Circular No 17/2004
Feb 20, 2004

F. No. 528/114/2003-Cus (TU)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

Subject : Classification of CPU Cooler Fan with Heat sink-reg

I am directed to say that divergence of practice regarding the classification of "CPU Cooler Fan with Heat sink", has been brought to the notice of the Board. This item is being assessed under CTH 84145910 as "other fans" or under 84733099 as "parts of ADP Machines" in different Commissionerates.

2. The item "CPU Cooling Fan with Heat Sink" is said to perform the function of cooling the processor in the CPU. On its importation it is being classified in different Custom Houses either under "Other Fans" under CTH 8414 59 10 or as "Part of a Computer" under CTH 8473 30 99. If the item is considered as a part of ADP Machine, the item attracts concessional rate under CN 21/2002-Cus. dated 1.3.2002, Sl. No. 276.

3. This matter was discussed in the Tariff Conference of Chief Commissioners of Customs held at Visakhapatnam on 25th and 26th September, 2003 (Agenda Point A-6). The issue presented to the Conference was to decide the classification and thereby the applicability or otherwise of the benefit of the Notification for the item.

4. Some of the participants at the conference expressed the view that the item should be treated as a part of computer as it appeared that the item was more than a fan by performing functions such as blowing air as well as removing the heat. But the majority view was that the product in question was essentially a fan that performed the principal function of cooling and the heat sink enhanced the cooling function, as the latter alone could not serve the principal function. Thus as per Chapter Note 2(a) of Section XVII it would merit classification as a fan and not as a part of a computer

5. Since the main function of he item is cooling the proximate space in the CPU, and the item has no function in the data processing aspect, the Conference held that the item is more appropriately classifiable under CTH 8414 59 10 as "Other fan".

6. The Board has accepted the recommendation of the Conference. Hence, it is clarified that "CPU Cooler fan with heat sink" is appropriately classifiable under CTH 84145910.

7. The field formations may finalise pending assessments accordingly.

8. Please acknowledge receipt of this circular.

9. Hindi version will follow.

H.K. Sharma
STO (TU)