

F. No. GEN/ADJ/COMM/33/2026-Adjn(I)
SCN No. 490/2025-26 dated 08.12.2025
M/s. Ingram Micro India Private Limited



प्रधान सीमाशुल्क आयुक्त (आयात) का कार्यालय
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS (IMPORT)
हवाई माल परिसर, सहार, अंधेरी (पूर्व), मुंबई - ४०००९९
AIR CARGO COMPLEX, SAHAR ANDHERI (EAST) MUMBAI -99
फोन नं. २६८२८९४७, फैक्स नं. २६८२८१८७
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F. No. GEN/ADJ/COMM/33/2026-Adjn
DIN No. : 202604790A000000A4F2

Date of Order : 09.04.2026
Date of Issue : 09.04.2026

Party's Name : M/s Ingram Micro India Private Limited (IEC No. 0300013833)
(SCN No.490/2025-26 dated 08.12.2025)

Passed by : Shri Manish Chandra,
Principal Commissioner of Customs (Import), ACC, Mumbai Zone-III

CAO NO : CC-MC/03/2026-27 Adj (I) ACC

मूल आदेश /ORDER-IN-ORIGINAL

- यह प्रति उस व्यक्ति के प्रयोग में लाये जाने के लिए निशुल्क दी जाएगी, जिसके लिए इसे जारी किया गया है।
This copy is granted free of charge for the use of the persons to whom it is issued.
- यदि कोई व्यक्ति इस आदेश से असन्तुष्ट हो तो वह मांगे गये शुल्क, जहां शुल्क या शुल्क और जुर्माना विवादित हों अथवा जुर्माना जहां सिर्फ जुर्माना विवादित हो, के 7.5 प्रतिशत भुगतान के बाद सीमाशुल्क अधिनियम 1962 की धारा 129A के तहत उक्त न्यायाधिकरण के सहायक रजिस्ट्रार को संबोधित करते हुए, सीमाशुल्क, उत्पादशुल्क, सेवा कर न्यायाधिकरण, मुंबई (सी ई एस टी ए टी), पश्चिम क्षेत्रीय शाखा, 34 पी डिमेलो मार्ग, मस्जिद (पूर्व), मुंबई ४००००९, के समक्ष अपील दाखिल कर सकता है।
Any person aggrieved by this order can file an appeal against this order to Customs, Excise, Service Tax Tribunal, Mumbai (CESTAT), Western Zonal Bench, 34, P.D'Mello Road, Masjid Bunder (East), Mumbai 400009, addressed to the Assistant Registrar of the said Tribunal under Section 129A of the Customs Act, 1962 on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.
- अपील जैसा कि सीमाशुल्क (अपील) नियम, 1982 के नियम 6 में बताया गया है, इन नियमों से संलग्न फॉर्म सी. ए. 3 में की जानी चाहिए। अपील चार प्रतियों में निम्नलिखित के साथ होनी चाहिए:-
The appeal is required to be filed as provided in Rule 6 of the Customs (Appeal) Rules, 1982 in form C.A. 3 appended to these rules. The Appeal should be in quadruplicate and shall be in quadruplicate and shall be accompanied by:-
(i) विरुद्ध अपील आदेशों की चार प्रतियां (कम से कम एक प्रति प्रमाणित होनी चाहिए)
Four copies of the order appealed against (at least one of which should be a certified copy)
(ii) न्यायाधिकरण शाखा के सहायक रजिस्ट्रार अथवा शाखा से नजदीक स्थित किसी राष्ट्रीय कृत बैंक के पक्ष में उपयुक्त राशि का एक रेखांकित बैंक ड्राफ्ट
A crossed Bank Draft of an applicable amount as mentioned below in favour of the Assistant Registrar, CESTAT, Mumbai.
अ) रु. १,०००/- जहां शुल्क राशि एवं मांगा गया ब्याज और उगाहा गया जुर्माना रु. ५ लाख या कम हो
Where the amount of duty and interest demanded and penalty imposed is five lakh rupees or less, one thousand rupees.
आ) रु. ५,०००/- जहां शुल्क राशि एवं मांगा गया ब्याज और उगाहा गया जुर्माना रु. ५ लाख से अधिक पर रु. ५० लाख से ज्यादा न हो
Where the amount of duty and interest demanded and penalty imposed is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees.
इ) रु. १०,०००/- जहां शुल्क राशि एवं मांगा गया ब्याज और उगाहा गया जुर्माना रु. ५० लाख से अधिक हो
Where the amount of duty and interest demanded and penalty imposed is more than fifty lakh rupees, ten thousand rupees.
- अपील, इस आदेश की संसूचना की तिथि से 3 माह के भीतर दाखिल की जा सकती है।
Appeal can be filed within 3 months from date of communication of this order.
- विधि के उपबंधों के लिए तथा ऊपर यथा संदर्भित एवं अन्य संबंधित मामलों के लिए, सीमाशुल्क (अपील) नियम 1982, सीमाशुल्क, उत्पादशुल्क एवं सेवा कर अपील अधिकरण (प्रक्रिया) नियम 1982 का संदर्भ लिया जाए।
For the provisions of Law and Form as referred above and other related matters. Customs Act, Customs (Appeals) Rules, 1982, Customs, Excise, Service Tax Tribunal (Procedure) Rules, 1982 may be referred.

F. No. GEN/ADJ/COMM/33/2026-Adjn
 SCN No. 490/2025-26 dated 08.12.2025
 M/s. Ingram Micro India Private Limited

BRIEF FACTS OF THE CASE

M/s. Ingram Micro India Private Limited, (IEC: 0300013833) (hereinafter referred to as “Importer/Noticee”) having address at 5th Floor, Empire Plaza Building A, LBS Marg, Opp Village Hariyali, Vikhroli West, Mumbai 400083, had filed Bills of Entry at INBOM4, INBLR4, INDEL4, INMAA1, INMAA4 and INNSA1 Ports, as detailed in Annexure-A to the Show Cause Notice No. 490/2025-26 dated 22.09.2025 (hereinafter referred to as “SCN/Notice”), for import of goods i.e. “*Video Conferencing System*” or “*Voice over Internet Protocol (VoIP) equipment*” (hereinafter referred to as “the subject goods/imported goods/impugned goods”) from Ms. Logitech Asia Pacific Ltd., Hong Kong and paying lower rate of duty at 10% instead of the applicable BCD at 20% by mis-declaring and misclassifying the goods under CTH 8525 with descriptions such as “web camera, touch screen control device, video conferencing system” to avail the undue benefit of Notification No 50/2017 Customs dated 30.06.2017 (Sr No. 502A) instead of correct classification under Tariff Item 85176290.

1.2 Directorate of Revenue Intelligence, Mumbai, Zonal Unit (DRI, MZU) had initiated investigation against the Importer. The total declared assessable value of the imported goods during the period December, 2020 to December, 2024 amounts to Rs.47,04,42,740/- (Rupees Forty Seven Crores Four Lakhs Forty Two Thousand Seven Hundred Forty) and total differential duty in the subject SCN is Rs.6,18,58,227/- (Rupees Six Crores Eighteen Lakhs Fifty Eight Thousand Two Hundred Twenty Seven). The Importer availed the undue benefits of the Sr. No. 502A of the Notification No. 050/2017-Customs dated 30.06.2017 (as amended) in Bills of Entry mentioned in Annexure-A to the SCN. The relevant portion of the Notification are as under: -

S. No.	Chapter or Heading or sub-heading	Description of goods	Standard rate	IGST	Condition No.
502A	852580 After 01.01.2022 852581 to 852589	All goods other than CCTV Camera/IP camera	10%	-	-

Duty Structure in Heading 8525 is as below:

CTH	Basic Customs Duty	SWS	IGST
8525	20%	10% of BCD	18% (As per Serial No. 383 of Schedule-III of Notification No. 01/2017-Integrated Tax Rate)

1.3 During investigation Importer submitted the following documents: (i) List of goods imported from Logitech Asia Pacific Pvt. Ltd., and (ii) Catalogue and Technical Literature pertaining to all the aforementioned goods.

1.4 Details of statements recorded under Section 108 of the Customs Act, 1962 are as below:

1.4.1 Statement of Shri Qader Pasha Mohammed Abdul, Sr. Channel Manager of M/s. Logitech Electronics (India) Private Limited recorded on 10.09.2024, 19.09.2024 and 07.10.2025: -

During statement he stated that he joined M/s. Logitech Electronics India Private Limited in March 2021 and that his responsibilities include managing the distribution of Logitech products in India through authorized distributors such as *Select Technologies Private Limited, Shree Info System Solutions Private Limited, Ingram Micro India Private Limited, and Avientek Electronics Trading Private Limited*. He stated that the distributors send their purchase import requirements to him through official email. Upon receipt, he verifies the availability of the products and grants the necessary clearance, after which the distributors are permitted to upload the Purchase Import Order in Logitech's ERP system. He categorically stated that without his concurrence, distributors are not permitted to import Logitech goods. He further admitted that he determines which Logitech products may be imported into India and that no distributor imports goods without the knowledge and prior intimation of Logitech India.

He further explained the business model, stating that once he confirms the distributor's requirement, the purchase orders are placed under his supervision with Logitech Asia Pacific Limited. The Supply Chain Manager of Logitech Electronics India Private Limited ensures the release of goods from the warehouse of Logitech Asia Pacific to the distributors in India. Upon arrival of the goods in India, the distributors intimate Logitech India through email. He stated that Logitech India conducts periodic audits of its distributors to verify billing, inventory, and reporting records. He further stated that the sales made by the distributors are reported to Logitech India and reflected as revenue in its Profit and Loss account. Additionally, Logitech India determines the Maximum Retail Price (MRP) of the products. He, further stated that he reports to Mr. Moninder Nath Jain, Director of M/s. Logitech Electronics India Pvt. Ltd.

He stated that M/s. Logitech manufactures video conferencing systems such as Rally Bar, Rally Bar Mini, Rally Plus, Meetup, Logitech Group, BCC 950, PTZ Pro 2, and related products, which are webcam with built in

microphone, designed for use in conference rooms and multi-participant environments and all tested and certified by Skype, Zoom, Teams, Google Meet for video conferencing. Webcams such as C920E, C925E, C930E and the Brio series are standalone devices intended for individual users. He stated that these products are certified for compatibility with platforms such as Skype, Zoom, Microsoft Teams, and Google Meet, and that Logitech products use Session Initiation Protocol (SIP). However, he expressed lack of knowledge regarding internal coding/decoding functions or audio/video codec details within the products. Laptop/Computer is a connectivity medium to connect Logitech conferencing products with internet.

On the issue of classification, he stated that Logitech acts as the importer of record only in the Netherlands and the United States, where video conferencing systems and webcams with built-in microphones are classified under CTSH 851762, and webcams without built-in microphones are classified under CTSH 851769. He stated that in India, the distributors act as the importers of record and independently determine the appropriate classification. However, he admitted that Logitech has provided technical opinions on classification to Select Technologies Private Limited, Rashi Peripherals Limited, and Ingram Micro India Private Limited. He further acknowledged having seen and signed email communications wherein CTH 8525 was suggested to the importers, while maintaining that the final decision regarding classification was taken by the respective importers. He further stated that M/s. Logitech Electronics India Pvt. Ltd. conducts regular audits of its distributors, wherein aspects such as billing, inventory, and reporting are periodically examined. The distributors report their sales to M/s. Logitech Electronics India Pvt. Ltd., and such reported sales are accounted for by the company as the distributors' revenue in its profit and loss account.

1.4.2 Statement of Shri Prajith PE, Director of Software Engineering, M/s Logitech UK Limited was recorded on 19.09.2024, wherein he stated inter-alia that:

He stated that he oversees software strategy and development for Logitech's business and conference products, including Rally Bar, Rally Bar Mini, MeetUp, RoomMate and related systems. He classified Rally Bar, Rally Bar Mini, Rally Bar Huddle, Rally Plus, Rally System, MeetUp, MeetUp-2, Logitech Sight, Conference Cam Connect, Logitech Group, BCC 950 and PTZ Pro 2 as Video Conference Systems. He further stated that Logitech C920E, C925E, C930E and the Brio series (Brio 4K, Brio 105, Brio 305, Brio 705) are webcams with built-in microphones. He added that presently most webcam models have inbuilt microphones and he could not identify any specific model without such feature.

He explained the distinction between webcams and video conferencing systems. He stated that webcams are generally based on ASIC (Application Specific Integrated Circuits) architecture, where raw video is transmitted to a host computer and encoding is performed by the computer before transmission over the internet. Webcams are primarily meant for personal collaboration and individual use. In contrast, video conferencing systems are designed for professional meeting environments and are classified based on room size. These systems contain inbuilt hardware encoders/decoders, CPU/MCU and other processing modules that enable in-device audio and video processing within the device itself. He further stated that such systems incorporate hardware-accelerated H.264 encoders and decoders integrated into the camera unit.

He explained that codecs may be hardware or software components used for compression and decompression of audio/video data. Audio codecs are generally determined by the calling software platform such as Microsoft Teams, Zoom or Google Meet (e.g., OPUS, SATIN, SILK). Video codecs such as H.264 are inbuilt in Logitech video conferencing products to ensure efficient processing without degradation of video quality. He stated that when such products operate in "appliance mode," processing occurs within the device itself; when operating in "device mode," they require a separate computing device such as a Windows or Mac system. Products functioning in appliance mode contain embedded conferencing software (e.g., Zoom, Teams, Google Meet). Further stated that all Video Conferencing Cameras will do reception, conversion and transmission of audio/video (possess inbuilt audio and video processing capability) irrespective of user configuration.

He further stated that Rally Bar, Rally Bar Mini and Rally Bar Huddle function in appliance mode and can conduct video conferencing independently without a laptop or computer, connecting directly to the internet via Wi-Fi or Ethernet and supporting over-the-air software updates. He added that the above products, along with Rally Plus, Rally System, MeetUp, MeetUp-2, Logitech Sight, Conference Cam Connect, Logitech Group, BCC 950, PTZ Pro 2 and the webcam models mentioned, can also function in device mode when connected to a computer where conferencing software runs on the host system. He stated that platforms such as Skype and Zoom are collaboration platforms enabling audio/video calls, messaging and screen sharing, and that they process raw audio/video streams transmitted digitally by conferencing cameras or webcams.

He confirmed that H.264 is an inbuilt video codec in Logitech video conferencing products and that devices supporting H.264 necessarily contain hardware encoders/decoders and stated that H.264 is a VoIP Codec. He also

stated that H.264 is inbuilt in webcam models C920E, C925E and C930E. He stated that Rally Bar, Rally Bar Mini, Rally Bar Huddle, Rally Plus, Rally System, Meet up, Meetup-2, Logitech Sight, Conference Cam Connect, Logitech Group, BCC 950, PTZ Pro2, C930E, C920E, C925E rely on VoIP technology for transmission of real-time audio in the video conferencing application.

1.4.3 Statement of Shri Chandrashekhar Thakur, General Manager of M/s. Ingram Micro India Private Limited was recorded on 22.07.2024, 30.07.2024, 24.12.2024 and 14.07.2025, wherein he stated inter-alia that:

He stated that M/s. Ingram Micro India Private Limited is engaged in the distribution of information technology and electronic products in India and undertakes imports for various original equipment manufacturers (OEM) and brands, including Logitech. He is responsible for handling import and export-related work in the company, including preparation and finalisation of Checklists, Bills of Entry, and uploading commercial invoices and packing lists received from vendors for filing before Customs. He is also responsible for availing duty exemptions under applicable Customs notifications, determining the classification of goods, and finalising the Customs Tariff Heading (CTH) for goods imported by the company. He reports to Mr. Prabhakar Iyer, Chief Finance Executive of Ingram Micro India, while the Chief Executive Officer in India is Mr. Navneet Singh Bindra.

Further, he stated that the company has imported products such as Conference Cam BCC 950, C930E, PTZ Pro 2, Conference Connect, C925E, Rally Bar, Rally Bar Mini and MeetUp from M/s. Logitech Asia Pacific Ltd. He explained that Logitech C930E and C925E Business Webcams are used in video conferencing but cannot independently perform video conferencing; they must be connected to a laptop or automatic data processing (ADP) machine. These webcams transmit audio and video during conferencing and convert audio and video into digital packets for transmission. He further stated that these webcams support H.264 for video compression, though he initially stated that H.264 is not a video codec and not utilised by H.323 protocol supported devices. However, upon being shown an article written by Matt Martin dated 30.06.2017 titled "A guide to VoIP Video Codecs," he acknowledged that H.264 is a commonly used codec for video over the internet and for VoIP-based video transmission.

He stated that C930E and C925E Business Webcams are certified for Microsoft Teams and Skype for Business and are compatible with applications such as BlueJeans, Cisco Webex, Fuze, Google Meet, GoToMeeting and Zoom, as mentioned in datasheet of product C930E and C925E. He agreed that

Skype is a proprietary telecommunications application best known for VoIP-based videotelephony and that the said webcams support Skype, which is VoIP-based. However, he expressed lack of knowledge regarding the technical manner in which the products integrate seamlessly with such applications.

He further stated that products such as PTZ Pro 2, Logitech Connect, Conference Cam BCC 950, C930E and C925E imported from Logitech Asia Pacific are used in video conferencing for reception, transmission, regeneration, compression and sending of audio and video via USB through laptops or ADP machines. The company prepares an internal auto-checklist detailing imported goods and their respective CTH, which is shared with Customs brokers. Bills of Entry are filed by Customs brokers based entirely on the declarations made in such auto-checklists.

He admitted that in respect of classification of video conferencing equipment, the CESTAT, Mumbai, vide Final Order No. A/85145/2019 dated 22.01.2019, ruled against the company, holding it liable to pay Basic Customs Duty (BCD) at the full rate of 20% instead of the concessional rate of 10%. The company's appeal before the Supreme Court of India was dismissed on 19.09.2019. The decisions were based on findings that the imported equipment used H.264 and H.323 protocols for transmission of audio and video data through compression and decompression, thereby involving Voice over Internet Protocol (VoIP) technology and meriting classification as VoIP devices. He stated that the company accepted the decision and paid differential duty, interest and penalty for the past five years in respect of Logitech PTZ Pro 2 (SKU 960-001184), Logitech Conference Cam BCC950 (SKU 960-000939), Logitech Connect (SKU 960-001035), and Logitech Group (SKU 960-001054), and submitted payment documents via emails dated 26.07.2024 and 30.10.2024.

Finally, he stated that the Logitech group had guided them to classify certain products under CTH 8525 attracting BCD at 10%. In respect of some products such as PTZ Pro 2, Conference Cam Connect and Logitech Group, duty at 20% has already been paid pursuant to the judicial decisions. For remaining products, he stated that he would consult management and revert within ten days.

1.5 During the course of the investigation, M/s Ingram Micro India Private Limited accepted the Department's stand and discharged the differential Customs duty along with applicable interest and penalty in respect of imports made during the past five years pertaining to the following VoIP devices:

- i. Product Logitech PTZ Pro 2 Camera (SKU product code: 960-001184).

- ii. Product Logitech Conference Cam BCC950 (SKU product code: 960-000939).
- iii. Product Logitech Connect (SKU product code: 960-001035).
- iv. Product Logitech GROUP (SKU product code: 960-001054).

The details of the differential duty, along with applicable interest and penalty paid by the Noticee, are mentioned in the Table below: -

Table -I

Port	Duty Paid	Interest	TR6 Challan No & Date	15% Penalty	TR6 Challan No. & Date
Mumbai	2,00,781	1,34,909	2024-25/53066 dated 24-Jul-24	30,117	2024-25/59822 dated 24-Sep-24
Chennai	11,87,643	7,17,576	000960 dated	1,78,147	000602 dated 24-Sep-24
Delhi	13,73,758	7,81,555	5065 dated 26-Jul-24	2,06,064	5741 dated 26-Sep-24
Chennai - Sea	1,33,373	86,437	000959 dated 26-Jul-24	20,006	000601 dated 24-Sep-24

1.6.1 Heading 8517 of the Customs Tariff covers apparatus for the transmission or reception of voice, images, or other data, including equipment used in wired or wireless communication networks such as local area networks (LAN) and wide area networks (WAN). Within this heading, Tariff Sub-Heading 851762 specifically includes machines for the reception, conversion, transmission, or regeneration of voice, images, or other data, including switching and routing apparatus. Consequently, equipment performing such functions, including Voice over Internet Protocol (VoIP) devices, is classifiable under Tariff Sub-Heading 851762, and more specifically under Tariff Item 85176290.

1.6.2 Further, as per Note 3 to Section XVI of the Customs Tariff, composite machines performing multiple complementary functions are to be classified according to their principal function. Since the principal function of Video Conferencing Systems is the transmission and reception of voice and video over IP networks, they are classifiable under tariff item 85176290 as VoIP equipment.

1.6.3 Under Notification No. 57/2017-Customs dated 30.06.2017 (as amended from time to time), goods falling under CTH 85176290 were eligible for concessional Basic Customs Duty (BCD) at the rate of 10% under Serial No. 20, subject to specified conditions and exclusions. However, Serial No. 20 was subsequently amended by Notification No. 02/2019-Customs dated 29.01.2019, whereby “soft switches and Voice over Internet Protocol (VoIP) equipment” were expressly excluded from the concessional entry.

Consequently, with effect from 29.01.2019, VoIP equipment became liable to the full BCD rate of 20%.

LEGAL/ADJUDICATION POSITION AND TECHNICAL OPINION: -

1.7.1 In the case of import of Video Conferencing equipment by M/s Ingram Micro India Private Limited, the Deputy Commissioner of Customs, ACC, Mumbai, vide Order-in-Original DC/SG/871/2016-17 Adjn(I) ACC dated 28.02.2017, held that the Video Conferencing System was classifiable under CTH 85176290. The benefit of concessional duty under Notification No. 24/2005-Cus. dated 01.03.2005 was denied, as the goods were VoIP equipment, which had been specifically excluded from the exemption by Notification No. 11/2014-Cus. dated 11.07.2014. Aggrieved, the Importer filed an appeal before the Commissioner (Appeals), who, vide Order-in-Appeal dated 26.12.2017, upheld the adjudicating authority's findings. It was observed that both VoIP phones and video conferencing equipment operate on H.323 and SIP protocols, enabling audio and video calls over IP networks, with the only distinction being that VoIP phones handle voice alone, whereas video conferencing systems handle both audio and video.

1.7.2 The Importer then approached the CESTAT, Mumbai, which, considering the technical complexity of the matter, directed the Revenue to obtain a technical opinion from the Department of Telecommunications (DoT). In response, the DoT, vide letters dated 10.08.2018 and 18.09.2018, clarified that any equipment utilizing VoIP protocols such as H.323, H.245, H.248, SIP, SIP-I, SIP-T, BICC-CS2 (optional), MGCP, or other VoLTE-related interfaces should be treated as VoIP equipment. The DoT specifically noted that the Cisco Telepresence Model CTS-SX20-PHD12X-K9, which uses H.323/SIP protocols for point-to-point and point-to-multipoint videoconferencing, qualifies as VoIP equipment.

1.7.3 Based on this technical opinion, CESTAT upheld the Order-in-Appeal via its Final Order No. A/85145/2019 dated 22.01.2019. The Importer's subsequent appeal to the Supreme Court was dismissed on 19.08.2019, thereby conclusively establishing that video conferencing systems operating on H.323/SIP protocols are to be treated as VoIP equipment.

1.7.4 In the subject case, the products imported similarly qualify as Voice over Internet Protocol (VoIP) equipment. They are designed to support recognized communication standards and protocols for voice and video transmission over IP networks, operating in accordance with the ITU-T H.323 protocol suite. This suite provides the framework for establishing, managing, and terminating multimedia communication sessions over IP-based systems

and incorporates the Real-time Transport Protocol (RTP) for real-time audio and video transmission.

1.7.5 These devices also support a wide range of industry-standard and ITU-compliant codecs, including audio codecs such as G.711, G.729 (including G.729a), G.723.1, G.722, G.726, G.728, Speex, and AAC-LD; text codec T.140; and video codecs such as H.261, H.263, H.264, and H.265. The H.264 standard, including Scalable Video Coding (SVC), allows layered bitstreams for adaptive video resolution and quality based on network conditions. Additionally, Logitech's USB-based conferencing and camera solutions conform to the USB Video Class (UVC) specification, supporting compressed formats such as H.264 and ensuring interoperability with compliant host systems, with UVC 1.5 further enhancing video processing and streaming capabilities. Accordingly, these technical features confirm that Logitech's audio-visual communication products comply with established VoIP standards and are appropriately classifiable as VoIP equipment.

TECHNICAL DATA SHEETS: -

1.8 The import data pertaining to goods imported by M/s. Ingram Micro India Pvt. Ltd. was examined in detail. On scrutiny, it was observed that the Importer had been importing various video conferencing products from M/s. Logitech Asia Pacific Ltd., Hong Kong, and clearing the same on payment of Basic Customs Duty (BCD) at the rate of 10%. The datasheets and technical literature relating to the products imported in the subject SCN by M/s. Ingram Micro India Pvt. Ltd. were scrutinised. The details are as below:

Sr. No.	Logitech Part Number	Product Name	Features / Function as per Datasheet
1	960-000841	B525 HD WEBCAM	With its 720p HD video captured at 30 frames per second, the B525 HD Webcam delivers crystal clear video. Advanced business certifications and enhanced integration with Logitech Collaboration Program (LCP) members ensure a seamless meeting experience with any video conferencing application. The webcam supports HD video calling (1280 x 720 pixels) with recommended system and is UVC compliant. In the UVC mode no software installation is required.
2	960-001105	BRIO	Brio is designed for professional video meetings and delivers ultra 4K HD video. The webcam is certified for Microsoft Teams® and Skype™ for Business and works with Cortana® and Windows Hello™. Certifications and compatibility with other popular applications include BlueJeans, Cisco Webex™, Fuze, Google Meet™, GoToMeeting®, Lifesize Cloud, Pexip, RingCentral Video, Vidyo, and Zoom®.

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3	960-001075	C925E BUSINESS WEBCAM	Logitech® C925e Webcam delivers razor-sharp video for an enhanced face-to-face meeting experience from virtually any desktop. USB plug-and-play connectivity makes it a breeze to set up and operate — it even works with any video conferencing software application. UVC H.264 encoding technology frees up PC bandwidth by putting video processing within the camera.
4	960-000976	C930E	C930e delivers professional audio-visual quality in virtually any environment to elevate team productivity. 4X digital zoom at 1080p and H. 264 video compression ensure smooth video with the highest level of detail. C930e is certified for Microsoft Teams® and Skype™ for Business, and works with other popular applications including BlueJeans, Cisco Webex™, Fuze, Google Meet™, GoToMeeting®, Lifesize Cloud, Microsoft DirectShow, Pexip, RingCentral Video, Vidyo, and Zoom®. C930e supports H.264 UVC 1.5 with Scalable Video Coding for a smoother video stream in applications.
5	960-001226	RALLY CAMERA	Rally Camera tops the lineup of standalone video cameras from Logitech®. UVC/plug-and-play compatible with virtually any cloud-based video conference application, certified for Skype® for Business and ready for Teams, Cisco® Compatible, Compatible with Google® Hangouts Meet, Zoom, BlueJeans, BroadSoft, GoToMeeting™, Vidyo, and other video conferencing, recording, and broadcasting applications that support USB cameras.
6	960-001590	BRIO 105 FULL HD 1080P WEBCAM	Brio 105 is designed for professional video meetings and delivers Full HD 1080p/30fps, HD 720p/30fps. It is certified for Google Meet and Works, With Chromebook, and is compatible with leading operating systems and most video conferencing platforms.
7	960-001360	C920E	C920e is certified for Microsoft Teams® and Zoom™ and compatible with other popular applications include BlueJeans, Cisco Webex®, Fuze, Google Meet™, GoToMeeting™ and Microsoft DirectShow.
8	960-001383	SCRIBE- OFF- WHITE	Scribe integrates with leading video conferencing room solutions, including Microsoft Teams Rooms, Zoom Rooms, and Google Meet Rooms. Output Resolution: 1080p at 15 fps, Built-In AI: Broadcasts AI-enhanced image stream into video meetings. Integrates with Microsoft Teams Rooms, Zoom Rooms, and Google Meet Rooms as a whiteboard content camera. Compatible with virtually any video conferencing application as a USB-connected camera.
9	960-001510	SIGHT- GRAPHITE	With seamless integration with all major video conferencing platforms, Sight enhances your hybrid meeting experience by capturing audio and video deeper into the room. Logitech Sight integrates with video conferencing platforms such as Microsoft Teams Rooms, Zoom Rooms, Google Meet.

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10	960-001372	C505E-BLK	C505e provides a 60° diagonal field of view, fixed focus and auto light correction that adjusts illumination of most spaces, it consists one omnidirectional mic. C505e works with all popular video applications, including Microsoft® Teams, Skype™ for Business, Google Voice and Meet, Zoom® and others.
11	960-001461	BRIO 505-GRAPHITE	Brio 505 is designed for professional video meetings and delivers Full HD 1080p/30fps, HD 720p/60fps. The webcam is certified for Microsoft Teams, Zoom, Google Meet & Works with Chromebook. Further, it consists 2 beamforming mics.
12	930-001226	RALLY CAMERA-BLACK-USB-PLUGB-WW	Rally Camera tops the lineup of standalone video cameras from Logitech®. UVC/plug-and-play compatible with virtually any cloud-based video conference application, certified for Skype® for Business and ready for Teams, Cisco® Compatible, Compatible with Google® Hangouts Meet, Zoom, BlueJeans, BroadSoft, GoToMeeting™, Vidy, and other video conferencing, recording, and broadcasting applications that support USB cameras.

1.9.1 As per the technical literature and product datasheets placed on record, it is observed that the goods imported by M/s. Ingram Micro India Pvt. Ltd. consist of webcams and video conferencing cameras specifically designed for professional communication and collaboration purposes. These devices are equipped with plug-and-play functionality and are compatible with a wide range of video conferencing platforms such as BlueJeans, BroadSoft, Lifesize Cloud, Zoom, Vidy, Google Meet, and GoToMeeting. Further, the products are certified for use with leading enterprise communication platforms including Skype® for Business, Microsoft Teams, and Cisco Webex/Jabber, thereby ensuring seamless interoperability across systems.

1.9.2 It is also evident from the datasheets that the said devices support widely accepted audio-video compression and transmission standards such as H.264, Scalable Video Coding (SVC), and USB Video Class (UVC), enabling efficient video processing, bandwidth optimization, and ease of integration without the need for additional software installation. The presence of such features, along with compatibility across multiple operating systems and conferencing applications, clearly establishes that the imported goods are designed to function as integral components of video conferencing systems and unified communication setups.

1.10 The technical literature and datasheets relating to the aforesaid goods imported by M/s. Ingram Micro India Pvt. Ltd., were forwarded to the Regional Telecommunication Engineering Centre (West), Mumbai, Maharashtra, seeking an expert opinion on whether the said goods fall within the category of VoIP equipment. In response, vide letter F. No. TBBY/RTEC-WR/C1/2023-

imported by M/s. Ingram Micro India Pvt. Ltd., it is evident that the products perform the functions of transmission and reception of voice, images, and other data over wired or wireless networks. Accordingly, the goods are appropriately classifiable under Heading 8517, specifically under the single-dash sub-heading covering “other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network),” and not under Heading 8525, which pertains to transmission apparatus for radio-broadcasting or television, including television cameras, digital cameras, and video camera recorders.

1.11.2 A closer examination within Heading 8517 indicates that the subject goods are more specifically covered under sub-heading 8517 62, which covers “machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus.” The impugned goods are capable of receiving audio-visual signals, converting them into digital data packets, and transmitting the same over IP-based networks, thereby satisfying the functional scope of the said sub-heading. As the goods are not specifically covered under any of the three-dash sub-headings under 8517 62, they merit classification under the residual Tariff Item 85176290 – “Other.”

1.11.3 However, the import data reveals that M/s. Ingram Micro India Pvt. Ltd. had declared the goods under Tariff Items 85258090 or 85258900, falling under Heading 8525. These entries relate to transmission apparatus for radio-broadcasting or television, including television cameras, digital cameras, and video camera recorders. Video conferencing equipment is fundamentally distinct from such apparatus, as it operates by converting audio and video signals into digital data and transmitting them over IP networks, thereby performing the functions of reception, conversion, and transmission of data. In view of their technical characteristics and principal function, the subject goods are correctly classifiable under Tariff Item 85176290 and not under Tariff Items 85258090 or 85258900. Duty Structure in Heading 8517 is as below:

CTH	Basic Customs Duty	SWS	IGST
8517	20%	10% of BCD	18% (As per Serial No. 379 of Schedule-III of Notification No. 01/2017-Integrated Tax Rate)

1.12 The import data reveals that the goods covered under the DRI investigation were imported by M/s. Ingram Micro India Pvt. Ltd. through various Customs locations. The relevant details of such imports are

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mentioned in Annexure-A to the SCN. The total differential duty arising in respect of the said imports amounts to **Rs.6,18,58,227/-**, as detailed below.

ANNE X	PORT CODE	ASSBL VALUE (INR)	DUTY PAID (INR)	DUTY PAYABLE (INR)	DUTY DIFF. (INR)
A	INBLR4	2,44,06,487	75,61,130	1,07,29,092	31,67,962
	INBOM4	16,14,38,646	5,00,13,693	7,09,68,429	2,09,54,736
	INDEL4	4,95,59,623	1,45,58,811	2,17,86,410	72,27,600
	INMAA1	7,66,91,332	2,37,58,975	3,37,13,509	99,54,535
	INMAA4	5,37,48,174	1,66,51,185	2,36,27,697	69,76,513
	INNSA1	104598478.2	32404608.8	4,59,81,491	1,35,76,882
	Total	47,04,42,740	14,49,48,403	20,68,06,629	6,18,58,227

1.13 In the subject case, the goods were imported through multiple Customs formations, namely Mumbai Air Cargo Complex, Delhi Air Cargo Complex, Bangalore Air Cargo Complex, Chennai Air Cargo Complex, Chennai Port, and Nhava Sheva Port. Subsequent to the enactment of the Finance Act, 2022, CBIC issued Notification No. 28/2022-Customs (N.T.) dated 31.03.2022, assigning the proper officer under Section 110AA in cases involving multiple jurisdictions. As per Sl. No. 1 of the said Notification, where the total duty involved exceeds Rs. 50 lakhs, the proper officer shall be the officer having jurisdiction over the Customs formation where the highest amount of duty is involved at the stage of transfer. In the subject case, the highest value and duty involvement pertain to Mumbai Air Cargo Complex (INBOM4). Accordingly, the proper officer for issuance of the Show Cause Notice and adjudication is the Pr. Commissioner/Commissioner of Customs, Mumbai-III (Import), Air Cargo Complex, Sahar, Andheri (East), Mumbai – 400099.

1.14 In view of above, it appeared that the subject goods are correctly classifiable under CTI 85176290, attracting Basic Customs Duty (BCD) at the rate of 20%. Accordingly, the total duty leviable on the said goods was required to be re-determined at Rs. 20,68,06,629/-. Consequently, the differential duty amounting to Rs. 6,18,58,227/- becomes recoverable from M/s. Ingram Micro India Pvt. Ltd. under the provisions of Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the said Act. The misclassification of the goods, which effectively suppressed their VoIP and video conferencing functionality, resulted in the wrongful availment of exemption benefits and renders the goods liable to confiscation under Section 111(m) of the Customs Act, 1962.

1.15 ROLE PLAYED BY VARIOUS PERSONS:

1.15.1 M/s. Ingram Micro India Pvt. Ltd:

Technical documents, import records, and product datasheets establish that the goods imported by M/s. Ingram Micro India Pvt. Ltd. are Video Conferencing Equipment with VoIP functionality, capable of transmitting and receiving voice, video, and data over IP networks. However, the Importer declared the goods under Heading 8525, instead of the correct Tariff Item 85176290, and thereby wrongly availed exemption under Notification No. 50/2017-Customs. Investigation further revealed that despite being aware of the correct classification particularly in light of the CESTAT, Mumbai Final Order dated 22.01.2019 holding similar goods classifiable under 85176290 with BCD at 20% the Importer continued to declare subsequent consignments under 85258090/85258900 to avail lower duty. This misclassification concealed the VoIP features of the goods and amounted to false declaration, rendering the goods liable to confiscation under Section 111(m) of the Customs Act, 1962. Consequently, the Importer is liable to penal action under Section 112(a) for acts of omission and commission, Section 112(b) for dealing in goods which they knew or had reason to believe were liable to confiscation, Section 114A for wilful misstatement and suppression of material facts, and Section 114AA for using false or incorrect declarations or documents in customs transactions.

1.15.2 Shri Chandrashekhar Thakur, General Manager of M/s. Ingram Micro India Private Limited:

Shri Chandrashekhar Thakur, General Manager of M/s Ingram Micro India Pvt. Ltd., managed and oversaw the import of Video Conferencing and VoIP equipment from M/s Logitech Asia Pacific Ltd., Hong Kong. He was aware that these goods should have been classified under Customs Tariff Heading 85176290 but deliberately misclassified them under incorrect headings to wrongfully avail duty concessions under Sr. No. 502A of Notification No. 50/2017-Customs. His acts of misdeclaration and misclassification with intent to evade Customs duty render the imported goods liable for confiscation under Section 111(m), making him personally liable for penalty under Section 112(a) of the Customs Act, 1962.

Additionally, by knowingly dealing with goods that were liable for confiscation, he is liable for penalty under Section 112(b) of the Act. Further, by submitting false declarations and invoices regarding the description and classification of the imported goods, he knowingly submitted incorrect

material particulars, rendering himself liable for penalty under Section 114AA of the Customs Act, 1962.

1.15.3 M/s. Logitech Electronics India Private Limited:

M/s. Logitech Electronics India Private Limited (hereinafter referred to as "M/s. Logitech India") administers and regulates the distribution of Logitech products in India through its authorized distributors, who are not permitted to import goods without prior approval from the company. The company monitors and manages the entire procurement process, including oversight of orders, confirmation of product availability, supervision of purchase orders placed on M/s. Logitech Asia Pacific Ltd., Hong Kong, and periodic compliance audits. Further, Logitech India provides technical guidance and classification opinions to its distributors and importers, including M/s. Select Technologies Pvt. Ltd., M/s. Rashi Peripherals Ltd., and M/s. Ingram Micro India Pvt. Ltd.

It is observed that, at the international level, Logitech classifies video conferencing systems and webcams equipped with microphones under CTH 851762. However, despite possessing such knowledge and following this internal classification practice, M/s. Logitech guided its distributors/importers to classify the said goods under CTH 8525.

The available evidence indicates that M/s. Logitech Electronics India Pvt. Ltd., being fully aware of the correct classification, advised and facilitated the incorrect declaration and misclassification of the imported goods. By abetting such acts of omission and commission on the part of the importers, which rendered the goods liable to confiscation under Section 111(m) of the Customs Act, 1962, M/s. Logitech Electronics India Pvt. Ltd. appears to be liable for penal action under Section 112(a) of the said Act.

2. SHOW CAUSE NOTICE:

2.1 Accordingly, a Show Cause Notice No. 490/2025-26 dated 08.12.2025 was issued to the Importer M/s. Ingram Micro India Private Limited (IEC-0300013833) asking them to show cause as to why:

- (i) The classification of imported goods under CTI 85258900/85258090 declared in Bills of Entry (As listed in Annexure A to SCN) submitted for the clearance of the goods under self- assessment, should not be rejected, and why these goods should not be reclassified under CTI 85176290 as VoIP equipment;
- (ii) The imported goods under CTI 85258900/85258090 as mentioned in Annexure A to the SCN, having assessable value of **Rs.47,04,42,740/-**

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should not be held liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962;

- (iii) The imported goods as mentioned in Annexure A to SCN should not be levied BCD at the rate of 20% consequently, the total duty leviable on the said goods should not be re-assessed as **Rs.20,68,06,629/-**;
- (iv) The total differential duty amounting to **Rs.6,18,58,227/-** (Annexure A to SCN) should not be demanded and recovered from M/s Ingram Micro India Private Limited in terms of the provisions of Section 28(4) of the Customs Act, 1962, along with the applicable interest under Section 28AA of the Customs Act, 1962;
- (v) Penalty should not be imposed in terms of Section 112(a) of the Customs Act, 1962 *ibid* on M/s Ingram Micro India Private Limited; and
- (vi) Penalty should not be imposed in terms of Section 112(b) of the Customs Act, 1962 *ibid* on M/s Ingram Micro India Private Limited; and
- (vii) Penalty should not be imposed in terms of Section 114A of the Customs Act, 1962 *ibid* on M/s Ingram Micro India Private Limited subject to Section 112 (a) and 112(b) of the Customs Act, 1962; and
- (viii) Penalty should not be imposed in terms of Section 114AA of the Customs Act, 1962 on M/s Ingram Micro India Private Limited for use of false and incorrect material in respect of imports made by it;

2.2 Shri Chandrashekhar Thakur, General Manager of M/s. Ingram Micro India Private Limited (IEC-0300013833) was asked to show cause as to why:

- (i) Penalty should not be imposed in terms of Section 112(a) of the Customs Act, 1962 on him; and
- (ii) Penalty should not be imposed in terms of Section 112(b) of the Customs Act, 1962 on him; and
- (iii) Penalty should not be imposed in terms of Section 114AA of the Customs Act, 1962 on him for use of false and incorrect material in respect of imports made by M/s Ingram Micro India Private Limited.

2.3 M/s Logitech Electronics India Private Limited was asked to show cause as to why penalty should not be imposed in terms of Section 112(a) of the Customs Act, 1962 on them.

3. WRITTEN SUBMISSIONS of M/s. Ingram Micro India Pvt. Ltd. (Noticee No. 1):

M/s. Ingram Micro India Private Limited, Importer/Noticee responded to the subject Show Cause Notice (SCN) vide their letter dated 26.02.2026. The main details are as under:

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3.1 The Noticee is one of the India's largest distributor of Information Technology and Telecommunications products and is part of internationally renowned 'Ingram Micro' group. The subject SCN pertains to various webcams imported by the Noticee during the period of 10.12.2020 to 03.12.2024. The imported goods were classified under Heading 8525 and cleared after payment of applicable BCD at 10% and IGST at 18%. The summary of demand is as follows: -

Period of demand	Total duty Demanded in SCN	Duty Demand within limitation	Demand outside period of limitation
10.12.2020 to 03.12.2024	Rs.6,18,58,227/-	Rs.1,28,59,086	Rs.4,89,99,141/-

The breakup of demand paid and being contested by the Noticee is as follows:

Product	Duty demand	Demand already paid	Demand being contested
Qua video conferencing cameras	NIL		
Qua plug and play cameras	Rs.6,18,58,227/-	Rs.1,28,59,086/-	Rs.4,89,99,141/-

3.2 The Noticee submitted that the plug-and-play cameras possess both audio and video recording capabilities, with varying specifications. These cameras can be utilized by users for meetings on any platforms installed on their laptops or PCs. The webcams are plug-and-play devices, i.e., USB-enabled devices that can be easily connected to a laptop or PC to capture high-quality video. The cameras are also equipped with microphones to record high-quality audio. Illustrations images of the various models of webcams imported are as below:



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Logitech B525 HD Webcam	Logitech Webcam	C925e	Logitech Business Webcam	C930e
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Further, Noticee stated that the video conferencing cameras are capable of directly connecting for video conferencing and are integrated systems for video conferencing. Illustrative are as below: -



3.3 The Noticee submitted that, on the identical issue of classification of the impugned cameras, a Show Cause Notice No. 30/2025-26/ACC-IMPORT dated 12.09.2025 had already been issued by the Pr. Commissioner of Customs (Import), New Delhi, proposing a duty demand of Rs. 1,81,62,255/- under Section 28(4) of the Customs Act, 1962 in respect of imports made through Delhi, Chennai, and Bangalore Ports. The Noticee contended that the goods, namely video conferencing systems, are correctly classifiable under Heading 8517 and that the applicable duty has already been discharged, while the remaining goods, i.e., plug-and-play webcams, are correctly classifiable under Heading 8525. It was further submitted that, out of the total differential duty of Rs. 6,18,58,227/- demanded in the present Show Cause Notice, an amount of Rs. 1,23,68,640/- has already been covered in the Show Cause Notice No. 30/2025-26/ACC-IMPORT dated 12.09.2025 issued by the Pr. Commissioner of Customs, New Delhi.

The Noticee also stated that they have already discharged the entire differential duty along with applicable interest and penalty for the past five years in respect of imports of cameras functioning as video conferencing systems. Further, in respect of other cameras that are incapable of functioning as video conferencing systems, the Noticee submitted that these have been correctly classified under Heading 8525 and no differential duty is payable on such goods.

3.4 The Noticee submitted that the following models are plug and play cameras: -

SI. No.	Model No.	Product
1	960-000841	Logitech B525 HD Webcam
2	960-001105	BRIO ULTRA HD PRO BUSINESS WEBCAM
3	960-001075	Logitech C925e Webcam
4	960-000976	C930E BUSINESS WEBCAM
5	960-001372	C505E HD WEBCAM
6	960-001226	Logitech Rally Camera
7	960-001383	LOGITECH SCRIBE / WHITEBOARD CAMERA
8	960-001360	C920E HD WEBCAM
9	960-001510	LOGITECH SIGHT I TABLETOP CAMERA
10	960-001461	BRIO 505 webcam
11	960-001590	BRIO 105

3.5.1 The Noticee stated that the Tariff is aligned up to the 6-digit level, with the Harmonised System of Nomenclature (HSN) issued by the WCO. The HSN Explanatory Notes released by the WCO aid in the interpretation of the Headings of the Tariff and may be used as a safe guide for the same. It has been held by the Supreme Court in the case of *Collector of Customs, Bombay v. Business Forms Ltd. Thr. O.L., 2002 (142) E.L.T.18 (S.C.)*. As per GRI 1 classification must be undertaken in line with the terms of the Headings read with the relevant Chapter Notes and Section Notes.

3.5.2 Heading 8525 specifically covers digital cameras and thus the imported goods are correctly classifiable under that heading. The relevant portion of Heading 8525 is as below:

Tariff Heading / Tariff Item	Description of goods
8525	TRANSMISSION APPARATUS FOR RADIO-BROADCASTING OR TELEVISION, WHETHER OR NOT INCORPORATION RECEPTION APPARATUS OR SOUND RECORDING OR REPRODUCING APPARATUS; TELEVISION CAMERAS, DIGITAL CAMERAS AND VIDEO CAMERA RECORDERS

3.5.3 The Noticee submitted that the imported goods are undisputedly cameras, specifically webcams designed to be connected to laptops or personal computers for capturing images and videos, which are transmitted to the connected Automatic Data Processing (ADP) machine for viewing and storage rather than being stored within the device itself. As per the HSN Explanatory Notes to Heading 8525, such devices qualify as “television cameras,” which capture images, convert them into electronic signals, and

transmit them externally. Further, webcams intended for use with ADP machines are expressly covered under Heading 8525; therefore, conferencing cameras/webcams, being specifically included therein, have been correctly classified under this Heading.

3.5.4 As per SCN cameras incorporating integration of components such as microphones, speakers, video codecs and network interfaces are classified under Heading 8517. Noticee submitted that the camera having microphones, speakers, H.264 protocol (to compress and process the video and audio) etc. are still covered under Heading 8525. In case of *M/s. Creative Peripherals & Distribution Ltd. Versus Commissioner of Customs-A CC Mumbai, 2020 (374) E.L.T. 794 (Tri. - Mumbai)*, where the 'GoPro Hero5 Black', despite being equipped with microphones and advanced video compression protocols, was classified under Heading 8525. Further, in *Sony India Pvt. Ltd. & Ors. vs. Commissioner of Customs, New Delhi*[2018 (362) E.L.T. 637 (Tri.-Del.)], the Tribunal examined various camera models of leading brands such as Canon, Sony, Nikon, and Samsung, which incorporated microphones, speakers, and codecs, yet were consistently classified under Heading 8525 and granted the applicable exemption benefits. Therefore, it is clear that even such a camera with microphone and video compression protocol is classifiable under Heading 8525 only.

3.5.5 The understanding that Heading 8525 only covers simple cameras and not those cameras having speakers, microphones, codecs, etc. is grossly incorrect. Noticee submitted that modern cameras, including DSLRs, are commonly equipped with microphones and speakers to enable audio capture and playback during footage review, which are standard features and do not alter their essential character as cameras. Further, cameras incorporating video compression technologies (codecs) are specifically covered under Heading 8525 as per the applicable HSN Explanatory Notes. Therefore, the contention that cameras with such features fall outside the scope of Heading 8525 is incorrect and untenable. Noticee rely in case of *Logic India Trading Co Versus Commissioner of Customs, 2016 (337) E.L.T. 65 (Tri. - Bang.)*, wherein it was held that the classification of a speaker with some additional feature or facility for use of USB playback, is still primarily as a speaker and will not convert the same into an FM Radio.

3.6.1 The Noticee submitted that the Harmonised System Committee, in its 25th Session, issued a ruling supporting the classification of cameras incorporating a protocol similar to a codec under Heading 8525, and accordingly, the World Customs Organization (WCO) has determined that USB cameras with video codec functionality are classifiable under the said heading. The classification opinions and rulings issued by the WCO, along

with the Harmonised System Explanatory Notes both emanating from the same authoritative body carry significant persuasive value and are to be followed by member countries to ensure uniformity in the interpretation and application of the Harmonised System. Therefore, due consideration must be accorded to such rulings, unless a specific deviation arises on account of the eight-digit tariff structure adopted by India.

3.6.2 The Noticee stated that in case of *Collector of Central Excise, Shillong Vs. Wood Craft Products -1995 (77) ELT 23 (SC)*, Supreme Court observe that Harmonised System Committee (HSC) being an expert body constituted under the Article 6 of the International Convention on the Harmonised System, provides guidance through Explanatory Notes and classification opinions to ensure uniformity in interpretation. In various judgements it is held that the opinions of the HSC have great persuasive value and have to be considered for purpose of determination of classification. The Noticee also stated that various Circulars were issued by the CBIC (Circular Nos. 44/2003-Cus., 28/2005-Cus., 20/2013-Cus. and 18/2023-Cus.) on the basis of the WCO Rulings. Therefore, it is submitted that the WCO Ruling classifying webcams under Heading 8525 is squarely applicable in the subject case. They rely on the following judgements:

- *S.R. Foils & Tissues Ltd. vs. Commissioner of Central Excise, Jaipur, 2013 (294) E.L.T. 565 (Tri. - Del.) [Affirmed by the Supreme Court];*
- *Manisha Pharma Plasto Pvt. Ltd. v. Union of India, 1999 (112) E.L.T. 22 (Del.);*
- *Netlon India Ltd. vs. Collector of Central Excise, Vadodara. 2000 (121) E.L.T. 675;*
- *Hindalco Industries Ltd. vs. Commissioner of Central Excise, Vapi, 2009 (237) E.L.T. 588 [Affirmed by the Supreme Court].*

3.6.3 Noticee rely on various Cross Rulings and Binding Tariff Information (BTI) Rulings in support of the classification of webcams under Heading 8525, including certain rulings pertaining to identical or similar products involved in the present dispute. Noticee rely in case of *Symbio Generics India Private Ltd. v. Commissioner of Customs, Chennai-II (Imports) [Final Order No. 41023/2025]*, wherein it was held that foreign rulings will prevail over the findings of the Indian Authority which lacks support or an expert's opinion. Therefore, the imported goods are being akin to the products covered under the said Rulings, merit classification under Sub-heading 8525.

3.6.4 Noticee has submitted that the subject SCN is devoid of any cogent reasoning, as it neither relies upon the HSN Explanatory Notes nor the relevant provisions of the Customs Tariff for proposing reclassification of the imported goods from Heading 8525 to Heading 8517, and instead bases the entire demand solely on Sl. No. 20 of Notification No. 57/2017-Cus. dated

30.06.2017 on the ground that the goods are capable of use as part of VoIP equipment; such an approach is legally untenable since an exemption notification cannot determine classification, which must be strictly governed by the Tariff, Section and Chapter Notes, and the General Rules for Interpretation (GRI), and therefore the proposed reclassification is liable to be set aside. They rely on the following judgements:

- *Eskayef Limited v. Collector of Central Excise, 1990 (49) E.L.T. 649 (S.C.);*
- *Collector of C. Ex. Vs. Roha Dye Chem Pvt. Ltd., 1989 (41) E.L.T. 667 (Tribunal) [Affirmed by the Supreme Court];*
- *M/s. Huawei Telecommunication (India) Company Private Limited versus Commissioner of Customs (Appeals), Mumbai-III, 2023 (10) TMI 323 - CESTAT MUMBAI;*
- *Vivo Mobile India Pvt. Ltd. v. Principal Commissioner of Customs, New Delhi (2024) 20 Centax393 (Tri.-Del);*

3.7.1 The proposal in the SCN to classify the impugned goods under Heading 8517 is misconceived. A plain reading of the Tariff and HSN Explanatory Notes shows that Heading 8517 covers apparatus capable of transmission and reception of voice, images, or data over a wired or wireless communication network. The imported goods, being USB webcams, are merely image-capturing devices and do not independently perform transmission or reception functions as contemplated under this heading.

3.7.2 The webcams only capture and compress video (using codecs like H.264) and transmit it to a connected laptop or PC via USB. The actual transmission over networks (e.g., internet-based communication through platforms like Zoom or Teams) is carried out by the automatic data processing (ADP) machine, not the camera itself. Thus, mere transfer of data to a connected device cannot be equated with “transmission” or “reception” within the meaning of Heading 8517, which requires participation in a communication network such as LAN, WAN, or telecommunication systems.

3.7.3 The SCN’s reliance on characteristics of video conferencing systems or VoIP equipment is misplaced, as such systems involve integrated functionalities like networking capability, codecs, audio systems, and independent communication over networks. The impugned goods lack these essential features and are simple plug-and-play cameras without any independent networking interface. Therefore, they cannot be equated with apparatus classifiable under Heading 8517.

3.7.4 Applying Rule 1 of the General Rules for Interpretation (GRI), the goods are appropriately classifiable under Heading 8525 as cameras. Even assuming competing classifications, Rule 3(c) would favour Heading 8525 as

the more appropriate heading. The presence of H.264 codec does not alter this position, as it is a standard compression feature found in virtually all digital cameras and does not confer transmission capability.

3.7.5 The SCN incorrectly equates H.264 with H.323 protocol. H.264 is merely a video compression standard, whereas H.323 is a comprehensive communication protocol enabling real-time transmission over IP networks. The presence of H.264 does not make a device a VoIP or communication apparatus. Therefore, reliance on such codec to justify classification under Heading 8517 is technically flawed and legally unsustainable.

3.7.6 The SCN further errs in relying on VoIP-related notifications and Tribunal decisions involving fundamentally different products (such as Cisco SX20 devices) that possessed H.323/SIP protocols and independent networking capability. The impugned goods neither contain such protocols nor function independently on communication networks; at best, they are compatible with systems that enable such communication. Compatibility cannot be equated with functionality. Accordingly, the goods retain their essential character as cameras and are rightly classifiable under Heading 8525, rendering the proposed reclassification under Heading 8517 untenable.

3.8 The Noticee submitted that the demand of differential duty pertaining to IGST must be set aside as the same is revenue neutral, as the Noticee is entitled to avail credit of the IGST paid. They rely on the following judgements:

- *CCE & C (Appeals) Vs. Narayan Polyplast-2005 (179) BLT 20 (SC);*
- *CCE Vs. Narmada Chematur Pharmaceuticals-2005 (179) BLT 276 (SC);*
- *CCE Vs. Textile Corporation -2008 (231) ELT 195 (SC);*
- *CCE Vs. Jamshedpur Beverages-2007 (214) BLT 321 (SC);*
- *CCE Vs. Coca Cola India (Pvt.) Ltd - 2007 (213) BLT 490 (SC);*
- *Ortho Clinical Diagnostics India Pvt Ltd. Versus Commissioner Of Customs (Import), Mumbai-2022 (9) TM/ 1109;*
- *Commissioner v. Sterlite Industries (India) Ltd. - 2013 (297) B.L.T. A150 (Bom);*
- *Rapti Commission Agency Vs. State of U.P.: (2006) 6 SCC 522;*
- *Hindustan Zinc Ltd. - 2008 (232) ELT 687(T);*
- *CCE Vs. Special Steel Limited- 2010-TIOL-1176-CESTAT-MUM;*
- *Accurate Chemicals Industries v. Commr. of C. Ex., Noida; 2014 (300) E.L.T. 451 (Tri. - Del.);*
- *Affirmed in Commissioner of C. Ex., Noida v. Accurate Chemical Industries; 2014 (310) E.L.T. 441 (All.);*
- *Suntex Mercantiles (P) Ltd. v. Commissioner of C. Ex., Mumbai; 2014 (313) E.L.T. 809 (Tri. -Mumbai).*

3.9.1 The Noticee submitted that the invocation of Section 28(4) of the Customs Act, 1962 is unsustainable, as none of the essential conditions—collusion, wilful misstatement, or suppression of facts—are satisfied. The allegation of wilful misdeclaration is baseless, as the goods were correctly declared in the Bills of Entry along with all supporting documents, and the Department was aware of the classification adopted by the Noticee. There was complete disclosure of all material particulars, no requirement of further investigation, and no suppression whatsoever. The conduct of the Noticee has been bona fide and there has been no misdeclaration, as the Noticee has adopted the same classification as has been indicated by the supplier in his documents. Noticee also submitted that adopting a classification or availing certain benefit of notification cannot amount to mis-declaration of goods or suppression of facts. Accordingly, the extended period is not invocable, and the demand beyond the normal limitation period is liable to be dropped. They rely on the following judgements:

- *Northern Plastic Ltd. vs. Collector of Customs & Central Excise, 1998 (101) E.L.T. 549 (S.C.);*
- *Lewek Altair Shipping Private Limited v. CC 2019 (366) E.L.T.318 (Tri. - Hyd.) [Affirmed by the Supreme Court];*
- *Sutures India Pvt. Ltd. vis. CC, Bangalore, [2009 (245) ELT 596 (Tri.-Bang.);]*
- *Sirthai Superware India Limited vs. Commissioner of Customs, Nhava Sheva 2020 (371) E.L.T 324 (Tri. – Mumbai).*

3.9.2 The Noticee submitted that the present dispute pertains to classification which is purely legal and technical and involves interpretation. Even if it is assumed that the classification adopted by the Noticee was not correct, the same does not establish any element of mens rea. In the absence of any misdeclaration or incorrect description of the goods, no malafide intent can be attributed to the Noticee. It is a settled legal principle that issues involving classification, being interpretational, cannot form the basis for alleging wilful misstatement or intent to evade duty. They rely on the following judgements:

- *Natraj Stationery Products (P) Ltd. Vs. Commr. Of C. Ex., Rohtak [2017 (348) E.L.T. 568 (Tri. - Chan.);]*
- *Vishal G. Trivedi vs. C.C., AHMEDABAD [2019 (367) E.L.T. 660 (Tri. - Ahmd.);]*
- *Singh Brothers vis. Commissioner of Customs & Central Excise, Indore, [2009 (14) STR 552 (Tri.-Del.);]*
- *Steelcast Ltd. vis. Commissioner of Central Excise, Bhavnagar, [2009 (14) STR 129 (Tri.-Del.);]*
- *P.T. Education & Training Services Ltd. vis. Commissioner of Central Excise, Jaipur, [2009 (14) STR 34 (Tri.-Del.);] and*

- *K.K. Appachan vis. Commissioner of Central Excise, Palakkad, [2007 (7) STR 230 (Tri.-Bang.)*.

3.9.3 Noticee has submitted that they have declared the classification indicated by the foreign supplier. Thus, there cannot be an allegation of wilful misdeclaration as the conduct of the Noticee was bona fide. They rely on following judgements:

- *Advanced Spectra Tek Pvt. Ltd. v. CC, ACC&I, Mumbai, 2019 (369) E.L.T. 871 (Tri. -Mumbai)*;
- *Kirti Sales Corpn. vis. Commissioner of Customs, Faridabad, reported at [2008 (232) ELT 151 (Tri.-Del.)]*;
- *Scorpien International v. Commissioner of Cus., C.Ex. & S.T., Indore, 2017 (357) E.L.T. 1093*;
- *Veena Mishra v. Commissioner of Cus. (CSI Airport), Mumbai, 2012 (282) E.L.T. 431*;
- *Gitanjali Gems Ltd. v. Commr. Of Cus., (C.S.I Airport), Mumbai, 2011 (264) E.L.T. 574*;
- *Commissioner of Customs, Mumbai v. Veer Gems, 1999 (112) E.L.T. 333*;
- *Shree Ganesh International v. Commissioner of C. Ex., Jaipur, 2004 (174) E.L.T. 171, and*;
- *Manaksia Ltd. v. Commissioner of Customs (Port), Kolkata, 2006 (206) E.L.T. 801*.

3.9.4 Noticee submitted that the onus is on the Department to prove that the Noticee has wilfully mis-declared or suppressed facts with intent to evade duty, which has not been discharged in the present case. There is no evidence on record to demonstrate any mala fide intent, fraud, collusion, or suppression of material facts by the Noticee. Accordingly, the invocation of Section 28(4) is unsustainable and liable to be set aside. They rely on following judgements:

- *Shahnaz Ayurvedics v. CCE - 2004 (173) ELT 337 (All), affirmed in 2004 (174) ELT A34 (SC)*;
- *Devans Modern Breweries Ltd. v. CCE -2006 (202) ELT 744 (SC)*;
- *Pushpam Pharmaceuticals Pvt. Ltd. v. Collector of C.Ex. Bombay 1995 (78) ELT 401 (SC)*.

3.9.5 The Noticee submitted that misdeclaration cannot be alleged merely because imports have been made in the self-assessment regime. They reply on following judgements:

- *MIS Signet Chemical Pvt. Ltd. Versus Commissioner of Customs, NS-1, Mumbai-II and Commissioner of Customs (Imp), Mumbai, 2020 (10) TMI 289 - CESTAT Mumbai*;

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- *Challenger Cargo Carriers vs Principal CC 2022 (12) TMI 621- CESTAT New Delhi;*
- *MIS Midas Fertchem Impex Pvt Ltd., Ms. Rashmi Jain, Director, Shri Manish Jain, Director, MIS Midas Import Corporation, Versus Principal Commissioner of Customs, Air Cargo Complex (Import) New Delhi, 2023 (1) TMI 998 - CESTAT, New Delhi.*

In view of above there being no intentional act of collusion, wilful mis-statement or suppression of fact, on the part of the Noticee, Section 28(4) is not invocable in the present case and the demand is liable to be dropped.

3.10 The Noticee submitted that Section 111(m) of the Act is not invocable in the present case as there has been no mis-declaration of classification by the Noticee and also goods have been already cleared for home consumption. They rely on following judgements:

- *Bussa Overseas & Properties Vs. C.L. Mahar, ACC -2004 (163) ELT 304 (Bom.);*
- *Southern Enterprises vs. Commissioner of Customs, 2005 (186) ELT 324;*
- *Ajinomoto India Pvt Ltd vs. CC - 2024 (390) ELT 325.*

3.11 The Noticee has submitted that as the imported goods are not liable to confiscation. Hence, no penalty is imposable under Section 112(a), 112(b) and 114A of the Customs Act, 1962. They rely on following judgements:

- *Akbar Badruddin Jiwani V/s CC 1990 (47) ELT 161 (SC);*
- *M/s Wooltex Associates V/s CC 1998 (99) ELT 245 (T);*
- *M/s Siris Aqua Ltd V/s CCE 2000 (115) ELT 186 (T);*
- *M/s SIJ Electronics Comp Tech V/s CC 2001 (129) ELT 528 (T);*
- *CC Vs. R.A. Spinning Mills (P) Ltd. 2004 (171) ELT 54 (T);*
- *Nazir-ur-Rahman vs. CC, 2004 (174) ELT 293 (T);*
- *CC vs. Videomax Electronics, 2011 (264) ELT 0466 (Tri.-Bom);*
- *Hindustan Steel Ltd. Vs. State of Orissa, 1978 (2) ELT (J159) (SC).*

3.12 The Noticee submitted that the description of the imported goods are correct as per their understanding. Thus, there is no false or incorrect declaration or statement, or documents furnished by the Noticee, hence, penalty under Section 114AA is not invocable. Further, Standing Committee reported that Section 114AA is invocable where persons avail the export benefits without exporting anything, such cases involve serious criminal intent and it cannot be equated with the cases of duty evasion. They reply on following judgements:

- *Commissioner of Customs, Sea Chennai vs. Sri Krishna Sounds and Lightings, 2018 (7) TMI 867-CESTAT Chennai;*

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- *ITC Ltd. v Commissioner of Central Excise, Bangalore, 1998 (104) B.L.T. 151 (Tribunal);*
- *Parag Domestic Appliances vs. Commissioner of Customs, Cochin, 2017 (10J TMI 812-CESTAT Bangalore;*
- *Premax Logistics vs. Commissioner of Customs, Chennai, 2017 (4) TMI 483-CESTAT Chennai.*

3.13 The Noticee submitted that as the demand of differential duty is not payable, therefore, interest demand under Section 28AA is not sustainable as held in case of *Pratibha Processors v. Union of India, 1996 (88) E.L.T. 12 (S.C.)*.

3.14 The Noticee submitted that no interest on the IGST portion is liable to be paid by them for the period 10.12.2020 to 16.08.2020, as held in case of *A.R. Sulphonates Pvt. Ltd. Vs. UOI & Ors., 2025 (4) TMI 578* and *Mahindra & Mahindra Vs. UOJ - 2022-VIL-690-BOM-CU*.

3.15 The Noticee requests that the proceedings initiated in the subject SCN be dropped and personal hearing granted before issuance of Order.

4. Written Submission of Shri Chandrashekar Thakur, General Manager of M/s. Ingram Micro India Pvt. Ltd. (Noticee No. 2):

The Noticee, Mr. Chandrashekar Thakur, submitted that the proposals for penalty under Sections 112(a), 112(b), and 114AA of the Customs Act, 1962, are legally unsustainable and should be dropped .

4.1 The SCN alleges that the Noticee knowingly misclassified the goods under an incorrect heading despite being aware of the CESTAT Mumbai Order dated 22.01.2019, which classified Cisco SX20 devices under Heading 8517. However, this reliance is misplaced, as the said decision is not applicable to the present case due to a fundamental difference in the nature of the goods. Specifically, the Cisco SX20 devices contained the H.323 protocol, which formed the basis for their classification under Heading 8517, whereas the goods under consideration do not possess such protocol. Therefore, mere awareness of the earlier decision cannot establish that the Noticee was aware of the correct classification, as the factual and technical distinctions render the precedent inapplicable.

4.2 The SCN's allegation that the goods were falsely described is incorrect and unsustainable, as the products were accurately declared as webcams along with their specific model names. Further, the classification under Heading 8525 was not a deliberate misclassification but was adopted based on guidance from the supplier, Logitech Group, and reflected in the invoices, demonstrating the absence of any intent to evade duty. It is also a settled legal

principle that merely claiming a particular classification or exemption in the bill of entry does not amount to mis-declaration, as classification is a technical matter and cannot, by itself, imply any mala fide intent.

4.3.1 Penalty under Section 112(a) and 112(b) of the Customs Act is not sustainable in the present case, as such penalty can only be imposed where the imported goods are liable to confiscation under Section 111. As detailed in the Importer's reply, the subject goods are not liable to confiscation, The Noticee has not done anything rendering the goods are liable for confiscation, and therefore the very basis for invoking Section 112 fails.

4.3.2 The impugned SCN fails to establish any specific nexus between the Noticee's role and the alleged misdeclaration in the Bills of Entry, and therefore penalty under Section 112(a) cannot be imposed on vague and general allegations. There is no evidence of any positive act or omission by the Noticee indicating intent to evade duty, which is essential for invoking such penalty. Moreover, the Noticee acted purely in the capacity of an employee of the company, without any personal gain or interest in the alleged misdeclaration. It is a settled principle that in the absence of personal involvement, guilty intent (mens rea), or direct benefit, penalty on employees or officials of a company is unwarranted, especially when penalty has already been proposed against the company itself. They rely on following judgements:

- *Chandra Sekhar Shukla Vs. CC, Nhava Sheva - 2019 (370) E.L.T. 1449 (Tri. - Mumbai);*
- *Vinayak Enterprises Vs. CCE, Bangalore- 2006 (201) E.L.T. 99 (Tri. - Bang.);*
- *Dilip Chandulal Shah Vs. CC, Kandla 2006 (201) E.L.T. 99 (Tri. - Bang.);*
- *Viswanath Dewra Vs. CC, West Bengal - 2001 (137) E.L.T. 967 (Tri. - Kolkata);*
- *Stanley P. Fernandes Vs. CC, Mumbai - 2009 (246) E.L.T. 671 (Tri. - Mumbai);*
- *A.V. Global Corporation Vs. ADGFT, Mumbai - 2022 (382) E.L.T. 65 (Tri. - Mumbai);*
- *Mahindra & Mahindra Vs. CC (I), Mumbai - 2014 (312) E.L.T. 545 (Tri. - Mumbai);*
- *Concorde Overseas Vs. CC - 2003 (156) E.L.T. 287 (Tri. - Del.).*

4.3.3 Further, Noticee submitted that it is a settled position in law that the existence of a guilty mind (mens rea) is a necessary precondition for imposing penalty under Sections 112 and 114AA of the Customs Act. In the present case, the actions of the Noticee were bona fide and based on a genuine belief regarding the correct legal position, with declarations made in accordance with the supplier's invoices and guidance, without any intent to evade duty. Moreover, in cases where goods were capable of independent connectivity, the applicable duty along with penalty has already been duly paid, further demonstrating the Noticee's bona fide conduct and willingness to comply with

the law. Accordingly, in the absence of any mala fide intent, imposition of penalty is unwarranted.

4.4 The proposal to impose penalty under Section 114AA is unsustainable, as the essential requirement of knowingly or intentionally making a false or incorrect declaration is not met in the present case. The Noticee has declared all particulars in the Bills of Entry based on the supplier's invoices and guidance, and in accordance with his bona fide understanding of the law, without any intent to mis declare or evade duty. Judicial precedents have consistently held that declarations made on the basis of supplier documents and bona fide belief do not constitute misdeclaration, and that a distinction must be drawn between intentional misdeclaration and a mere incorrect declaration. Further, there is no evidence that any document furnished was false in any material particular, and even otherwise, Section 114AA is generally invoked in cases involving forged documents or fraudulent export benefits, which is not the case here. Accordingly, in the absence of *mens rea* or deliberate falsification, penalty under Section 114AA is not imposable. They rely on following judgements:

- *Advanced Spectra Tek Pvt. Ltd. v. CC, ACC&I, Mumbai, 2019 (369) E.L.T. 871 (Tri. - Mumbai);*
- *Kirti Sales Corpn. v/s. Commissioner of Customs, Faridabad, reported at [2008 (232) ELT 151 (Tri.-Del.)];*
- *Scorpien International v. Commissioner of Cus., C.Ex. & S.T., Indore, 2017 (357) E.L.T. 1093;*
- *Veena Mishra v. Commissioner of Cus. (CSI Airport), Mumbai, 2012 (282) E.L.T. 431;*
- *Gitanjali Gems Ltd. v. Commr. Of Cus., (C.S.I Airport), Mumbai, 2011 (264) E.L.T. 574;*
- *Commissioner of Customs, Mumbai v. Veer Gems, 1999 (112) E.L.T. 333;*
- *Shree Ganesh International v. Commissioner of C. Ex., Jaipur, 2004 (174) E.L.T. 171;*
- *Manaksia Ltd. v. Commissioner of Customs (Port), Kolkata, 2006 (206) E.L.T. 801.*

4.5 The present dispute pertains purely to classification, which is a technical and interpretational issue, and it is a settled legal position that mere misclassification, if any, does not imply *mens rea* or *mala fide* intent. In the absence of any misrepresentation regarding the description of the goods, no allegation of intentional misdeclaration can be sustained. Judicial precedents have consistently held that classification disputes are bona fide in nature, and therefore extended limitation and penalties are not invocable in such cases. The Noticee has acted based on a genuine understanding and supplier documents, and thus cannot be said to have wilfully misclassified the goods.

Accordingly, in the absence of any deliberate intent or suppression, imposition of penalty is unjustified and liable to be set aside.

4.6 The Noticee requests to drop the proceedings initiated in the subject SCN with consequential relief and personal hearing may be granted before finalisation of the case.

5. Written Submission of M/s. Logitech Electronics (India) Pvt. Ltd. (Noticee No. 3):

5.1 Noticee M/s. Logitech Electronics (India) Private Limited, (Noticee No. 3) responded to the subject Show Cause Notice (SCN) vide their letter dated 26.03.2026. The main details are as under:

5.2 M/s. Logitech Electronics (India) Pvt. Ltd. is a subsidiary of Logitech International S.A., Switzerland, engaged in the business of manufacturing and distribution of computer peripherals for PC [Keyboards, mouse, speakers, etc.], web cameras, video conferencing products, and entertainment and gaming accessories, etc.. Further, M/s. Logitech Asia Pacific Ltd., Hong Kong has been incorporated for the purpose of export, distribution, and supply of Logitech products within the Asia Pacific region. M/s. Logitech Electronics (India) Pvt. Ltd. functions as the local channel management and marketing support entity for the related-party supplier in India and also provides logistical support to the supplier. The process and supply chain for import of Logitech products into India is broadly as follows:

- a. The purchase process is initiated by the Indian importer-distributors/customers wherein purchase/import requirements are directly placed on the M/s. Logitech India vide an email/communication to one of his Channel Managers (employees).
- b. Thereafter, the Channel Manager (or equivalent role) assesses/enquires product availability on a centralised inventory log maintained by the Supplier.
- c. Once the M/s. Logitech India is sure that the product required by the Indian importer-distributors/customers is available, only then their requirements are finalised and an acknowledgement is given. Once this acknowledgement is granted, the importer-distributor, uploads the Purchase Order into the Logitech 'Enterprise Resource Planning (ERP) system', after which a formal Purchase Order is placed on Supplier

5.3 The relationship between the M/s. Logitech India and its distributors is strictly limited to administrative and logistical protocols and no role to play in the supply of goods and clearance from Indian Customs upon importation into India.

5.4.1 In the SCN, 12 models of Logitech Web cameras are in dispute as detailed hereunder:

Sl. No.	Model No.	Product
1.	960-000841	B525 HD Webcam
2.	960-001105	BRIO
3.	960-001075	C925e Webcam Business Webcam
4.	960-000976	C930E
5.	960-001226	Logitech Rally Camera
6.	960-001590	BRIO 105 FULL HD 1080P WEBCAM
7.	960-001360	C920E
8.	960-001383	SCRIBE-OFF-WHITE
9.	960-001510	SIGHT-GRAPHITE
10.	960-001372	C505E-BLK
11.	960-001461	BRIO 505-GRAPHITE
12.	930-001226	RALLY CAMERA-BLACK-USB-PLUGB-WW

5.4.2 M/s. Logitech India has submitted that the above goods are plug and play web cameras which have audio and video recording capabilities of different specifications. These cameras can be used by the users for meetings on Platforms/Video Calling applications such as Microsoft Teams, Cisco Webex, Skype, Zoom, etc., which are installed on the user's host Personal Computer (PC) or laptop. This aspect is evident from the product catalogue and product package / label as well. These web cameras are designed as USB-connected [USB-A or USB-C] peripheral cameras intended for use with a host PC or laptop. They feature video resolutions from 720p and 1080p up to 4K, with enhancements such as autofocus, low-light correction, and digital zoom, while audio is captured through built-in microphones [dual omnidirectional mics], optimized for speech clarity at short distances.

5.4.3 These webcams are not independent systems in themselves and do not have the ability to connect to the Internet or operate independently. These web cameras lack Wi-Fi, Ethernet, or any onboard networking capabilities and operate only when plugged into a computer via USB. All communication applications run entirely on the host PC or laptop and not the webcam itself. The webcam merely supplies audio/video data to the PC or laptop for further processing and transmission over the network.

5.4.4 The Product Catalogues and package / label of the goods clearly declares that the Web cameras are compatible with platforms/video conferencing applications and run with a Windows or MacOS System, and these web cameras supports H.264 codec.

5.5.1 Email dated 01.12.2023, 16.02.2024 and 12.06.2024 sent by Mr. Kathirvel Subbiah – Employee of M/s. Logitech Engineering & Designs Private Limited to an employee of the M/s. Ingram Micro categorically contains a disclaimer that the “*HS code is suggested HS code, for the final HS code always check with your customs clearing agent.*”. Noticee submitted that the Trade Compliance Team which is deployed across Logitech Group entities is the authorised custodian of Tariff / HSN Code qua the Logitech products. Mr. Kathirvel Subbiah was never part of the Trade Compliance Team nor does he have any trade compliance expertise nor any authority regarding classification. Supplier invoices nowhere declare the classification of the imported goods.

5.5.2 It is legally untenable to even suggest that the Noticee has ‘abetted’ in alleged misclassification, when in fact M/s. Logitech India is neither the Exporter nor the Importer on record. Once it is evident that the Supplier documents, i.e., product catalogue, technical data sheets and invoices all categorically declare the true nature of goods (Codec, end use, capability and technical specification) which was always within the knowledge of Indian Customs, no liability can be cast upon the M/s. Logitech India for the M/s. Ingram Micro alleged failure to properly classify the imported goods.

5.6.1 In the present case, the SCN has failed to state the specific penalty/liability that M/s. Logitech India is being charged with. It is a settled principle of law that a show cause notice must clearly and unambiguously set out the precise allegations and the specific provision of law under which penal action is sought to be taken. A vague and omnibus proposal for imposition of penalty under Section 112(a), without specifying the applicable clause, is legally unsustainable. They rely in case of *Bank of Baroda Vs. CCE – 2014 (35) STR 359 CESTAT, Gujrat*.

5.6.2 M/s. Logitech submitted that as per Section 112(a) of the Customs Act, 1962, penalty can be imposed only when a person does or omits to do any act which render the goods liable for confiscation or abets the doing or omission of such an act. In this case, import of goods/filing of Bill of Entry and all other import formalities have been undertaken by the M/s. Ingram Micro (Importer). The cumulative requirements of law are:

- a) Whether the M/s. Logitech India has abetted in holding the goods liable to confiscation; and;
- b) Whether the action in questions (classification of web cameras) *per se* renders the goods liable to confiscation;

5.6.3 Noticee M/s. Logitech India Submitted that the meaning of the word ‘abet’ under Section 112(a) has been analysis as per Delhi High Court in case

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of *Rajeev Khatri Vs. CC (Export) – 2023 (7) TMI 218* wherein it was held that for Section 112(a) of the Customs Act, 1962 to apply Noticee ought to have instigated, conspired, and intentionally aided the acts of commission or omission that render the goods liable to confiscation. Further, submitted that in the present case there is no *mens rea* since the entire case made out is on the basis of documents submitted by the supplier and statements of the Noticee and email of the Noticee's sister concerned employee. The entire case is based on imported goods operate on H.264 Codec and are therefore VoIP equipment. The specification of the products based on the supplier's documentation such as product catalogue, technical sheet etc., where it is categorically declared that the imported goods web camera support Codec H.264. As the SCN relies on all import documents provided by the supplier at the time of import, hence, the principle allegation of abetment to misclassification by mis declaring the nature of the goods is wholly incorrect and cannot be sustained. In the case of *Bentley Motors Ltd. Vs. CC – 2025 (8) TMI 1156 CESTAT, New Delhi*, has rejected the notion of placing liability on the domestic entity in case of misdeclaration by the supplier.

5.6.4 The Noticee M/s. Logitech India submitted that the Global Trade Compliance Team, which operates across multiple Logitech Group entities, is specifically authorized with *inter alia* determining the classification of various Logitech Products specifically when Logitech is the Importer of Record. Here again, it was not. Mr. Kathirvel Subbiah (Employee of M/s. Logitech Engineering & Design Pvt. Ltd.) was not a member/part of the Global Trade Compliance team. In fact, his role was limited to an operations-oriented role, as a Customer Supply Chain Analyst. Hence, emails dated 01.12.2023, 16.02.2024 and 12.06,2024 sent by Mr. Kathirvel Subbiah to employee of M/s. Ingram India have been falsely characterized as 'technical opinions' in the subject SCN. Also, these emails are consistently caveated by a disclaimer which reads as - "*HS code is suggested code only, for the final HS Code check with your customs clearing agent*". The same was also communicated to the DRI, MZU vide response dated 25.0.2025 to Summons dated 23.09.2025 and 18.07.2025. Noticee submitted that such email cannot be constructed as a technical opinion. A technical opinion would require a detailed assessment of the features/functioning of the goods vis-a-vis requirements under the Tariff Item by an expert in the realm of Customs Tariff. Therefore, in such a case, a mere one-line remark in an email cannot amount to a technical opinion, especially when such a mail itself was a mere suggestion with a clear caveat to confirm any classification with the main Noticee's M/s. Ingram India's Customs clearing agent. However, HS code suggested by Mr. Kathirvel Subbiah for video conferencing systems (Logitech Group) was under Heading

8517. However, this aspect is completely absent from SCN, which demonstrates a clear bias against Noticee.

5.6.5 The Noticee M/s. Logitech India submitted that the statements recorded on 19.09.2024 of both Mr. Abdul Qader Pasha and Mr. Prajith E., were not only recorded under duress but are also inconclusive. In this regard, an official complaint was lodged on 24.09.2024 with Pr. ADG, DRI detailing the gross misconduct undertaken by SIO during Summons dated 19.09.2024. They submitted that the statement recorded under threat and duress cannot be relied upon by the department. They rely on following judgements:

- *CC, Mumbai Vs. Ganpati Overseas – 2023 (386) ELT 802 (SC)*;
- *Kshitij Ghildiyal Vs. DGGST - 2024 (12) TMI 1001*;
- *Naresh Chandra Dwivedi Vs CC - 2025 (12) TMI 684*.

5.6.6 Further, the Noticee M/s. Logitech India submitted that the SCN fails to establish any motive or benefit behind the alleged misclassification, asserting that there is a total absence of mala fide conduct. Since the Noticee stood to gain no financial or regulatory advantage from the chosen classification, it is argued that the essential elements for proving intentional suppression or fraudulent intent are entirely missing.

5.6.7 The Noticee M/s. Logitech India submits that the SCN's allegation of "supervisory control" over imports is factually and legally untenable, as the Noticee operates strictly as a Limited-Risk Service Provider (LRSP) with a purely facilitative and administrative role. Contrary to the SCN's claims, the Noticee's access to the ERP system is merely for inventory and sales coordination rather than for exercising concurrence or discretionary authority over third-party imports. The Noticee emphasizes that it lacks the power to approve, reject, or influence the commercial decisions or Customs classification practices of distributors—a fact further evidenced by the ERP system's lack of HSN/Tariff data and the Noticee's explicit caveats that importers must determine their own classifications. Finally, as an independent entity with no shareholding in the importing firms, the Noticee has no vested interest or financial motive to abet any alleged misclassification.

5.6.8 The Noticee M/s. Logitech India submitted that classification practices adopted by its sister concerns in foreign jurisdictions (such as the US or EMEA (Europe Middle East and Africa)) are legally irrelevant to the Indian proceedings and cannot be used to infer mala fide intent. It is argued that the legal onus for determining and declaring the correct classification rests solely with the Importer of record, not the Noticee or the exporter/suppliers. Furthermore, the Noticee emphasizes that a classification suggestion provided

by an affiliate's employee was merely informal, included a caveat that the Importer must verify the code independently, and was ultimately not adopted by the Importer. This exercise of independent discretion by the importer, despite the suggestion, negates any allegation of abetment or mens rea on the part of the Noticee.

5.6.9 The Noticee M/s. Logitech India submitted that the allegation of abetment is legally untenable because the dispute is purely one of classification, which is a matter of interpretation rather than a factual mis-declaration. The Noticee highlights that the Supplier's documents (invoices, catalogues, and technical sheets) explicitly declared the true nature of the goods, including their H.264 Codec support and intended use for video conferencing; thus, there was no suppression of facts.

5.6.10 Since the primary Importer's action of choosing a classification does not amount to a "confiscatable" offense, the Noticee M/s. Logitech India—as a third party—cannot be held liable for abetment. Consequently, in the absence of any intentional wrongdoing or concealment, the proposal to impose penalties is both factually incorrect and legally unsustainable. They rely on following judgements:

- *Northern Plastic Vs. CCE – 1998 (101) ELT 549;*
- *Lewek Altair Shipping Vs. CC – 2019 (366) ELT 318 (Tri. - Hyd.)*[Affrained by the Supreme Court];
- *Kirti Sales Corpn. Vs. CC – 2008 (232) ELT 151 (Tri.-Del.);*
- *JK Industries Vs. CC – 1996 (88) ELT 41;*
- *Midas Fertchem Vs. CC - 2023 (1) TMI 998;*
- *Challenger Cargo Carriers Vs. Principal CC – 2022 (12) TMI 621;*
- *Sij Electronics Comp Tech Vs. CC – 2001 (129) ELT 528 (Tri-Mum);*
- *Hindustan Lever Vs. CC – 1996 (83) ELT 520; and*
- *Metro Tyres Vs. CCE – 1994 (74) ELT 964.*

5.7.1 The Noticee submitted that under Section 46 of the Customs Act, 1962, the legal onus to determine and declare the correct classification of goods rests solely with the Importer of Record (M/s. Ingram India), not the Supplier or its affiliates. The SCN's attempt to attribute *mala fide* intent to the Noticee based on the global classification practices of its sister concerns in the US and EMEA is legally flawed, as foreign tariff applications are neither binding nor conclusive for Indian Customs purposes. Furthermore, Chapter 4 of the Customs Manual (2018) prescribes a specific methodology for determining the classification of imported goods, placing the definitive burden of assessment on the importer. The manual does not direct importers to adopt the classifications used by foreign exporters; instead, it mandates an independent evaluation at the point of import. Consequently, any classification provided

by an exporter is merely indicative and does not relieve the importer of their statutory obligation to ensure accuracy under the Indian Customs Tariff. The proposing of penalty under Section 112(a) of the Customs Act, 1962 on the basis of global classification practice where the Logitech entity is not the Importer, is without any legal basis and liable to be dropped. They rely on following judgements:

- *S.T. Enterprises Vs. CC - 2021 (378) ELT 514 [Affirmed by the Supreme Court];*
- *CC Vs Reliance Infrastructure Ltd - 2022-VIL-90-CESTAT-CHE-CU;*

5.7.2 The Noticee M/s. Logitech India submitted that as per Section 12 of the Customs Act, 1962 Customs duty is borne by the Importer. As the Noticee is neither the Importer nor the party responsible for filing the Bill of Entry or discharging the duty, they do not bear, pay, or derive any financial benefit from the Customs assessment at the point of import. Consequently, in the absence of any economic benefit or vested interest, the Noticee argues that no mala fide intent or motive to evade duty can be legally attributed to them—a fact notably supported by the SCN's own failure to allege any such benefit.

5.7.3 The Noticee submits that the email communications are legally inadmissible as evidence due to a total failure to comply with the mandatory provisions of Section 138C of the Customs Act, 1962. This Section, which is *pari materia* to Section 65B of the Evidence Act, stipulates that computer printouts are only admissible if accompanied by a valid certificate identifying the device and confirming its proper operation during the relevant period. The Noticee contends that since the Department failed to follow the prescribed methodology for electronic records, making the allegation of abetment baseless. They rely on following judgements:

- *S.N. Agrotech Vs. CC - 2018 (361) ELT 761;*
- *Anvar P.V. Vs. P.K. Basheer - 2017 (352) ELT 416 (SC);*
- *Aashna Mercantile Vs Pr. CC 2026-VIL-194-CESTAT-DEL-CU;*
- *Composite Impex Vs. Pr. CC - 2025 (5) TMI 1538 - CESTAT NEW DELHI;*
- *Lulu International Shopping Malls Vs. CC - 2025 (6) TMI 1191- CESTAT BANGALORE;*
- *MMM Overseas Vs. Pr. CC - 2025 (5) TMI 1288- CESTAT NEW DELHI;*
- *PC Jain Vs. CC - 2025 (5) TMI 1626- CESTAT KOLKATA;*
- *HS Chadha Vs. CC - 2021 (378) ELT 193 (Tri-Del);*
- *Lilaram Arjandas Asudani Vs. CC - 2024 (12) TMI 178- CESTAT AHMEDABAD;*
- *GSEC Ltd. Vs. CCE - 2022 (1) CENTAX 314 (Tri-Bang);*
- *Tele Brands (India) Vs. CC - 2016 (336) ELT 97 (Tri-Mum);*
- *Gaurav Kushwaha Vs. CC - 2018 (363) ELT 859 (Tri-Del);*
- *Agarvanshi Aluminium Vs. CC - 2014 (299) ELT 83 (Tri-Mum);*
- *Mitsui OSK Lines Vs. CC - 2010 (257) ELT 469 (Tri-Mum);*

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- *CC Vs. Maharashtra Eastern Grid Power Transmission Company - 2022 (9) TMI 23 - CESTAT MUMBAI;*
- *Pr. CC Vs. Sachdev Overseas Fitness - 2022 (4) TMI 1214- CESTAT HYDERABAD;*
- *Jeen Bhavani International & Anr. Vs. CC 2022 (8) TMI 237-CESTAT Mum;*
- *Plastic Cottage Trading Vs. CC - 2023 (9) TMI 22- CESTAT MUMBAI; and*
- *Kuber Impex Vs. CC- 2022 (9) TMI 24- CESTAT MUMBAI.*

5.7.4 The Noticee submitted that the SCN is legally fragile as it relies almost exclusively on uncorroborated statements from employees of the Noticee and its sister concern, Logitech UK Limited. It is argued that these statements were recorded under threat and duress and lack any supporting documentary evidence to prove that the Noticee actively participated in the alleged misclassification with mala fide intent. They rely on following judgements:

- *Indian Polyfins Vs. CC - 2024 (9) TMI 1616;*
- *Balaji Pressure Vessels Vs. CC - 2016 (11) TMI 919;*
- *Speed Audio Vs CC Ex - 2006 (198) ELT 296 (Tri - Bom).*

5.7.5 The Noticee M/s. Logitech India submitted that the SCN's allegation of "supervisory control" based on the mere use of an ERP system is factually misconceived and lacks evidentiary support. It is argued that the ERP system is a standard business facilitation tool used strictly for stock visibility and information relay, rather than an instrument of authority. Consequently, the Noticee asserts that the allegation of supervision is legally unsustainable and the proceedings against them should be dropped.

5.8 The Noticee M/s Logitech India requests that the proceedings initiated against them under the subject SCN be dropped and personal hearing granted before finalisation of the case.

6. RECORDS OF PERSONAL HEARING:

6.1 Personal hearing of Noticees (i) Importer M/s. Ingram Micro India Pvt. Ltd, (ii) Shri Chandrashekhar Thakur, General Manager of the Importer:

The hearing was held in office on 26.02.2026 as requested by Importer. The hearing was attended by Shri Chandrashekhar Thakur, General Manager of the Importer and their Advocates Ms. Srinidhi Ganesan and Ms. Anaya Bhide.

Ms. Srinidhi Ganesan explained the case in detail referring to the SCN, written submissions given, product brochures and case laws. A physical demonstration of the products was also given. Ms Srinidhi says that the

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products imported are not video conferencing or VoIP equipment as alleged but webcams/plug and play cameras. The importer has already paid for the VoIP equipment imported.

Ms. Srinidhi says that the importer classified correctly under CTH 8525 as such webcams are classified there which is also supported by WCO HSN Committee Ruling and other Cross Rulings. HSN also covers such webcams.

Ms. Srinidhi says that the SCN relies on the import declaration to make its case. As there was no suppression or wilful misstatement. The extended period of limitation does not apply and the demand itself does not sustain. The fine and penalties consequently do not apply. Ms Srinidhi cited case laws in defence.

She said that at the time of investigation, the Noticee inadvertently paid for Logitech Group and Logitech Conference Cam BCC950. These are simplicitor webcams and the inadvertent payment made towards these should not be considered as an acceptance that all simplicitor webcams are under Heading 8517. It was reiterated that simplicitor webcams are classifiable under Heading 8525 only.

Further, she said that the Tribunal decision relied upon in the SCN is not applicable in the present case as the product under consideration in that case is fundamentally different from the present imported goods. In the cited case the product was capable of directly connecting without the need for an ADP device, whereas all the imported goods in the present case are Webcams and necessarily require an ADP Machine.

Ms. Srinidhi said that the very basis for proposing re-classification in the SCN is incorrect as the classification of the goods cannot be based on an exemption notification. It is the exemption notification that states VoIP equipment under Heading 8517 is excluded from availing the exemption benefit. However, the HSN or Tariff does not make a reference to VOIP. Furthermore, as per the HSN, the imported goods are clearly classifiable under Heading 8525 only. The exemption benefit cannot determine classification of the goods.

Shri Chandrashekhar Thakur explained his defence. Ms. Srinidhi said that the issue is technical in nature involving classification. The declarations were made as per supplier's instructions and there was no misdeclaration. She cited various case laws. Personal penalty cannot be imposed on employees in such cases as they do not have anything to gain.

6.2 Noticee (No. 3) M/s. Logitech Electronics India Pvt. Ltd.: -

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The hearing was held in office on 26.03.2026 as requested by the Importer. The hearing was attended by Advocates Sri Akhilesh Kangsia, Sri Sudhanshu Sen and Ms. Apoorva Parihar.

Sri Akhilesh Kangsia explained the case in detail assisted by Ms. Apoorva Parihar. Sri Akhilesh said that Logitech Electronics India Pvt Ltd are not the Exporter/Importer in this case. The goods are imported from Logitech Asia-Pacific. It is Logitech's global classification practice to classify the subject imported goods under CTH 8517. There was no involvement of Logitech in 2020 when the first imports covered by the subject SCN were made. It was much later in 2024 that DRI relied on an email dated 16th February, 2024 to allege their involvement whereas this email clearly said that final decision on classification rests with the CHA. Therefore, there cannot be any allegation of Logitech India's involvement in this case. There is also no possible benefit to the foreign supplier (Logitech Asia-Pacific) in this case.

Sri Akhilesh and Ms. Apoorva also explained the features of the imported goods with reference to product catalogues. These goods are said to be used with various platforms for video conferencing.

Sri Sudhanshu Sen explained why penalty under Section 112(a) is not applicable saying that there was no abetment which requires foreknowledge of the offence alleged.

The Importer submitted reply to the SCN and a compilation of defence with case laws during the hearing, which is taken on record.

7. DISCUSSION AND FINDINGS:

7.1 I have gone through the Show Cause Notice No. 490/2025-26 dated 08.12.2025, submissions made by the Noticee in writing as well as during personal hearing and materials on record.

7.2 In the subject case, the primary issue for decision is the classification of imported goods i.e. '*Video Conferencing System*' or '*Voice over Internet Protocol (VoIP) equipment*' with descriptions such as "web camera, touch screen control device, video conferencing system" — whether, they merit classification under Customs Tariff Heading 8525 as claimed by the Importer and eligible to the benefits of Sr. No. 502A of the Notification No. 50/2017-Customs dated 30.06.2017; or, whether classifiable under Customs Tariff Heading 85176290, as contended in the subject SCN, for deciding on the appropriate levy of Customs duty, in respect of such imported goods.

7.3.1 At the outset, it is necessary to examine the nature and functional characteristics of the imported goods. From the import documents, technical datasheets, and statements of technical experts and company officials, it is evident that the goods comprise Webcams, touch screen control device and video conferencing systems designed for professional and enterprise communication. These devices are not merely capable of capturing images or recording video, but are specifically engineered to function within video conferencing ecosystems. They are certified for use with platforms such as Zoom, Microsoft Teams, and Google Meet, and support audio and video capture, processing, compression, and transmission functionalities. The technical literature further establishes that the devices incorporate H.264 video codec, USB Video Class (UVC) standards, and in several cases, embedded processing capabilities enabling them to encode and decode audio-visual signals. Importantly, certain models are capable of operating in “appliance mode,” wherein they can independently connect to internet networks through Wi-Fi or Ethernet and conduct video conferencing without the need for a host computer. Further, expert opinion obtained from the Regional Telecommunication Engineering Centre (RTEC), Mumbai confirms that the impugned goods possess the capability to function as part of a Voice over Internet Protocol (VoIP) System.

7.3.2 I also note that the imported goods comprise various models such as Logitech B525, BRIO series, C925e, C930e, C920e, C505e, Rally Camera, Scribe, and Sight. A reference of the technical literature and product datasheets on record indicates that these devices are designed as video conferencing equipment with plug-and-play compatibility for a wide range of internet-based communication platforms, including BlueJeans, BroadSoft, Lifesize Cloud, Zoom, and Vidyio, and are further certified for use with platforms such as Skype® for Business, Microsoft Teams, and Cisco Jabber™, among others. The products are described as UVC-compliant USB devices and support widely accepted audio and video compression and transmission standards such as H.264 and Scalable Video Coding (SVC), thereby ensuring seamless interoperability with video conferencing systems and applications. They are also equipped with advanced features including AI-based enhancements, beamforming microphones, and real-time audio-visual processing capabilities. Brief details are as below for reference:

Sr. No.	Logitech Part Number	Product Name	Features / Function as per Datasheet
1	960-000841	B525 HD WEBCAM	With its 720p HD video captured at 30 frames per second, the B525 HD Webcam delivers crystal clear video. Advanced business certifications and enhanced integration with Logitech Collaboration Program (LCP) members ensure a seamless

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			meeting experience with any video conferencing application. The webcam supports HD video calling (1280 x 720 pixels) with recommended system and is UVC compliant. In the UVC mode no software installation is required.
2	960-001105	BRIO	Brio is designed for professional video meetings and delivers ultra 4K HD video. The webcam is certified for Microsoft Teams® and Skype™ for Business and works with Cortana® and Windows Hello™. Certifications and compatibility with other popular applications include BlueJeans, Cisco Webex™, Fuze, Google Meet™, GoToMeeting®, Lifesize Cloud, Pexip, RingCentral Video, Vidyo, and Zoom®.
3	960-001075	C925E BUSINESS WEBCAM	Logitech® C925e Webcam delivers razor-sharp video for an enhanced face-to-face meeting experience from virtually any desktop. USB plug-and-play connectivity makes it a breeze to set up and operate — it even works with any video conferencing software application. UVC H.264 encoding technology frees up PC bandwidth by putting video processing within the camera.
4	960-000976	C930E	C930e delivers professional audio-visual quality in virtually any environment to elevate team productivity. 4X digital zoom at 1080p and H. 264 video compression ensure smooth video with the highest level of detail. C930e is certified for Microsoft Teams® and Skype™ for Business, and works with other popular applications including BlueJeans, Cisco Webex™, Fuze, Google Meet™, GoToMeeting®, Lifesize Cloud, Microsoft DirectShow, Pexip, RingCentral Video, Vidyo, and Zoom®. C930e supports H.264 UVC 1.5 with Scalable Video Coding for a smoother video stream in applications.
5	960-001226	RALLY CAMERA	Rally Camera tops the lineup of standalone video cameras from Logitech®. UVC/plug-and-play compatible with virtually any cloud-based video conference application, certified for Skype® for Business and ready for Teams, Cisco® Compatible, Compatible with Google® Hangouts Meet, Zoom, BlueJeans, BroadSoft, GoToMeeting™, Vidyo, and other video conferencing, recording, and broadcasting applications that support USB cameras.
6	960-001590	BRIO 105 FULL HD 1080P WEBCAM	Brio 105 is designed for professional video meetings and delivers Full HD 1080p/30fps, HD 720p/30fps. It is certified for Google Meet and Works, With Chromebook, and is compatible with leading operating systems and most video conferencing platforms.
7	960-001360	C920E	C920e is certified for Microsoft Teams® and Zoom™ and compatible with other popular applications include BlueJeans, Cisco Webex®, Fuze, Google Meet™, GoToMeeting™ and Microsoft DirectShow.
8	960-001383	SCRIBE-OFF-WHITE	Scribe integrates with leading video conferencing room solutions, including Microsoft Teams Rooms, Zoom Rooms, and Google Meet Rooms. Output Resolution: 1080p at 15 fps, Built-In AI: Broadcasts AI-enhanced image

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			stream into video meetings. Integrates with Microsoft Teams Rooms, Zoom Rooms, and Google Meet Rooms as a whiteboard content camera. Compatible with virtually any video conferencing application as a USB-connected camera.
9	960-001510	SIGHT-GRAPHITE	With seamless integration with all major video conferencing platforms, Sight enhances your hybrid meeting experience by capturing audio and video deeper into the room. Logitech Sight integrates with video conferencing platforms such as Microsoft Teams Rooms, Zoom Rooms, Google Meet.
10	960-001372	C505E-BLK	C505e provides a 60° diagonal field of view, fixed focus and auto light correction that adjusts illumination of most spaces, it consists one omnidirectional mic. C505e works with all popular video applications, including Microsoft® Teams, Skype™ for Business, Google Voice and Meet, Zoom® and others.
11	960-001461	BRIO 505-GRAPHITE	Brio 505 is designed for professional video meetings and delivers Full HD 1080p/30fps, HD 720p/60fps. The webcam is certified for Microsoft Teams, Zoom, Google Meet & Works with Chromebook. Further, it consists 2 beamforming mics.
12	930-001226	RALLY CAMERA-BLACK-USB-PLUGB-WW	Rally Camera tops the lineup of standalone video cameras from Logitech®. UVC/plug-and-play compatible with virtually any cloud-based video conference application, certified for Skype® for Business and ready for Teams, Cisco® Compatible, Compatible with Google® Hangouts Meet, Zoom, BlueJeans, BroadSoft, GoToMeeting™, Vidyo, and other video conferencing, recording, and broadcasting applications that support USB cameras.

7.3.3 On a detailed examination, it is evident that although these devices incorporate camera functionality, their essential purpose is not limited to mere image capture or recording. Rather, they are specifically engineered to capture, process, encode, and transmit real-time audio-visual data over IP-based networks. The presence of in-built encoding and compression technologies significantly optimizes bandwidth utilization and facilitates efficient, high-quality communication, while advanced models such as Scribe and Sight incorporate AI-driven functionalities tailored to enhance collaborative video conferencing environments. Accordingly, the principal function of the impugned goods is that of communication apparatus, and not that of standalone cameras.

7.3.4 It is observed that technical literature and product datasheets relating to the goods imported under the subject SCN by M/s. Ingram Micro India Pvt. Ltd. were forwarded by DRI, Mumbai, to the Regional Telecommunication Engineering Centre (West), Mumbai, Maharashtra, vide F. No.

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DRI/MZU/E/106/2022 dated 31.08.2023 and 02.02.2024 for obtaining an expert opinion on whether the said goods qualify as VoIP equipment. In response, the Director (WR), Regional Telecommunication Engineering Centre, Mumbai, vide letter F. No. TBBY/RTEC-WR/C1/2023-24/03 dated 27.02.2024, informed that upon examination of the submitted technical details, the goods were found to possess the capability of being used as part of a VoIP system. Therefore, in view of the said expert opinion, it is evident that the goods imported by M/s. Ingram Micro India Pvt. Ltd. are appropriately classifiable as VoIP equipment. The relevant communications issued by DRI and DoT are placed below for reference.



राजस्व आसूचना निदेशालय

DIRECTORATE OF REVENUE INTELLIGENCE

मुम्बई जोनल युनिट, १३, विठ्ठलदास ठाकरसे मार्ग, पाटकर पाटकरहाल के सामने, न्यू मरीन लाईन्स, मुम्बई - ४०० ०२०

Mumbai Zonal Unit, 13, Vithaldas Thackersay Marg, Opp. Patkar Hall,
New Marine Lines, Mumbai - 400 020

फोन (Phone): 022-22050191/92/93/94, फेक्स (Fax): 022-22010323 ईमेल (email): mzue-dri@nic.in

F. No: DRI/MZU/E/106/2022

Date: 09.02.2024

MOST URGENT

To,

Deputy Director General (WR),
Regional Telecommunication Engineering Centre (West),
2nd floor, D-Wing, BSNL Administrative Building,
Juhu Tara Rd, Santacruz West,
Mumbai, Maharashtra 400054

Sir,

Sub; Opinion regarding products supplied by M/s Logitech Asia Pacific Ltd.

Please refer to this office letter of even No dated 31.08.2023 on the subject matter.

2. This office is investigating a case pertaining to import of Video Conferencing Systems from M/ s Logitech Asia Pacific Ltd.

3. The products under investigation are listed in the Annexure and copies of the catalogues thereof are also enclosed herewith. It is requested that the technical literature of the said goods may be examined and opinion regarding the same, i.e. whether the imported goods fall under the category of VOIP equipment, IP Multimedia Systems (IMS), Unified communication systems (UCS) or otherwise may be conveyed to this office.

4. In this regard it is pertinent to mention that vide Office Memorandum dated 18.09.2018 (Copy enclosed) issued from File No. 16-07 /2018-IP-Part(I), it has been opined that "Video Conferencing Equipment (Model Number CTS-8X20-PHD12-X-K9 manufactured by M/s. Cisco) is a "VoIP Equipment used for Point to Point and/or Point to Multipoint video conferencing using H.323/SIP/VoIP in same conference."

4. An early reply in this regard is solicited.

Yours faithfully,

(Suhrud A. Rabde)
Assistant Director
DRI, MZU, Mumbai



जारी करने का दिनांक
ISSUED ON: 9/2/2024
o/c

Encl; As above.


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Annexure of DRI letter dated 09.02.2024:

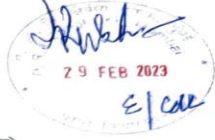
Annexure

1. Logitech RallyBar (Model No. 960-001320) 9
2. Logitech MeetUp (Model No. 960-001101)
3. Logitech Rally (Model No. 960-001275) ←
4. Logitech Group (Model No. 960-001054)
5. Logitech RallyBar Mini (Model No. 960-001348)
6. Logitech WebCam C930E (Model No. 960-000976)
7. Logitech Conference Cam BCC950 (Model No. 960-00093)
8. Logitech PTZ Pro 2 (Model No. 960-001184)
9. C925E Webcam (Model No. 960-001075)
10. Rally Camera (960-001226)
11. Rally Ultra-HD Conference (960-001238) —
12. Logitech Brio Ultra HD Pro Business (960-001105)
13. C920E HD 1080P Webcam (960-001360)
14. B525 HD Webcam (Model No. B525)
15. Conference Cam Connect (Model No. 960-001038)

Letter from Department of Telecommunication dated 27.02.2024:



Government of India
 Ministry of Communications (संचार मंत्रालय)
 Department of Telecommunications (दूरसंचारविभाग),
 Telecom Engineering Centre (Western Region), Mumbai



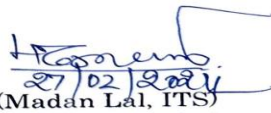
No. TBBY/RTEC-WR/C1/2023-24/02 03 Date: 27/02/2024

To: Assistant Director,
 Directorate of Revenue Intelligence,
 Mumbai Zonal Unit, 13, Vithaldas Thackersay Marg,
 Opposite to Patkar Hall, New Marine Lines,
 Mumbai -400020

Subject: Opinion in respect of products from M/s. Logitech Asia Pacific Ltd.
Reference: Your letter no.- F.No: DRI/MZU/E/106/2022/6785 dtd. 09.02.2024

The undersigned is directed to refer to your office letter under reference vide which technical opinion/comments were sought on the issue whether the given set of goods fall under the category of VOIP equipment or otherwise.

In this regard, it may be noted that the technical details of the goods made available have been examined in this office and it is opined that the given set of goods have the capabilities to be used as part of the VoIP system.


 (Madan Lal, ITS)
 Director (WR), RTEC, Mumbai

2nd floor, D-wing, BSNL Administrative Building, Juhu Tara Road, Santacruz West, Mumbai- 400054

7.4.1 In order to determine the correct classification, it is essential to examine the scope of the competing Tariff headings. Heading 8525 covers transmission apparatus for radio-broadcasting or television, including television cameras, digital cameras, and video camera recorders. The essence of this heading is that it applies to devices whose primary function is image capture or recording. On the other hand, Heading 8517 covers apparatus for the transmission or reception of voice, images, or other data, including apparatus used in wired or wireless communication networks. More specifically, sub-heading 851762 covers machines for the reception, conversion, and transmission or regeneration of voice, images, or other data. Thus, the distinguishing factor between the two headings lies in whether the principal function of the goods is merely capturing images or whether it involves communication and transmission of data over networks.

7.4.2 I have examined the scope of Heading 8525 in order to determine whether the imported goods, namely Video Conferencing Systems, touch screen control device, Webcams, and related devices, can at all be brought within its ambit. The relevant entry of Tariff Heading 8525, are reproduced below: -

“ 8525		TRANSMISSION APPARATUS FOR RADIO-BROADCASTING OR TELEVISION, WHETHER OR NOT INCORPORATION RECEPTION APPARATUS OR SOUND RECORDING OR REPRODUCING APPARATUS; TELEVISION DIGITAL CAMERAS AND VIDEO CAMERA RECORDERS CAMERAS,
8525 50	-	Transmission apparatus:
85255010	---	Radio broadcast transmitters
85255020	---	TV broadcast transmitter
85255030	---	Broadcast equipment sub-system
85255040	---	Communication jamming equipment
85255090	---	Other
85256000	-	Transmission apparatus incorporating reception Apparatus
	-	Television cameras, digital cameras and video camera recorders
85258100	--	High-speed goods as specified in sub-heading Note 1 to this Chapter
85258200	--	Other, radiation-hardened or radiation-tolerant goods as specified in sub-heading Note 2 to this Chapter
85258300	--	Other, night vision goods as specified in sub-heading Note 3 to this Chapter
85258900	--	Other ”

7.4.3 Heading 8525 covers *“Transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording*

or reproducing apparatus; television cameras, digital cameras and video camera recorders.” A plain reading of the Heading indicates that it essentially covers two categories of goods:

- (i) broadcasting/transmission apparatus for radio or television; and
- (ii) standalone image capture or recording devices such as television cameras and video camera recorders.

The HSN Explanatory Notes further clarify that the scope of this heading is restricted to equipment used for broadcasting purposes or for recording/producing video content, generally involving one-way transmission or standalone capture of images functionality.

7.4.4 The Noticee has contended that the goods are Webcams, i.e., cameras designed to capture images and videos and transmit the same to a connected laptop or personal computer via USB, and that the actual transmission over the internet is carried out by the host computer and not by the camera itself. However, I find that this contention does not fully and correctly reflect the true functional capabilities of the impugned goods. As per product literature and technical specifications, it is clearly established that the goods in question are not mere passive image and video capturing devices, but are technologically advanced equipment incorporating multiple integrated functionalities. The Noticee itself has declared the goods as ‘Webcameras’, ‘touch screen control device’ and ‘video conferencing system’.

7.4.5 It is observed that the impugned goods are equipped with inbuilt codecs, audio-video processing modules, and are compatible with VoIP protocols, which enable them to perform real-time processing of audio-visual data. The presence of H.264 encoding capability is particularly significant, as it demonstrates that the devices are capable of compressing and encoding audio-visual signals at the hardware level prior to transmission. This clearly indicates that the devices do not merely capture raw images, but actively process, convert, and prepare data for transmission over communication networks. Such features are not characteristic of conventional webcams or standalone cameras falling under Heading 8525.

7.4.6 Further, it is noted that certain models of the impugned goods possess the capability to function independently, without the aid of a computer system. These devices can directly connect to IP-based networks and perform video conferencing functions autonomously, thereby establishing their identity as communication-enabled devices rather than simple peripheral cameras. Even in cases where the devices are used in conjunction with a computer, their role is not limited to that of a passive input device. Instead,

they perform critical functions relating to data conversion, encoding, synchronization, and transmission, thereby actively contributing to the communication process.

7.4.7 The above features clearly distinguish the impugned goods from conventional cameras or video recording devices. The functionality of these goods extends far beyond mere image capture or recording; rather, they are designed to facilitate real-time transmission of audio-visual data in a networked environment. The integration of codecs, processing units, and VoIP compatibility fundamentally transforms the nature and character of the devices, making them integral components of a communication system.

7.4.8 In view of these facts, it is evident that the impugned goods cannot be equated with conventional cameras classifiable under Heading 8525, which primarily covers standalone image-capturing or recording devices and broadcasting apparatus. The impugned goods, by virtue of their advanced processing capabilities and communication-oriented functions, fall outside the scope and intent of Heading 8525. Accordingly, the classification claimed by the Noticee under the said heading is not sustainable.

7.5.1 The SCN proposed the classification of the impugned goods under Heading 8517. The relevant entry of Tariff Heading 8517, are reproduced below:

“ 8517	TELEPHONE SETS, SMARTPHONES AND OTHER TELEPHONES FOR CELLULAR NETWORKS OR FOR OTHER WIRELESS NETWORKS: OTHER APPARATUS FOR THE TRANSMISSION OR RECEPTION OF VOICE, IMAGES OR OTHER DATA, INCLUDING APPARATUS FOR COMMUNICATION IN A WIRED OR WIRELESS NETWORK (SUCH AS A LOCAL OR WIDE AREA NETWORK), OTHER THAN TRANSMISSION OR RECEPTION APPARATUS OF HEADING 8443, 8525, 8527 OR 8528:
	- Telephone sets, including smartphones and other telephones for cellular networks or for other wireless networks:
8517 11	-- Line telephone sets with cordless handsets:
8517 11 10	--- Push button type
8517 11 90	--- Other
8517 13 00	-- Smartphones
8517 14 00	-- Other telephones for cellular networks or for other wireless networks
	--- Telephones for cellular networks:
8517 18	-- Other:
8517 18 10	--- Push button type
8517 18 90	--- Other
	- Other apparatus for transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network):
8517 61 00	-- Base stations

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8517 62	--	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus:
8517 62 10	---	PLCC equipment
8517 62 20	---	Voice frequency telegraphy
8517 62 30	---	Modems (modulators-demodulators) for xDSL based Wireline Telephony
8517 62 50	---	Digital loop carrier system (DLC)
8517 62 60	---	Synchronous digital hierarchy system (SDH)
8517 62 70	---	Multiplexers, statistical multiplexers for PDH based Wireline Telephony
8517 62 90	---	Other ”

Heading 8517 covers “*telephone sets...; other apparatus for the transmission or reception of voice, images or other data... including apparatus for communication in a wired or wireless network.*” Further, sub-heading 8517 62 specifically covers “*machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus,*” and Tariff Item 85176290 covers “other” such apparatus.

7.5.2 As per technical literature and product specifications, I find that the impugned goods—namely Logitech ‘Webcams’, ‘touch screen control device’, ‘video conferencing system’, and related devices such as B525, BRIO Series, C925e, C930e, C920e, C505e, Rally Camera, Scribe, and Sight—are specifically designed for use in IP-based communication environments. These devices are capable of receiving audio and video signals, converting them into digital data, compressing and encoding the same using standard codecs such as H.264, and transmitting the processed data over IP-based networks. They further support widely recognized communication protocols such as SIP and are compatible with VoIP-based applications, thereby enabling seamless real-time communication.

7.5.3 I find that the essential and dominant function of these devices is to facilitate the reception, conversion, and transmission of voice, images, and data in a networked environment. The presence of integrated features such as inbuilt codecs, beamforming microphones, AI-based enhancements, and real-time audio-visual processing capabilities clearly establishes that the goods are not merely image or video capturing devices, but are integral components of communication systems. The expert opinions obtained from the Department of Telecommunications and the Regional Telecommunication Engineering Centre (RTEC) further reinforce this conclusion by confirming that the goods possess the capability to function as part of a VoIP system.

7.5.4 It is also observed that the impugned goods perform critical conversion functions, such as encoding raw audio-visual input into compressed digital formats suitable for transmission over bandwidth-constrained networks. This

function of “conversion,” along with transmission and reception, is specifically covered within the scope of Sub-Heading 851762. The devices enable seamless real-time exchange of audio-visual data over wired or wireless networks, thereby satisfying the functional criteria envisaged under Heading 8517.

7.5.5 The distinction between Heading 8525 and Heading 8517 must also be appreciated in light of the principal function test. Although the impugned goods incorporate camera components, their primary purpose is not mere image/video capture or recording. The camera function is only incidental to their principal role of enabling communication over IP-based networks. Applying Note 3 to Section XVI, classification is required to be determined based on the principal function of the goods. In the present case, the dominant function is that of communication, involving transmission and reception of audio-visual data, and not standalone image capture.

7.5.6 In cases of classification disputes, the General Rules for the Interpretation (GRI) are applied sequentially, beginning with Rule 1, which provides that classification shall be determined as per the terms of the Headings and relevant Section or Chapter Notes. Where classification cannot be determined under Rule 1, the subsequent rules apply. In the subject case, Rules 2(a) and 2(b) are not applicable as the goods are neither incomplete nor composite. Accordingly, the matter falls for consideration under Rule 3, which deals with goods that are prima facie classifiable under more than one heading, and as per Rule 3(a), the heading providing the most specific description is to be preferred over a more general one; therefore, the heading offering the most precise and specific description shall be adopted for classification purposes. As per Rule 1 and Rule 3(a), Heading 8517 provides the most specific description of the impugned goods as compared to any alternative headings.

7.5.7 As per WCO HSN Explanatory Notes “*Heading 8517 covers apparatus for the transmission or reception of speech or other sounds, images or other data between two points by variation of an electric current or optical wave flowing in a wired network or by electro-magnetic waves in a wireless network. The signal may be analogue or digital. The networks, which may be interconnected, include telephony, telegraphy, radio-telephony, radio-telegraphy, local and wide area networks.*” The HSN Explanatory Notes to Heading 8517 further support this view by including within its scope various communication devices operating over wired or wireless networks. The impugned goods, being designed for real-time video conferencing and VoIP-based communication, fall squarely within the ambit of such apparatus.

7.5.8 Applying the functional test as well as common trade understanding, I find that the impugned goods are recognized in the market as video conferencing equipment and communication devices used for transmitting and receiving audio-visual data over networks. Their technical design, features, and usage clearly align with telecommunication apparatus covered under Heading 8517.

7.5.9 In view of the foregoing discussions, findings, and the expert opinions on record, I hold that the impugned goods are correctly classifiable under Heading 8517, more specifically under Tariff Item 85176290, as “other machines for the reception, conversion and transmission or regeneration of voice, images or other data.” Accordingly, the classification proposed in the Show Cause Notice under CTH 85176290 is found to be legally correct and sustainable. Duty Structure in Heading 8517 is as below:

CTH	Basic Customs Duty	SWS	IGST
8517	20%	10% of BCD	18% (As per Serial No. 379 of Schedule-III of Notification No. 01/2017-Integrated Tax Rate)

7.6.1 It is pertinent to note that M/s. Logitech International S.A., the manufacturer and principal supplier of the impugned goods, has itself classified identical products under CTH 851762 in global trade, including in jurisdictions such as the United States and the Netherlands, where they act as a Importer, as categorically admitted by the Mr. Qader Pasha Md. Abdul. in the statement recorded under Section 108 of the Customs Act, 1962 during investigation and reiterated during the course of personal hearing and in their written submission. This admission carries significant evidentiary weight, as it reflects the manufacturer’s own understanding of the technical nature, functionality, and principal use of the goods. It is also relevant that such classification is aligned at the six-digit level of the Harmonised System (HSN), which is uniformly adopted across jurisdictions; thus, classification under Heading 8517, sub-heading 851762 remains consistent internationally, reinforcing the characterization of the goods as communication apparatus. In this regard, it is observed that M/s. Logitech India stated that when acting as the Importer, in the Netherlands and in the United States Logitech classifies similar products under Tariff Heading 8517. This classification follows the United States Court of International Trade ruling in *Logitech, Inc. vs. United States*, which determined that Logitech's conference cameras should be classified under TSUS 8517.62.00 and webcams under HTSUS 8517.69.00. The relevant details of this statement dated 19.05.2025 as as under: -

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No. 13: As per your statement dated 19.09.2024, you had stated that in other countries, you are classifying the said products under Chapter heading 8517 for custom purpose and in India your distributor are classifying the same Logitech Products i.e. Video Rally Bar, Rally Bar Mini, Rally Bar Huddle, Rally Plus, Rally

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*Pass
14.09.2025*

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logitech®

System, Meet up, Meetup-2, Logitech Sight, Conference Cam Connect, Logitech Group, BCC 950, PTZ Pro2 C920E, C925E, C930E, Brio 4K, Brio 105, Brio -305, Brio-705 under CTH 8525. Why there is such a big difference while classifying the same products but with different classifications (CTHs) ?

Logitech's response: Distributors (in India and in other countries) may have imported Logitech products under Tariff Heading 8525, as the Heading generally covers modern digital and electronic communication and broadcasting devices, including conference cameras.

When acting as the Importer of Record, in the Netherlands and in the United States, Logitech classifies similar products under Tariff Heading 8517. This classification follows the United States Court of International Trade ruling in *Logitech, Inc. vs. United States*, which determined that Logitech's conference cameras should be classified under HTSUS 8517.62.00 and webcams under HTSUS 8517.69.00.

7.6.2 Further, I find that the product catalogues, technical literature, and packaging/labels of the impugned goods clearly demonstrate their intended use and functionality. The catalogues specifically state that the products are certified for leading video conferencing and communication platforms such as Skype, Cisco Webex, Google Meet, Zoom, and Microsoft Teams, thereby evidencing their primary design for real-time audio-visual communication over IP networks. Additionally, the product literature and packaging indicate that the Webcams are compatible with video conferencing applications and operate in conjunction with Windows or MacOS systems, which are integral to network-based communication environments. It is also evident from the technical specifications that these devices support the H.264 codec, a widely recognized standard for compression and transmission of video over IP networks, which is a core component of VoIP and video conferencing technology.

7.6.3 These features, taken cumulatively, clearly establish that the impugned goods are not merely image-capturing devices but are specifically engineered

for communication purposes involving the reception, processing, and transmission of audio and video data over IP-based systems. Therefore, the consistent global classification adopted by the manufacturer, coupled with the technical attributes and declared functionality of the goods, leaves no ambiguity that the impugned goods are appropriately classifiable under CTI 85176290, and the classification adopted by the Noticee under CTH 8525 is untenable.

7.7 I find that in the Noticee's own case, the CESTAT, Mumbai, vide Final Order dated 22.01.2019, has held that video conferencing systems operating on VoIP protocols are classifiable under CTH 85176290, and the said decision has attained finality upon being upheld by the Supreme Court. Further, it is observed that the goods involved in the present case have same functionality, being capable of transmission and reception of voice and video over IP-based networks, and therefore merit classification under the same Tariff heading. The Noticee cannot adopt a contrary classification for the present imports, and the principles of consistency and judicial discipline require that the settled classification under CTH 85176290 be followed.

7.8 The Noticee has relied upon the decision of the 25th Session of the Harmonised System Committee (HSC) held in March 2000, However, I find that such reliance is misplaced and not relevant to the present case. The Harmonised System (HSN) has undergone multiple revisions since then, along with corresponding updates to the Explanatory Notes, which represent the most current and authoritative guidance on classification. While HSC decisions may have persuasive value, it is well settled that they are not binding and must be applied in the context of the prevailing Tariff structure and the latest Explanatory Notes as amended from time to time. Therefore, reliance on an outdated and context-specific HSC Ruling, without considering subsequent developments and evolution in the Harmonised System, is not appropriate for determining classification in the present case. The other Circulars cited by the Noticee have no relevance to the subject case.

7.9 Though Heading 8525 of the HSN includes Webcams, including those used with Automatic Data Processing (ADP) machines, such inclusion is limited to basic or simplicitor Webcams which merely capture images/videos and transmit them to a connected device without possessing independent communication capabilities. In contrast, the impugned goods are equipped with advanced features such as VoIP functionality, inbuilt codecs, integrated audio-video processing capabilities, and are certified for use with platforms like Microsoft Teams, Skype, Zoom, and Google Meet, etc. which enable them to perform the functions of transmission and reception of voice and video over IP-based networks. Accordingly, their principal function is that of

communication apparatus, making them appropriately classifiable under CTI 85176290. Further, it is evident from the records that no basic or simplicitor Webcams have been imported in the present case. The goods have been declared as webcams, touch screen control devices, video conferencing systems, etc., and as discussed in Para 7.3.2, their technical characteristics clearly demonstrate advanced functionalities and VoIP-based applications. Therefore, the classification of such goods under Heading 8525 is not sustainable.

7.10 The contention of the Noticee that the subject SCN is devoid of cogent reasoning and is based solely on Sl. No. 20 of Notification No. 57/2017-Cus. dated 30.06.2017, without reliance on the HSN Explanatory Notes or the provisions of the Customs Tariff, is found to be factually incorrect and legally untenable, as a plain reading of the SCN shows that the proposed reclassification is primarily based on the statutory provisions of the Customs Tariff, including the relevant Section Notes; in particular, reliance has been placed on Note 3 to Section XVI, which mandates that composite machines performing multiple complementary functions are to be classified according to their principal function, and in the present case, although the imported goods are described as Webcams, touch screen control device, video conferencing system, they perform integrated functions such as capturing, processing, transmitting, and receiving audio-visual data over IP-based networks, thereby enabling real-time video communication, and accordingly, their principal function is rightly determined as the transmission and reception of voice, images, and other data, making them classifiable under Tariff Item 85176290 as apparatus for communication in a network (including VoIP equipment), and therefore, the allegation of the Noticee that the SCN lacks legal basis is devoid of merit and liable to be rejected.

7.11 The Importer has cited U.S Customs / BTI Rulings. However, it is important to emphasize that such Rulings are not binding under the Customs Act, 1962, and cannot take precedence over the applicable domestic legal framework. While International Rulings may have persuasive value in interpreting the Harmonized System Nomenclature, classification under Indian Customs law must be based on statutory provisions, Chapter Notes, and the application of General Rules for Interpretations adopted in India. The Indian Courts and authorities have consistently held that foreign rulings, while useful as reference, cannot supplant the binding statutory provisions under Indian Customs law.

7.12 The Importer has contended that the classification of the impugned goods was declared based on inputs provided by M/s. Logitech India. However, on examination of the records, it is observed that M/s. Logitech

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India did not furnish any such classification declaration in the commercial invoices or in any accompanying import documents. In the absence of any documentary evidence supporting this claim, the contention of the Noticee is devoid of merit and is accordingly rejected.

7.13 It is further observed that the imports covered under the subject Show Cause Notice commenced from December, 2020, whereas the Importer sought clarification regarding the appropriate CTH from M/s. Logitech India only in the year 2024, i.e., subsequent to the initiation of investigation. This clearly indicates that the claim of having declared the goods based on M/s. Logitech India's classification is an afterthought and not contemporaneous with the imports. Accordingly, the said contention is not sustainable and is rejected. The relevant email correspondence evidencing this is reproduced below: -

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Mote, Sonali

From: Kathirvel Subbiah <ksubbiah@logitech.com>
Sent: Wednesday, June 12, 2024 6:30 PM
To: Purang, Parul
Cc: Nachimuthu, Mythili; Mote, Sonali
Subject: [EXTERNAL]Re: Urgent : Logitech CTH/HSN code is required for mentioned Part Numbers

Hi Parul,

Kindly find the HS code, this is only suggested HS code, for the final HS code kindly check with your customs clearing agent.

What does encoding technology means?

Part no.	Description as per Catalogue	HS
960-000976	C930E BUSINESS WEBCAM	85258910
960-000841	Logitech B525 HD Webcam	85258910
960-001105	BRIO ULTRA HD PRO BUSINESS WEBCAM	85258910
960-001238	Logitech Rally	85176299
960-001101	LOGITECH MEETUP	85258910
960-001184	Logitech® PTZ Pro 2 camera	85258910
960-001226	Logitech Rally Camera	85258910
960-000738	HD WEBCAM	85258910
960-000939	Logitech ConferenceCam BCC950	85258910
960-001275	Logitech Rally	85176299
960-001035	Logitech Connect	85258910
960-001054	Logitech GROUP	85176299
960-001075	Logitech C925e Webcam	85258910
960-001372	C505E HD WEBCAM	85258910
960-001383	LOGITECH SCRIBE / WHITEBOARD CAMERA	85258910
960-001360	C920E HD WEBCAM	85258910
960-001510	LOGITECH SIGHT / TABLETOP CAMERA	85258910
960-001461	BRIO 505 WEBCAM	85258910


Regards,
Kathirvel

On Wed, Jun 12, 2024 at 6:06 PM Purang, Parul <Parul.Purang@ingrammicro.com> wrote:

Hi Kathirvel

Refer below mentioned Part No., Please confirm CTH/HSN for against these .Also Confirm which encoding technology these Part No.s supporting.

Part no.	Description as per Catalogue	CTH
960-000976	C930E BUSINESS WEBCAM	
960-000841	Logitech B525 HD Webcam	



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960-001105	BRIO ULTRA HD PRO BUSINESS WEBCAM	
960-001238	Logitech Rally	
960-001101	LOGITECH MEETUP	
960-001184	Logitech® PTZ Pro 2 camera	
960-001226	Logitech Rally Camera	
960-000738	HD WEBCAM	
960-000939	Logitech ConferenceCam BCC950	
960-001275	Logitech Rally	
960-001035	Logitech Connect	
960-001054	Logitech GROUP	
960-001075	Logitech C925e Webcam	
960-001372	C505E HD WEBCAM	
960-001383	LOGITECH SCRIBE / WHITEBOARD CAMERA	
960-001360	C920E HD WEBCAM	
960-001510	LOGITECH SIGHT / TABLETOP CAMERA	
960-001461	BRIO 505 WEBCAM	

Parul Purang

Sr. Assistant Manager IMPEX

Ingram Micro India Private Limited

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Parul Purang
 08/12/25

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7.14.1 I find that in the subject Show Cause Notice, total duty of **Rs.6,18,58,227/-** has been demanded from the Importer. However, in respect of Item No. 1 of Bill of Entry No. 9902976 dated 10.12.2020, the differential duty has been calculated as **Rs.11,27,749/-**, which appears to be erroneous. On verification, the correct differential duty for the said Bill of Entry is **Rs.3,32,989/-** and excess duty demanded is **Rs.7,94,760/-**, indicating a computation error in the Show Cause Notice. Accordingly, the total differential duty for the purpose of adjudication in the present case is required to be reworked and determined as **Rs.6,10,63,467/-**.

7.14.2 The Noticee submitted that, on the identical issue concerning the classification of the impugned cameras, a Show Cause Notice No. 30/2025-26/ACC-IMPORT dated 12.09.2025 had already been issued by the Pr. Commissioner of Customs (Import), New Delhi. It was further submitted that certain common Bills of Entry covered in the said Show Cause Notice dated 12.09.2025 have also been included in the present Show Cause Notice, and therefore, duty is not liable to be demanded again on such common Bills of Entries. The details are as under:

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BE No.	BE Date	Assessable Value (in Rs.)	Differential Duty (in Rs.)
2051259	21-12-2020	3089632	401034
2583468	01-02-2021	5044920	654831
2722818	11-02-2021	609499	79113
2849915	20-02-2021	457506	59384
3136962	14-03-2021	230304	29894
3839673	06-05-2021	1183109	153568
4086858	26-05-2021	1756751	228026
4346443	17-06-2021	1099856	142761
4966949	07-08-2021	29519938	3831688
5357859	08-09-2021	290967	37767
5439675	14-09-2021	6157881	799293
5606885	27-09-2021	4356162	565430
6353963	22-11-2021	1052933	136671
6543426	05-12-2021	8473529	1099864
6604424	09-12-2021	16612867	2156350
6644427	12-12-2021	1577726	204789
6839316	26-12-2021	2163376	280806
9902976	10-12-2020	11613028	1507371
Grand Total		95289983	12368640

7.14.3 I find that an amount of Rs.1,23,68,640/- is already covered under common Bills of Entry in Show Cause Notice No. 30/2025-26/ACC-IMPORT dated 12.09.2025 issued by the Pr. Commissioner of Customs (Import), New Delhi. Accordingly, these Bills of Entry are not taken up for adjudication in the present proceedings.

7.15 In the subject SCN, the total differential duty for adjudication purpose has been calculated at **Rs.6,10,63,467/-** (Rupees Six Crores Ten Lakh Sixty Three Thousand Four Hundred Sixty Seven). Out of this, an amount of Rs.1,23,68,640/- is already covered under common Bills of Entry in Show Cause Notice No. 30/2025-26/ACC-IMPORT dated 12.09.2025 issued by the Pr. Commissioner of Customs (Import), New Delhi, and is therefore not taken up for adjudication in the present proceedings. Accordingly, the revised differential duty works out to Rs.4,86,94,827/- (Rupees Four Crores Eighty-Six Lakh Ninety-Four Thousand Eight Hundred Twenty Seven).

7.16 Accordingly, the revised differential duty of Rs.4,86,94,827/- (Rupees Four Crores Eighty-Six Lakh Ninety-Four Thousand Eight Hundred Twenty Seven), classifiable under CTI 85176290 and computed by applying Basic Customs Duty (BCD) at the rate of 20% and Integrated Goods and Services Tax (IGST) at the rate of 18%, is liable to be recovered from the Importer along with applicable interest.

7.17 Notification No. 50/2017 dated 30.06.2017 is not applicable to goods classifiable under Heading 8517. Accordingly, the benefit of the said notification is not admissible in respect of the imported goods mentioned in Annexure-A to the subject Show Cause Notice, and the Importer is therefore not eligible for the said exemption benefits.

7.18 The Noticee's reliance on Bombay High Court judgment in the case of *A.R. Sulphonates vs. Union of India & Ors*, that interest and penalty does not apply to IGST is incorrectly applied in the context of this case. It is important to emphasize that the differential duty demand in these proceedings has arisen mainly due to a change in the classification of the goods. Since IGST is calculated on the assessable value plus BCD, the increase in BCD has correspondingly resulted in an increase in IGST. Thus, although the IGST rate per se has not changed, the IGST quantum has increased directly due to the reassessment of BCD. The BCD liability under Section 12 of the Customs Act, 1962, the levy of interest under Section 28AA and penalties under Sections 114A are fully supported by the Customs Act, regardless of the amendments to the Customs Tariff Act. The corresponding IGST increase is incidental to the BCD reassessment and is not independently levied under Section 3(7) of the Customs Tariff Act, 1975 as a standalone issue. The department's demand is therefore not based on an IGST reassessment under Section 3(7) requiring the application of the amended Section 3(12), but instead flows entirely from reassessed BCD obligations and their cascading impact.

7.19.1 As per Section 17 of the Customs Act, 1962, an Importer entering any imported goods under Section 46, or an exporter entering any export goods under Section 50, shall, save as otherwise provided in Section 85, self-assess the duty, if any, leviable on such goods. In the subject case, the Noticee could have examined the facts carefully before filing the subject Bills of Entry and should have classified the subject goods correctly. I find that the Noticee, despite being fully aware of the nature and functions of the imported goods, deliberately withheld relevant information and wilfully misclassified the said goods. It is clear that they failed in their primary responsibility of declaring the goods appropriately and with due diligence. Thus, I find that the Importer wilfully mis-classified, with intention to evade payment of applicable Customs duties. The mis-classification and suppression of facts attracts invocation of extended period of limitation in terms of Section 28(4) of the Customs Act, 1962. As such, the demand for differential duty in respect of the Bills of Entry listed in Annexure-A to the Show Cause Notice is justified and recoverable under Section 28(4) of the Customs Act, 1962, along with applicable interest as provided under Section 28AA of the said Act.

7.19.2 The Importer having deliberately mis-classified to availed the undue benefits of the differential duty, which resulted into short payment of Customs duty, the differential duty of **Rs.4,86,94,827/- (Rupees Four Crores Eighty-Six Lakh Ninety-Four Thousand Eight Hundred Twenty Seven)** is recoverable under Section 28(4) of the Customs Act, 1962.

7.19.3 Once differential duty is confirmed under Section 28 of the Customs Act, 1962, interest on the unpaid duty becomes automatically payable. Therefore, the importer is legally liable to pay the applicable interest under Section 28AA of the Act.

7.19.4 The Noticee has argued that the issue involves interpretation and that there was no suppression or wilful misstatement. However, I find that this argument is not tenable. The Noticee was fully aware of the correct classification of the goods in view of the earlier adjudication and judicial decisions in its own case. Despite such knowledge, it continued to classify the goods under Heading 8525 and avail the benefit of concessional duty. This conduct cannot be said to be bona fide or based on mere interpretational doubt. The deliberate continuation of an incorrect classification, despite judicial clarity, clearly amounts to wilful misstatement and suppression of material facts with intent to evade payment of duty. Accordingly, the extended period of limitation under Section 28(4) of the Customs Act, 1962, has been rightly invoked.

7.20 The SCN proposes confiscation of goods under the provisions of Section 111(m) of the Customs Act, 1962. Section 111(m) provides for confiscation in cases where goods do not correspond in respect of any other particulars in respect of which the entry was made under the Act. This would also cover case of wilful mis-classification of the subject goods by suppressing the fact of their true nature by the Noticee. As there is wilful mis-classification to pay lower rate of duty, resulting in short levy and short payment of duty, I find that the confiscation of the imported goods covered under Bills of Entry as per Annexure-A to the SCN (Except Bills of Entry mentioed in Para 7.14.2), valued at to Rs.37,51,52,757/- (Rupees Thirty Seven Crores Fifty One Lakh Fifty Two Thousand Seven Hundred Fifty Seven), invoking Section 111(m) is justified and sustainable. I therefore hold that this intentional mis-classification and suppression of facts by the Importer with the intent to evade payment of applicable duty have rendered the goods liable for confiscation under Section 111(m) of the Customs Act, 1962 and they have consequently rendered themselves liable to penalty under Section 112(a)(ii) and 112(b)(ii) of the Customs Act, 1962. It should be noted however that as per the proviso to Section 114A of the Customs Act, 1962, separate penalty cannot be imposed under Section 112 of the Customs Act when a penalty has been imposed under Section 114A of Customs Act 1962.

7.21 The Noticee argues that penalty under Section 114A of the Customs Act can only be imposed in cases where duty has not been paid or short/part paid because of collusion or wilful mis-statement or suppression of facts. They have submitted that they have not committed any offence or made omissions or commissions in the entire matter and their conduct was bona-fide. However, as established in the preceding paragraphs, the Noticee, despite being fully aware of the nature and technical details of the imported goods, deliberately withheld relevant information and wilfully misclassified the said goods, as uncovered during the Investigation-thereby clearly indicating the existence of *mens rea*. Even otherwise, the Supreme Court in *UOI v. Dharmendra Textile Processors* [2008 (231) E.L.T. 3 (SC)] clarified that *mens rea* is not a prerequisite for civil penalties under tax laws unless specifically stated. Similarly, in *Chairman, SEBI v. Shriram Mutual Fund* [(2006) 5 SCC 361], the Apex Court held that for contraventions under civil statutes, proving intention is unnecessary- mere breach of the statutory obligation attracts penalty. Further support is drawn from *Comex Co. v. Collector of Customs, Madras-I* [1997 (96) E.L.T. 526 (Mad.)], where the Madras High Court held that under Section 112(a), *mens rea* need not be established for imposition of personal penalties in departmental proceedings; proof of contravention suffices.

7.22 Regarding the Noticee's defense of acting under a bona fide belief, it is well settled that blind reliance cannot substitute for a genuine bona fide belief. In *Winner Systems v. CCE & C, Pune* [2005 (191) E.L.T. 1051 (Tri. - Mumbai)] and *Interscape v. CCE, Mumbai-I* [2006 (198) E.L.T. 275], the Tribunals held that claims based merely on blind or mistaken interpretation do not constitute valid grounds to evade liability, particularly where duty evasion has occurred.

7.23 I find that the Importer intentionally misclassified the subject goods to reduce the Customs duty payable. Since, the impugned goods have already been held liable to confiscation under Section 111(m) of the Customs Act, 1962 and duty is correctly demanded under Section 28(4) of the Customs Act, 1962 along with applicable interest, the Importer has rendered themselves liable to penalty under Section 114A of the Customs Act, 1962 for acts/omissions and the above said deliberate mis-classification and wrong self-assessment of duty.

7.24 As regards applicability of actual confiscation and redemption fine in terms of Section 125 of the Customs Act, 1962, I find that it is a settled position of law that redemption fine under Section 125 of the Customs Act, 1962 can only be imposed where goods are physically available for confiscation and subsequent redemption. This principle has been categorically affirmed by the Bombay High Court in *Commissioner of Customs (Import), Mumbai v. Finesse Creation Inc.*, 2009 (248) E.L.T. 122 (Bom.),

wherein the Court held that the concept of redemption fine arises only if the goods are available and can be redeemed. In the absence of the goods, no redemption fine can be imposed. The Bombay High Court distinguished the Supreme Court judgment in *Weston Components Ltd. v. Commissioner of Customs*, 2000 (115) E.L.T. 278 (S.C.), noting that in *Weston*, the goods had been released on bond and were therefore constructively within the control of the Customs authorities. However, in *Finesse Creation Inc.*, the goods had already been cleared and were not available for seizure, nor had they been released on any bond or undertaking. The Bombay High Court further endorsed the reasoning of the Punjab and Haryana High Court in *Commissioner of Customs, Amritsar v. Raja Impex (P) Ltd.*, 2008 (229) E.L.T. 185 (P&H), which held that where goods are neither available nor covered by any bond, no redemption fine can be levied. This order of the High Court in *Finesse Creation Inc.*, stands accepted by the department, as Special Leave Petition (SLP) filed in the Supreme Court (C.A. No. 66/2009) was dismissed by order dated 12.05.2010. [2010 (255) E.L.T. A120 (S.C.)]

Accordingly, I am of the considered view that, since the goods in the present case have already been cleared and are no longer available for confiscation, the invocation of Section 125 of the Customs Act, 1962, lacks jurisdictional basis and is legally unsustainable.

7.25 The Noticee contends that the proposed IGST differential duty demand is revenue neutral due to input tax credit eligibility. In this regard, it is important to note that the legal obligation to pay duties, including interest and penalties, arises from the statutory framework and the principle of compliance with the law, regardless of intent or revenue neutrality. The existence of a legal obligation to pay duties is independent of any alleged lack of malice or intention to evade the duty. Even if the taxpayer's actions were inadvertent or led to no loss of revenue, penalties can still be levied if the breach of law is proven, and it remains within the discretion of the adjudicating authority to impose such penalties. The ruling in *Lahari Impex Pvt. Ltd. v. Commr. of Cus. (Seaport-Import), Chennai* [2020 (374) E.L.T. 716 (Mad.)], upheld by the Supreme Court [2021 (377) ELT A118 (SC)], clarifies that the possibility of a subsequent duty drawback creating a revenue-neutral scenario does not permit disregarding the stipulated timelines for claiming the benefit.

7.26 Section 114AA of the Customs Act, 1962 provides for imposition of penalty on any person who knowingly or intentionally makes, signs, or uses, or causes to be made, signed or used, any declaration, statement, or document which is false or incorrect in any material particular in the transaction of any business relating to the Customs. In the subject case, the

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dispute essentially pertains to classification of goods and interpretation of Tariff entries. Though there is wilful misclassification and suppression, there is no cogent evidence on record to establish that the Importer had made or used any false document or furnished incorrect material particulars with deliberate intent or committed fraud. The description of the goods in the Bills of Entry and supporting documents have not been found to be false, and all relevant particulars, including technical details, were given. The misclassification and incorrect claim of exemption, in the absence deliberate falsification, does not attract penalty under Section 114AA. Accordingly, I hold that the essential ingredients for invoking Section 114AA are not fulfilled in the present case and, therefore, penalty under the said provision is not imposable on M/s. Ingram Micro India Pvt. Ltd.

7.27 The SCN also proposes imposition of penalty on Shri Chandrashekhar Thakur, General Manager of the Importer M/s. Ingram Micro India Private Limited, under Sections 112(a), 112(b), and 114AA of the Customs Act, 1962. In this regard, I find that the essential ingredients for invoking these penal provisions are not satisfied in the present case. Although he was responsible for handling import documentation and classification, there is no cogent evidence on record to establish that he knowingly or intentionally committed any act or omission which rendered the goods liable for confiscation under Section 111(m), or that he dealt with goods with the knowledge or reason to believe that they were liable to confiscation. Further, no evidence has been brought on record to demonstrate that he as an employee derived any personal benefit or was involved in any deliberate act of misdeclaration or falsification of documents. In the absence of any material indicating conscious involvement, mens rea, or intentional use of false or incorrect documents, the necessary conditions for imposition of penalty under Sections 112(a), 112(b), and 114AA are clearly not fulfilled. Accordingly, I hold that penalty under the said provisions is not invocable against Shri Chandrashekhar Thakur.

7.28.1 I have examined the proposal to impose penalty under Section 112(a) of the Customs Act, 1962 on M/s. Logitech Electronics India Pvt. Ltd. and the evidences relied upon in the Show Cause Notice. I find that Logitech India is neither the Importer of the impugned goods nor has it filed any Bills of Entry or made any declaration before the Customs authorities. The obligation to correctly classify the goods and discharge applicable duty rests solely with the Importer, i.e., M/s. Ingram Micro India Pvt. Ltd. In the absence of any statutory role in the act of importation or declaration, the foundational requirement for invoking Section 112(a) against Logitech India is not satisfied.

7.28.2 Further, I find that there is no cogent evidence on record to establish that M/s. Logitech Electronics India Pvt. Ltd. has done or omitted to do any act which rendered the goods liable for confiscation under Section

111(m). The allegation that Logitech India provided classification guidance to distributors does not, by itself, constitute abetment or active involvement in misdeclaration, particularly when the importer has independently accepted responsibility for classification and filing of documents. There is no material to show that M/s. Logitech India had knowledge or reason to believe that the goods were being misclassified or that it intentionally induced the Importer to evade duty. Thus, the essential ingredient of mens rea, which is necessary for imposition of penalty under Section 112(a), is absent.

7.28.3 It is also pertinent to note that the imports covered under the subject Show Cause Notice commenced from December, 2020, whereas the importer sought classification-related suggestions from M/s. Logitech Electronics India Pvt. Ltd. only in the year 2024, i.e., after the initiation of investigation. Moreover, the communication relied upon by the Noticee itself contains a clear disclaimer stating: "This is only a suggested HS Code; for the final HS Code, kindly check with your customs clearing agent." This further demonstrates that M/s. Logitech India neither assumed responsibility for classification nor provided any definitive or binding advice. Hence, no liability can be attributed to M/s. Logitech Electronics India Pvt. Ltd. on this count.

7.28.4 In view of the foregoing findings, I am of the view that no act or omission attributable to M/s. Logitech Electronics India Pvt. Ltd. has been established which would render the goods liable to confiscation so as to attract penalty under Section 112(a) of the Customs Act, 1962. The evidence on record does not demonstrate any conscious involvement or knowledge on their part in the alleged misclassification. Accordingly, the proposal to impose penalty on M/s. Logitech Electronics India Pvt. Ltd. under Section 112(a) is unsustainable in law and is therefore liable to be set aside..

8. The Noticee/Importer has cited various case laws in their submission against the said SCN. I have gone through them and I find that facts and circumstances of this case are not squarely covered by the case laws and judgements as referred by the Noticee in their written submissions, and hence, those are not applicable in the subject case. I also place reliance of this finding in view of the following decision of the Apex Court in the matter of M/s Ispat Industries Ltd vs Commissioner of Customs, Mumbai [2006 (202) ELT 561 (SC)], wherein it was held that:

"Each case depends on its own facts and a close similarity between one case and another is not enough because even a single significant detail may alter the entire aspect."

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ORDER

9. In view of the foregoing discussion and findings, I pass the following order:

- (i) I reject the declared classification of the impugned goods i.e. ‘*Video Conferencing System*’ or ‘*Voice over Internet Protocol (VoIP) equipment/ Web cameras*’ under CTI 85258900/85288090 for Bills of Entry mentioned in Annexure-A (Except BEs mentioned in Para 7.14.2) to the Show Cause Notice and order to reclassify them under Customs Tariff Item 85176290. The Bills of Entry shall be reassessed accordingly, with Basic Customs Duty (BCD) levied at 20% and Integrated GST (IGST) at 18%, in accordance with Serial No. 379 of Schedule-III of IGST Notification No. 01/2017 dated 28.06.2017, as amended.
- (ii) I confirm the demand of differential duty amounting to **Rs.4,86,94,827/- (Rupees Four Crores Eighty-Six Lakh Ninety-Four Thousand Eight Hundred Twenty Seven)**, under Section 28(4) of the Customs Act, 1962 along-with applicable interest thereon in terms of provisions of Section 28AA of the Customs Act, 1962, and order to recover the same from the importer M/s. Ingram Micro India Private Limited.
- (iii) I impose a penalty equal to differential duty of **Rs.4,86,94,827/- (Rupees Four Crores Eighty-Six Lakh Ninety-Four Thousand Eight Hundred Twenty Seven) and the amount equal to interest leviable thereon**, on the Importer M/s. Ingram Micro India Private Limited under Section 114A of the Customs Act, 1962. However, if this duty and the interest is paid within thirty days from the date of communication of this order, the amount of penalty liable to be paid shall be Twenty-Five per cent of the duty and interest, subject to the condition that the amount of penalty is also paid within the period of thirty days of communication of this order.
- (iv) The charge against Noticee Shri Chandrashekhar Thakur is dropped.
- (v) The charge against Noticee M/s. Logitech Electronics India Private Limited is dropped.

This adjudication order is issued without prejudice to any other action that may be taken in respect of goods in question and/or the persons/firms concerned, under the provision of the Customs Act, 1962 and/or any other

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law for time being in force.

This Order is issued under Section 110AA of the Customs Act, 1962 read with Notification No. 28/2022-Customs (N.T.) dated 31.03.2022.

(Manish Chandra)

Pr. Commissioner of Customs (Import)
Air Cargo Complex, Mumbai.

To,

(i) M/s Ingram Micro India Private Limited (IEC: 0300013833)

5th Floor, Empire Plaza Building A, LBS Marg,
Opp Village Hariyali, Vikhroli West, Mumbai 400083.

(ii) Shri Chandrashekhar Thakur,

General Manager of M/s Ingram Micro India Private Limited
Flat No. 804, Victoria Bldg, Lodha Paradise, Near Eastern
Express Highway, Thane West, Majiwada Thane West,
Naupada, Thana, Maharashtra, -400060.

(iii) M/s Logitech Electronics India Private Limited

Suit No. 408, 4th Floor Trade Centre,
Bandra Kurla Complex, Bandra (East),
Mumbai, Maharashtra, 400098

Copy: -

1. The Pr. Chief Commissioner of Customs, Mumbai Customs Zone - III.
2. The Additional Director General, DRI, Mumbai Zonal Unit.
3. The Pr. Commissioner/Commissioner of Customs, Import (INDEL4, INMAA4, INBLR4, INMAA1 and INNSA1)
4. The Dy./Asstt. Commissioner of Customs, Gr.5A, ACC, Mumbai-III.
5. The Dy./Asstt. Commissioner of Customs, TRC, ACC, Mumbai-III.
6. The Dy./Asstt. Commissioner of Customs, EDI, ACC, Mumbai-III – for uploading the Order on ICEGATE Webform and departmental Website.
7. Master file.