Circular No. 25/96-Cus.
dated 24/4/96

F.No. 528/1/96- CUS.(TU)

Government of India
Ministry of Finance
Department of Revenue, New Delhi

Subject : Classification of Uninterruptible Power Supply System (UPSS) under First Schedule, CTA '75- Regarding

I am directed to say that doubts have been raised regarding the classification of uninterruptible power supply system (UPSS) under First Schedule CTA '75 (the Custom Tariff) in the wake of the decision of the Hon'ble CEGAT in the matter of J.K. Synthetic Ltd. v/s. Collector of Customs, Jaipur [1995 (80) ELT 208 (Tribunal)], holding that UPSS are classifiable under heading 8443.80 ibid.

2. An UPSS includes the following components forming a single unit :

(i) a rectifier (AC to DC inverter);

(ii) a battery charger;

(iii) a battery

(iv) an inverter from DC to Ac;

(v) a static by - pass switch;

Its function is to supply stable AC power to a range of electronic equipment's. In case of failure or serious disruption of the mains electricity supply, it also ensures a continuous supply of stabilised AC power for a fixed time.

3. The goods were being classified by the field formation under heading 85.04 (sub-heading 8504.40) of the Customs Tariff and heading 85.04 of the CET. Classification of this article was also examined by the World Customs Organisation (WCO) and as per the Classification Opinion issued by WCO, this product is classifiable u/h 8504.40 of the Custom Tariff. Classification of this article under the Central Excise Tariff was earlier examined by the Board and it had been clarified that this article is classifiable u/h 85.04 of the Central Excise Tariff (Circular No. 156/ 21/90-CX. 4 date 10.10.90 refers).

4. However as referred in para 1 above, CEGAT has held the classification of this article under sub-heading 8543.80 of the Customs Tariff. As a result of this, the earlier decision of the Board and the advice of the WCO are at variance with the CEGAT's decision.

5. The matter has since been examined by the Board. Board is of view that unless and until the decision of the CEGAT is reversed by the Supreme Court or the CEGAT itself, it is binding on the field formations and has to be followed. It is accordingly clarified that in suppression of earlier clarifications from the Board, the UPSS will be classifiable under sub-heading 8543.80 (w.e.f. 1.1.96 under sub- heading 8543.89) of the Custom Tariff and under heading 8543.00 of the Central Excise Tariff. Pending cases of assessment may kindly be finalised on the basis of this clarification.

Sd/-
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Senior Technical Officer (TU).

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