In the GST era, the taxability is on the supply where the end use of any product is determinable. In the instant case, an IFPD is large touch screen

display and replaces conventional monitors/projectors and white boards by offering touch interaction, wireless sharing, video conferencing for immersive learning and presentation. Therefore, an IFPD is used mainly in classrooms for interactive lessons, conference rooms for presentation and in retail spaces for interactive displays.

18. Just because an IFPD houses in-built features of an ADP machine, it shall not be classified as an ADP machine. Chapter Notes 6(E) of Chapter 84 specifically states that

**(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."**

19. Further as per Note 8 of the Chapter Notes of Chapter 84,

**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.**

20. On a combined reading of the Note 6(A) and Note 8, though IFPD is considered as an All-in-One machine, the specific and principal function is large display, touch interaction and high resolution with in-built additional features of an ADP machine. As stated in Note 6(A), an IFPD is a machine which incorporates features of ADP machine but performs its intended specific function is classifiable as per the function or under the residual heading. Further, as IFPD is used for more than one purposes, for the purpose of classification the principal purpose is its sole purpose and classification has to be done accordingly.

21. Chapter 8528 includes,

Chapter heading/sub-heading/Tariff item	Description of Goods
8528	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"
85284200	-Cathode-ray tube monitors – Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471
85284900	-- Others
85285200	- Other monitors – Capable of directly connecting to and designed for use with an automatic data processing machine of heading 8471
<b>85285900</b>	-- <b>Other</b>
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22. IFPDs are monitors which have the facilities of an ADP machine which is not the principal function but auxiliary one. With the technological advancements in the field of Computers and IT, to meet the requirements of customers, the electronic industry manufactures electronic products with all possible features and facilities to make it a multipurpose equipment. Therefore, in the instant case classification of the product is to be done based on the basic intended use or end use for which the product is manufactured and supplied.

23. The various case laws and Customs Advance ruling decision referred by the appellant were pronounced before the notification and circular issued by the CBIC on this issue of classification and hence are not discussed here. Further, as per Section 103 of the Act, the advance ruling pronounced by the authority of the appellate authority under this chapter is binding only on the applicant/appellant who sought it in respect of any matter referred to in sub-section (2) of Section 97 for advance ruling or on the concerned officer or the jurisdictional officer in respect of the applicant/appellant.

23. In view of the facts and circumstances of the case, and based on the discussions, we pass the following order.

**ORDER**

We uphold the ruling given by the Authority of Advance Ruling in Order No. 29/ARA/2025 dated 12-08-2025 and dismiss the appeal filed by the appellant.

  
(MADAN MOHAN SINGH)

Principal Chief Commissioner of GST  
& Central Excise, Taminadu & Puducherry  
Zone/Member AAAR

A/10

  
(S. NAGARAJAN)

Commissioner of Commercial Taxes  
Tamilnadu/Member AAAR

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:

1. The Principal Chief Commissioner of GST & Central Excise,  
26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.
2. The Commissioner of Commercial Taxes,  
2<sup>nd</sup>Floor, Ezhilagam, Chepauk, Chennai – 600 005.
3. The Commissioner of GST and Central Excise,  
Chennai North Commissionerate,  
GST Bhavan, 26/1, M.G. Road,  
Nungambakam, Chennai 600 034.

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Copy to

1. The Assistant Commissioner (ST),  
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Commercial Taxes Building, Annex,  
No. 1, Greams Road,  
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2. Stock File / Spare – 2.