

**In Re: Bloomberg Data Services**

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**SooperKanoon Citation :** [sooperkanoon.com/53570](http://sooperkanoon.com/53570)

**Court :** Authority for Advance Rulings

**Decided On :** Oct-28-2004

**Reported in :** (2005)(98)ECC429

**Judge :** S S Quadri, S Pal, B Agrawal

**Appellant :** In Re: Bloomberg Data Services

**Judgement :**

Appellants: In Re: Bloomberg Data Services (India) Pvt. Ltd. Vs.

Syed Shah Mohammed Quadri, J. (Chairman), Somnath Pal and B.A. Agrawal, Members For Appellant/Petitioner/Plaintiff: D. Arvind, Udayan D. Choksi, Consultants and Mohit Dubey, Technical Expert, DRI Classification (Customs) - The product namely Blooming 17-inch Flat Panel as described in the application and its annexures--Is a Monitor (an output unit) of automatic data process-machine--Would therefore, be classifiable under Tariff Item 8471 60 30 of the Schedule (2004 - 2005).

Classification (Customs) - Blooming 17-inch Flat Panel--The product in question is a display unit of an automatic data processing machine, cannot be used, per se, as a vide monitor and television receiver of the Heading 8528 of the Schedule--As per the HSN Explanatory Note (a) below the Heading 85.28 which inter alia covers Video Monitors, the Heading excludes 'Display units of automatic data processing machines, whether or not separately (heading 84.71) 1. M/s. Bloomberg Data Services (India) Pvt. Ltd. (the name of the applicant as amended and to be

referred to hereinafter as the 'applicant') have filed an application under Section 28H(2)(a) of the Customs Act, 1962. The issue, though not framed as a question, on which advance ruling has been sought by the applicant is in respect of classification of Bloomberg 17-inch Flat Panel under Customs Tariff Act, 1975.

2. As per the statements filed by the applicant in respect of the point on which the advance ruling is required, they are engaged in the business of providing on-line financial information. To subscribe to these services the applicant provides computer hardware facilities. In this regard they are proposing to import 17" Flat Panel used for personal computers. According to the applicant the product in question is Flat Monitor to be used as an output unit of a computer. As per the specifications/features, this product is not capable of reproducing a colour image from a composite video signal whose waveform conforms to a broadcast standard (NTSC, SECAM, PAL, D-MAC etc.). In their application, they have also enclosed the definition of "composite video signal" as per which such a signal specifies everything a television needs to display monochrome (called RS-170) or colour (called NTSC) pictures. It is called "composite" because the signal which can be carried by a single co-axial cable is composite of three different signals, namely, "luminance information", "blanking information" and "synchronizing information". It has been further submitted by them that the question of alternate classification does not arise and the product in question clearly falls under Chapter heading 8471.60 which reads as "input or output units, whether or not containing storage units in the same housing." The particular monitor proposed to be imported by them is covered by the sub-heading 8471 60 30 of the First Schedule of the Customs Tariff Act, 1975 (hereinafter referred to as "the Schedule") as amended.

3. In further support of their view the applicant has drawn our attention to the "Bloomberg Flat Panel Technical Information" leaflet as well as to a letter dated 25-9-2004 signed by one Mr. Paul Vitoria, Quality Assurance, Bloomberg LP, 499, Park Avenue, New York certifying that the "Bloomberg 17" Flat Panel, Model No. FP 1500-17, manufactured by Bloomberg LP is strictly intended for use as a PC display monitor, operating in VGA, SVGA, XGA & SXGA modes. The Bloomberg 17" flat Panel does not have the capability of accepting composite video inputs, which would allow them to be used as video or TV monitors. There are no

electronics within the Panel nor connections on the outside which would allow the Panel to display Video of any sort.

4. The applicant has also referred to the HSN Explanatory Note in the context of tariff heading 84.71 which inter alia deals with "Automatic data processing machines and units thereof". Particular attention has been drawn to the well-defined difference between the display units of automatic data processing machines which provide a graphical presentation of the data processed and the video monitors and television receivers of heading 85.28. As per this Explanatory Note the difference is on several counts including five aspects which have been specified in particular in the said Note. It has been pleaded by the applicant that the product in question cannot be used as a video monitor and television receiver of the heading 85.28 and therefore, it would be classifiable under the heading 84.71. The applicant has also furnished copies of the letter dated 12-9-2003 addressed to the HM Customs and Excise, Education and Support Team - Tariff Classification Service, Customs and International Trade Operations, Essex, UK applying for a Binding Tariff information ruling for Bloomberg 17" Flat Panel and the response thereto dated 26-9-2003 in respect of the goods described as "17 inch Flat Panel computer monitor. To be connected only to a compatible PC. Is operated in VGA, SVGA, XGA and SXGA display modes at 60 Hz (Maximum refresh rate of 75 Hz) 16.2 million colours.

Cannot receive a composite video signal.....", expressing the view that it would merit classification under 8471 60 9000 in the customs nomenclature.

5. The Departmental Representative is also of the view that the product in question is to be used as an output unit in a computer and is not capable of reproducing a colour image from composite video signal whose waveform conforms to the broadcast standard like NTSC, SECAM, PAL, D-MAC etc. Further, the product operates in VGA, SVGA, XGA, and SXGA at 60 Hertz display mode and it is connected to the PC video card through 15 pin VGA connector. As per the design of the connectors given in the technical literature submitted by the applicant, the product does not have a connector for video cable. Therefore, the product would be appropriately classifiable under Customs Tariff heading 8471.60

as output unit of an automatic data processing machine and more specifically under the sub-sub-heading 8471 60 30 as "Monitor".

6. The item which the applicant proposes to import, we observe, is described by them as Bloomberg 17-inch Flat Panel. As per the "Installation and Reference Guide" for the Bloomberg Flat Panel, submitted by the applicant, this product "is comprised of two high-quality independent and versatile, ergonomically screen panel devices attached to a space frame and column". According to the Chambers Dictionary of Science & Technology, a "monitor" in the context of Image Technology, means "a video display screen for critical picture presentation, not usually provided with radio frequency reception circuits to act as a TV receiver". There is, therefore, no doubt that the product in question is a "monitor".

7. In order to appreciate the classification issue in the limited context of the identity of the product in question, it is necessary to refer to the heading 8471 of the Schedule (2004-2005) which reads as follows :- "Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data on to data media in coded form and machines for processing such data, not elsewhere specified or included".

Sub-heading 8471 60 reads - "Input or output units, whether or not containing storage units in the same housing". The sub-sub-heading 8471 60 30 covers "Monitor".

The possible competing entry in the Customs Tariff Act is the heading 8528 which reads as :- "Reception apparatus for television, whether or not incorporating radio broadcast receivers or sound or video recording or reproducing apparatus; video monitors and video projectors".

The short question which therefore, arises for a decision is - would the product in question fall under 8471 60 30 or under 8528? 8. Focussing our attention first to the ambit of heading 8471 we observe from the HSN Explanatory Notes given under Section XVI, heading 84.71 that amongst the constituent units of an automatic data processing machine, are included display units which provide a graphical presentation of the data processed. The HSN Note has given a few

important aspects in which the display units of automatic data processing machines differ from the video monitor and TV receivers of heading 85.28. The first three important areas of difference between the two have been indicated as follows : "(i) Display units of automatic data processing machines are capable of accepting a signal only from the central processing unit of an automatic data processing machine and are therefore not able to reproduce a colour image from a composite video signal whose waveform conforms to a broadcast standard (NTSC, SECAM, PAL, D-MAC, etc.). They are fitted with connectors characteristic of data processing systems (e.g., RS-232C interface, DIN or SUB-D connectors) and do not have an audio circuit. They are controlled by special adaptors (e.g., monochrome or graphics adaptors) which are integrated in the central processing unit of the automatic data processing machine.

(ii) These display units are characterized by low electromagnetic field emissions. Their display pitch size starts at 0.41 mm for medium resolution and gets smaller as the resolution increases.

(iii) In order to accommodate the presentation of small yet well-defined images, display units of this heading utilize smaller dot (pixel) sizes and greater convergence standards than those applicable to video monitors and television receivers of heading 85.28. (Convergence is the ability of the electron gun(s) to excite a single spot on one face of the cathode-ray tube without disturbing any of the adjoining spots)".

It may not be out of place at this stage to see what a 'video monitor' means since that, as we have stated already, is the only possible competing entry in the Customs Tariff Act vis-a-vis the entry "monitor" as an output unit of an automatic data processing machine. As per the Scala-Glossary of Terms, "video monitor" is defined as "a device that can display video images (see video). A television is a video monitor with a built-in TV tuner. To be viewed on a video monitor, an info Channel production must be run on a computer whose graphics output runs through a VGA-to-video converter," The significant point to note from the above definition, in our limited context, is that a computer "monitor" whose graphics output runs through a VGA (short form of Video Graphics Array) would need a

'video converter' if it has to function as a 'video monitor'.

9. From the technical literature of the product proposed to be imported by the applicant, it is noticed that it operates in VGA, SVGA, XGA & SXGA display modes at 60 Hz. It provides 16.2 million colours and automatically adjusts itself to all supported video resolutions. It has been strongly recommended in the Bloomberg technical brochure that to obtain the best fidelity, the computer be set to 60 Hz, 32-bit colour and 1280 x 1024 (SXGA) screen resolution. The Bloomberg Flat Panel connects directly to a Bloomberg - ready PC. As per the "Connections and Installation instructions", there are three connectors for the Flat Panel in question namely -(i) VGA connector A -- 15 pin VGA connector(ii) VGA connector B -- 15 pin VGA connector(iii) Power Supply connector -- 5 pin DIN connector.

It has been further clarified that the VGA connectors A and B are used to connect the two 17" monitors to the PC video card. The connectors have letter "A" or letter "B" moulded into the plastic and the connector head to distinguish one from the other. In order to install the 17" Flat Panel, it is important that the PC video card must support dual monitors or the PC must have multiple video cards.

The technical literature furnished by the applicant further gives us the information that the technology used in the Display Unit (product under consideration) is "a - Si TFT active matrix" (which stands for "Amorphous - Silicon Thin-Film-Transistors active matrix"). This appears to be one of the more recent technologies which has been put to use as a result of the progress in active matrix liquid crystal displays. There is, however, nothing before us to suggest that this technology, per se, used in the product proposed to be imported by the applicant, would permit it to receive the composite video signals or convert input through VGA into an input for a video monitor. In fact, the communication dated 25th September 2004 from Mr. Paul Vitoria, Quality Assurance, Bloomberg LP, New York has categorically ruled out such possibility.

10. As we have already noted, the Bloomberg 17-inch Flat Panel operates in VGA (Video Graphics Array), SVGA (Super VGA), XGA (Extended Graphics Array) and SXGA (Super XGA) at 60 Hz display mode and it is connected to the PC Video Card through 15-pin VGA connector. As we understand, VGA is a graphics display

system for PCs (Personal Computers) developed by IBM. In text mode, VGA systems provide a resolution of 720 by 400 pixels. In graphics mode, the resolution is either 640 by 480 (with 16 colors) or 320 by 200 (with 256 colors). The Super XGA (SXGA) - the system which has been strongly recommended for the product in question for obtaining the best fidelity, is capable of displaying 1280 x 1024 resolution ('Resolution' refers to the sharpness, or details of the visual image). A computer monitor has a much higher resolution than what is required in a video monitor like TV. This criterion appears to be satisfied in the case of the product under consideration. Moreover, a 15-pin VGA connector (which is apparently used in the product) has three separate lines for the red, green and blue colour signals (RGB) and two lines for horizontal and vertical synchronizing signals while in a normal television, all of these signals are combined into a single composite video signal. The separation of the signal is one reason why a computer monitor can have so many more pixels than a TV set (Ref: "How Computer Monitors work" by Jeff Tyson") (A pixel represents the smallest piece of the screen that can be controlled individually and a complete screen image, is composed of thousands of pixels). The NTSC (short for National Television System Committee), the PAL (short for Phase Alternation by Line) and the SECAM (short for Systeme Electronique Couleur Avec Memoire) are all television and video standards which define a composite video signal whereas computer video standards generally use RGB (Red, Green and Blue) video signals.

11. Having regard to the technical information and parameters furnished by the applicant in respect of the product proposed to be imported by them and in the light of what has been stated in the foregoing paragraphs, we are of the view that Bloomberg 17-inch Flat Panel - the product in question - is a display unit of an automatic data processing machine and cannot be used, per se, as a video monitor and television receiver of the heading 8528 of the Schedule. It may not be out of place to mention here that as per the HSN Explanatory Note (a) below the Heading 85.28 which inter alia covers Video Monitors, this Heading excludes "Display Units of automatic data processing machines, whether or not presented separately (heading 84.71)". The classification of the product under consideration which is found to be a display unit of an automatic data processing machine would therefore be only under Heading 84.71. The Departmental representative has also

projected the same view before us.

12. In view of the foregoing discussion, we rule on the abovementioned question that the product namely Bloomberg 17-inch Flat Panel as described in the application and its annexures is a Monitor (an output unit) of automatic data processing machine and would therefore, be classifiable under Tariff Item 8471 60 30 of the Schedule (2004-2005).

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