



सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण

Customs Authority for Advance Rulings

नवीन सीमाशुल्क भवन, बेलार्ड इम्पेट, मुंबई - 400009

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F.No. CAAR/CUS/APPL/193/2025 - O/o Commr-CAAR-Mumbai दिनांक/Date : 29.01.2026

Order No. & date	CAAR/Mum/ARC/36/2025-26 dated 29.01.2026
Issued by	Shri Prabhat K. Rameshwaram, Customs Authority for Advance Rulings, Mumbai
Name and address of the applicant	Samsung India Electronics Private Limited, 10, No. 49/50L, EA Chamber, Tower-2, Whites Road, Royapettah, Chennai, Tamil Nadu, 600014. m.murugan@samsung.com
Concerned Commissionerate	The Commissioner of Customs, Chennai II (Import), Custom House, No. 60, Rajaji Salai, Chennai - 600001. Email: <a href="mailto:chennai-importoffice@gov.in">chennai-importoffice@gov.in</a> , <a href="mailto:commr2-cuschn@gov.in">commr2-cuschn@gov.in</a>

ध्यान दीजिए/ N.B.:

- सीमाशुल्क अधिनियम, 1962 की धारा 28I की उप-धारा (2) के तहत किए गए इस आदेश की एक प्रति संबंधित को निःशुल्क प्रदान की जाती है।

A copy of this order made under sub-section (2) of Section 28-I of the Customs Act, 1962 is granted to the concerned free of charge.

- इस अग्रिम विनिर्णय आदेश के खिलाफ कोई भी अपील ऐसे निर्णय या आदेश के संचार की तारीख से 60 दिनों के भीतर संबंधित क्षेत्राधिकार के उच्च न्यायालय के समक्ष की जाएगी।

Any appeal against this Advance Ruling order shall lie before the **High Court of concerned jurisdiction**, within 60 days from the date of the communication of such ruling or order.

- धारा 28-I के तहत प्राधिकरण द्वारा सुनाया गया अग्रिम विनिर्णय तीन साल तक या कानून या तथ्यों में बदलाव होने तक, जिसके आधार पर अग्रिम विनिर्णय सुनाया गया है, वैध रहेगा, जो भी पहले हो।

The advance ruling pronounced by the Authority under Section 28 - I shall remain valid for three years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier.

- जहां प्राधिकरण को पता चलता है कि आवेदक द्वारा अग्रिम विनिर्णय धोखाधड़ी या तथ्यों की गलत बयानी द्वारा प्राप्त किया गया था, उसे शुरू से ही अमान्य घोषित कर दिया जाएगा।

Where the Authority finds that the advance ruling was obtained by the applicant by fraud or misrepresentation of facts, the same shall be declared void *ab initio*.



## अग्रिम विनिर्णय / Advance Ruling

Samsung India Electronics Private Limited having IIE Code 0595032818, (hereinafter referred to as 'the applicant') filed an application in Form CAAR-1 on 27.10.2025 for seeking an advance ruling under section 28-II of the Customs Act 1962 before the Customs Authority for Advance Rulings, Mumbai (CAAR, in short). The applicant is seeking advance ruling on the issue of Classification of Large Format Display Monitor under CTH 85285200 under the Customs Tariff Schedule and eligibility for the Duty exemption at 0% under the Notification no. 24/2005-Customs dated 01.03.2005 (Sl. No 39) on the components imported for manufacture of the LFDs proposed to be imported.

1. The Applicant is importing various components including Open Cells for the manufacture of QBC and QMC Series Large Format Display Monitor (hereinafter referred to as the "LFD Monitor / subject goods") The Applicant has already been importing these components.

2. The subject goods in question are used for commercial displays with highly visible signage, to help capture the attention of potential customers. The subject goods are:

- a) capable of and designed for remote PC access or web-based cloud service such as Microsoft 365 or VM Ware Horizon
- b) operates using Tizen 7.0 software.
- c) functions as a virtual collaboration workspace by simply connecting keyboard/ mouse to the subject goods.

The following table gives an overview of the subject goods in question:

<b>Product Description</b>	<b>Product Specification</b>	<b>Reference Image</b>
LFD Monitor	The LFD Monitors are designed for digital signage in retail, corporate, and public spaces.	

3.1 The Applicant submits that no matter is pending before any officer of customs or any court in India, either in the Applicant's own case or in the case of any other assessee where the same question is involved.



3.2 The Applicant submits that their Delhi unit was issued with a Show Cause Notice No. GEN/ADJ/287/2025 Gr-5 dated 24.07.2025 by the Commissioner of Customs, Chennai-II (Import) on classification of Interactive Flat Panel Displays (IFD) described by the Noticee as Large Format Monitors. The Interactive Flat Panel Displays were classified by the Noticee under CTH 84714190 / 84715000 / 84716090 with BCD exemption under Notification 24/2005 Customs dated 01.03.2005. The classification adopted by the Noticee was questioned by Customs with the proposal that the IFDs merited classification under CTH 85285900 instead with applicable duties and taxes.

3.3 The Noticee has taken appropriate measures to challenge the said Notice with legal precedence and arguments. Pursuant to the said Show Cause Notice, a Speaking Order was also passed by the Commissioner of Customs, Chennai-II (Import).

3.4 Further the Applicant also filed an application for Advance ruling in respect of certain goods known as Samsung Smart Monitors Model No. LS 27 BM5 in March 2023 before the Customs Authority for Advance Rulings, New Delhi. These Smart Monitors were in the nature of Interactive Flat Panels displays. Therefore, the applicant sought a ruling under CTH 8471 with the consequential duty concession under Sl. No 17 of Notification 24/2005 Cus. The Authority while ruling that the Smart Monitors in question merited classification under CTH 84285200, however, ruled that the said monitors would not be eligible for the duty-free concession under Sl. No 17 of Notification 24/2005 Customs dated 01.03.2005. The Applicant has challenged the said ruling before the Hon'ble Delhi High Court in terms of Section 28 KA of the Customs Act 1962.

3.5 The Applicant is of the bonafide view that the goods covered under the said show case Notice dated 24.07.2025 and the Application filed in March 2023 before the Customs Authority for Advance Rulings, New Delhi are different products from the Large Format Displays and their parts covered under the present application.

#### **Port of Import and reply from concerned jurisdictional Commissionerate**

4. The applicant in their CAAR-1 indicated that they intend to import the subject goods at the jurisdiction of Office of the Commissioner of Customs, Chennai-II (Import). The application was forwarded to the Office of the Commissioner of Customs, Chennai-II for their comments vide letters dated 31.10.2025, 20.11.2025, 10.12.2025 and 31.12.2025. However, no comments have been received till date.

#### **Details of Hearing**

5.1 A hearing was held on 12.01.2026 at 12.15 PM. Shri P. Sridharan, Sr. Advocate has appeared for the hearing and reiterated the contention submitted with the application. He reiterated the contention filed with the application that the subject goods are Large Format Display (LFD) designed for digital signage in retail, corporate and public spaces. He submitted that with requirement of a physical PC, or wired connection, users may connect the LFD with a keyboard or mouse directly to the display to access remote PC or cloud based placed platform such as Microsoft office 365 etc. He contended that the LFD is merit classification.



85285200 and that various components to be imported for manufacturing LFDs would be eligible for duty exemption under sr. no. 39 of notification 24/2005-Cus subject to following IGC RD. 2017. On specifically asked that whether the connectivity with a PC is an additional feature as appears from the literature given. He sought some time to provide the additional literature on this aspect. It was also asked to provide the details of the components to be imported for manufacturing of LFDs.

5.2 Nobody appeared on behalf of the department.

#### **6. Discussion and Findings: -**

6.1 Ongoing through the case records, facts and the applicant's submission, it is observed that department has issued a Show Cause Notice No. 32/2025 dated 24.07.2025 to the applicant on the issue of claiming lower rate of duty by mis-classifying the similar/identical goods. The allegations in the said SCN No. 32/2025 dated 24.07.2025 are per follow:

A1. The declared classification by the importer under CTH 84714190 /84715000/ 84716090 for the impugned goods "LFD (Large Format Display) Monitors" should not be rejected and the goods to be re-classified and re-assessed under the tariff heading 85285900 @ 10%/2D% BCD & IGST @28%.

A2. The differential duty amounting to Rs. 95,99,09,079/- (Rupees Ninety Five Crore Ninety Nine lakh Nine Thousand Seventy Nine only), arising out of the above said re-classification and re-assessment of the impugned goods "\*LFD (Large Format- Display) Monitors" detailed in Annexure-A, should not be demanded and recovered under the provisions of Section 28(4) of the Customs Act, 1962, along with applicable interest thereon under Section 28AAibid;

A3. The impugned goods "LFD (Large Format Display) Monitors" with the total declared assessable value of Rs. 392,86,40,144/-, should not be held liable for confiscation under Section 111(m) of the Customs Act, 1962;

....

....

Thus, it is apparent that the issue regarding classification of Large Format Display (LFD) Monitor is already pending before the jurisdictional Customs Authority. In above backdrop and based upon the facts and circumstances of the case and statutory provisions, I take up the matter to further examine and to give my decision.

6.2 On examination of the records and the contention filed by the applicant, it is clear that:

a. The goods/kind of goods for which exemption is sought in this application were already imported and Bills of Entry was filed.



- b. A Show Cause Notice No. 32/2025/GR5 dated 24.07.2025 has already been issued to the applicant contending to reject the declared classification of similar/identical goods.
- c. The applicant had filed the advance ruling application before this authority on 27.10.2025 i.e. after issuance of Show Cause Notice.
- d. As per provisions of the Customs Act, 1962 under section 28 E(b), Advance Ruling means a written decision on any of the questions refer to in section 28 H raised by the applicant in his application in respect of any goods **prior to its importation or exportation**.
- e. This provision clearly stipulates and limits the scope of advance ruling to say only in those cases where importation and exportation has not taken place.
- f. The mandate of the advance ruling in Customs in terms of WCO as available under the article **Technical guidelines on advance ruling for classification, origin and valuation**, in introduction section para 4 each as per fallow:

*The key objective of pre entry advance ruling programme is to provide decision on the classification, origin and valuation of the commodities prior to their importation or exportation.....*

- g. The section 28 (I) of the Customs Act, 1962 clearly bars the authority to allow the application where the question raised in the application is,
  - a. **Already pending** in the applicant's case before **any officer of Customs**, the appellate tribunal or any court;
  - b. .....

On simple analysis of the word "pending" it is apparent that it includes "any investigation pending" irrespective of its stage or status in as much as it does not explicitly mentions "pending adjudication only". This is further supported by the statute in the other part of the sentence/phrase which specifies the word "before any officer". Here, the use of the word "any" is important. It has been purposefully crafted.

- h. Section 3, 4 and 5 of the Customs Act, 1962 provide classes of the officer of the Customs, their appointment, and power of the Customs officers respectively. **Section 5** explicitly provides that an officer of customs may exercise the power and discharge the duties conferred or imposed under this act.

#### **Section 5 (2) provides-**

*An officer of customs may exercise the power and discharge the duties conferred or imposed under this act or any other officer of customs who is subordinate to him.*



- i. The chapter XIII of the Customs Act, 1962 makes provision for search, inspect, examine persons, issue summon to give evidence and produce documents. Seizures, provision release of the goods, documents; arrests and action subsequent to inquiry, investigation or audit or any other specified purposes.
- j. The section 108 of the Customs Act 1962, empowers a custom officer as per follow:
  - 1. Any Gazetted Officers of Customs shall have power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing in any inquiry which such officer is making under this act.
  - 2. .....
  - 3. .....
  - 4. **Every such inquiry as aforesaid shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code, 1860.**

Section 110AA of the Customs Act, 1962 provides as per follow:

**110AA Action subsequent to inquiry, investigation or audit or any other specified purpose-**

Where in pursuance of any proceedings, in accordance with chapter XIII or this Chapter, if an officer of Customs has reasons to believe that –

- a) any duty has been short-levied, not levied, short-paid or not paid in a case where assessment has already been made;
- b) .....
- c) .....
- d) .....

**Then such officer of Customs shall, after causing inquiry, investigation, or as the case may be, audit, transfer the relevant documents, along with a report in writing-**

- i. to the proper officer having jurisdiction, as assigned under section 5 in respect of assessment of such duty, or to the officer who allowed such refund or drawback; or
- ii. .....

**and thereupon, power exercisable under section 28, 28AAA or chapter X, shall be exercised by such proper officer or by an officer to whom the proper officer is subordinate in accordance with sub-section (2) of section 5.]**



k. The section 108 of the Customs Act 1962, empowers a custom officer as per follow:

1. Any Gazetted Officers of Customs shall have power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing in any inquiry which such officer is making under this act.
2. .....
3. .....
4. **Every such inquiry as aforesaid shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code, 1860.**

The provision made under section 108 (4) is very clear and purposeful that proceedings under section 108(4) is a judicial proceeding and it culminates in proper investigation or inquiry, which may eventually result in issuance of show cause notice. In this instant case after due procedure of law the SCN is already issued and matter is pending for decision.

1. The applicant submitted that their Delhi unit was issued with a Show Cause Notice No. GEN/ADJ/287/2025 Gr-5 dated 24.07.2025 by the Commissioner of Customs, Chennai-II (Import) on classification of Interactive Flat Panel Displays (IFD) described by the Noticee as Large Format Monitors. On reading the said Show Cause Notice, it is apparent that the applicant has itself declared the goods as "Large Format Display (LFD) Monitors" under Bills of Entry filed under section 46 of the Customs Act, 1962.

The applicant vide email dated 28.01.2026 has submitted that para 7 of the SCN describes the goods covered under SCN as:

7. *Related searches on website of the auditee of such products refer following observations;*

*LFD monitors are used for signage or Interactive Display Units also known as Interactive Flat/Intelligent Panels, Smart Board, it is observed that there are various types of Interactive Devices and known by various names in the industry i.e., Interactive Whiteboard / Smart Board, Interactive Flat Panel Display, Interactive Intelligent Panels etc. and is an advanced technology of display solutions used in classroom teachings, conferences etc. The Interactive Intelligent Panels can be used to present documents, information and videos to different groups, educational purposes i.e., for example e-learning to a group of students in a classroom or during a meeting in a business environment.*

- 7.1. *That the product is a large format touch screen display and is a replacement for outdated projector technology and are perfect solution for business opportunities, educational purposes and even at home leisure.*



*RMS instruction for CTI 8471 also specifically instructs to check for misclassification of ADP machines performing specific functions other than Data processing and to be classified as per their respective functions. Even though the functions of an ADP machines are inbuilt, the subject goods viz. Interactive Display Unit/ Interactive Flat/Intelligent Panel cannot be considered as a simple input or output device and is to be identified with its primary function of display by applying Note 6 (B) of Chapter 84 Note as mentioned above.*

Further, the applicant submitted that the LFD monitors covered under the present application lack the interactive capabilities of the IFPD devices and cannot act as ADP machines.

In this regard, it is observed that signage or interactive display unit is a type of product that combines a digital display screen with interactive technology, such as touch screens or motion sensors, to create an engaging and interactive user experience. The catalogue submitted by the applicant indicates that the subject goods can be used as touchscreen monitors, thus, this function make them interactive. As the impugned goods in the said SCN are large format touch screen display and the subject goods in the application can also be used as touchscreen display. Further, para 7.4 of the said SCN clarifies that the impugned goods are LFD monitors and merit classification under CTI 85285900. Therefore, it can be implied that the impugned goods covered under said SCN and goods covered under the application are similar. The primary function of the subject goods is undisputedly “display” irrespective of touch feature. Thus, the importer has failed to demonstrate or substantiate how the subject goods are distinguishable from the goods covered under the Show Cause Notice. **Thus, it is clear that the matter is still pending before the Custom Officer.**

m. Further, there is no any parallel provision in the Customs Act, 1962 empowering the Customs Authority for Advance Rulings to take over such proceedings already initiated by the officers of customs. Most importantly, it is to underline that against the such proceedings initiated by the customs authorities, there is a well-established remedial **appellate mechanism** is already put in place.

7. Further, it is trait law that principal of harmonious construction must be kept in mind while construing any statute. This principal enunciates that while interpreting any law, the statute must be read as a whole and all the legal provisions must be read harmoniously to give effect to each words of the statute. The provisions of Section 28 and Section 28(I)(2) of the Customs Act, 1962 are mutually exclusive and power vested cannot be exercised simultaneously. The proviso (a) of section 28 (I) (2) of the Customs Act, 1962 in clear terms bars the advance ruling authority not to allow the application in a case where the question raised therein is already pending in applicant's case before any officer of customs.



8. In this context, the relevant excerpts of subsection (2) of section 28-1 of Customs Act, 1962 are reproduced below:

***"Section 28-1. Procedure on receipt of application. – (1) On receipt of an application, the Authority shall cause a copy thereof to be forwarded to the Principal Commissioner of Customs or Commissioner of Customs and, if necessary, call upon him to furnish the relevant records:***

*Provided that where any records have been called for by the Authority in any case, such records shall, as soon as possible, be returned to the /Principal Commissioner of Customs or Commissioner of Customs.*

*(2) The Authority may, after examining the application and the records called for, by order, either allow or reject the application.*

*Provided that the Authority shall not allow the application where the question raised in the application is-*

*(a) already pending in the applicant's case before any officer of customs, the Appellate Tribunal or any Court,*

*(b) the same as in a matter already decided by the Appellate Tribunal or any Court:*

*Provided further that no application shall be rejected under this sub-section unless an opportunity has been given to the applicant of being heard:*

*Provided also that where the application is rejected, reasons for such rejection shall be given in the order."*

9. In view of the forgoing facts and records of the case, I find that the question raised in this application is clearly pending before the competent officer of Customs. Accordingly, considering the provisions of Section 28-1, sub-section (2) (a) of Customs Act, 1962 and binding legal provisions, I am of considered view that ruling cannot be issued in such cases.

10. Accordingly, I refrain from passing an Advance Ruling in the case.

The application is held to be non-maintainable before this authority and is accordingly rejected and disposed of.



Customs Authority for Advance Rulings  
Mumbai.

This copy is certified to be a true copy of the ruling and is sent to:

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