Circular No. 51/2004-Cus.
1st October, 2004

F.No. 528/44/2003-Cus (TU)

Government of India
Ministry of Finance
Department of Revenue

(Tariff Unit)

Subject- Assessment of Automobile parts namely 'Lever Combination Switch' declared as switch - regarding.

I am directed to say that divergence of practice regarding assessment of automobile parts namely 'Lever Combination Switch (LCS)' has been brought to the notice of the Board. The dispute is whether parts of all kinds of switches would be covered under Notification No. 25/99-Cus., list A, Sl. 112 which provides concessional rate of duty on parts of relays, switches and connectors. The end product in this case is LCS (lever combination switch). The LCS is actually an assembly consisting of various mounted PCBs, switches, cables and electronic components. It is used in automobiles for mounting on steering column. It has two levers. One lever is used for switching on or off indicators for tuning left/right. The other lever is used for wipers head/light etc.

2. As per HSN notes in the heading 85.12, the exclusions include an assembly of switches for mounting on the steering column (CTH 85.37) which is nothing but "lever combination switch". Since "lever combination switches" are specifically classifiable under CTH 85.37, whereas in general, switches are classifiable under CTH 85.36, it appears that "lever combination switches' are not switches in the normal meaning of the term and hence these may not be treated as switches for the purpose of Customs Notification No. 25/99 dated 28.2.1999, S.No. 112.

3. This matter was discussed in the Tariff Conference of Chief Commissioners of Customs held at Kolkata on 22nd and 23rd January, 2004 [Agenda Point T-6].

4. The Conference discussed that the notification does not define as to what is a switch. Switches are covered under CTH 8536 of the CTA'75, whereas combination of switches are covered under CTH 8537. The LCS being an assembly of switches is excluded from CTH 8536 by virtue of explanatory note to CTH 8512. However, irrespective of its classification under 85.36 or 85.37, the essential nature of LCS appears to be that of switch. Like any other switch, LCS switches on or off certain equipments like wiper, light etc.

5. The Conference noted that Sl.No.112 of List A of Notification No. 25/99-Cus., dated 28.2.99 refers to parts of switches falling under chapter 85. It does not indicate the heading or sub-heading number of the switches which are mentioned in the said list. The Conference, noted after seeing a sample of the item in which the part is used, that the item is nothing but a switch and it is also described as such in the list of parts of the company's motor vehicle parts list. The mere fact of classification under CTH 8537 would not take the item out of the

category of 'switches'. Since parts of switches falling under chapter 85 are eligible for exemption, the parts of lever combination switches would also be eligible for exemption.

6. The Board has accepted the recommendation of the Conference and it is accordingly clarified that parts of Lever Combination Switches would be covered under Notification No. 25/99-Cus., list A, Sl. 112, subject to fulfillment of other conditions.

7. Field formations may finalise the pending assessments, if any, accordingly.

8. Suitable Public Notice may be issued for the benefit of the Trade.

8. Hindi version will follow.

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