



Government of Pakistan  
Model Customs Collectorate of Appraisalment (East)  
(Classification Centre)  
Custom House, Karachi  
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C. No. (203) KAPE-DC(PCT)2015

Dated: 04 October, 2016

PUBLIC NOTICE NO. 07 / 2016

Subject: DECISION OF CLASSIFICATION COMMITTEE IN THE CASE OF  
M/S. TESLA INDUSTRIES (PVT.) LIMITED

Model Customs Collectorate Islamabad forwarded a reference to the Classification Committee for determination of appropriate classification of 2V 600 AH lead acid batteries for solar use imported by M/s Tesla Industries (Pvt) Limited vide GD No. ICSI-HC-415 dated 22.09.2014 at Islamabad Dry Port under PCT heading 8507.2090. However, the importer contested that the goods are 'cells' and not 'batteries' and accordingly should be classified under appropriate PCT heading other than 8507.2090. The Collectorate is of the view that goods being lead acid batteries are correctly classifiable under PCT heading 8509.2000. On the contest of the importer, goods have been cleared provisionally, under section 81 of the Customs Act, 1969. The matter was discussed in the meeting of the classification committee on 24.09.2016. The representative of the importer, MCC Islamabad and members of the Committee attended the meeting.

ISSUE:

2. Whether the imported 'batteries' are appropriately classifiable under three dash national PCT Headings 8507.2090 or under 8507.8000 as claimed by the importer during the meeting or any under any other relevant Heading of the First Schedule to the Customs Act, 1969 (Pakistan Customs Tariff)?

PRODUCT ANALYSIS:

3. The literature/ catalogue of the impugned product reveals that the goods are Deep Cycle Series batteries having capacity of 2V, 600 AH with dimension as 302mm (L) x 75mm (W) x 365mm (H) and with a laden weight of more than 15 kg with negative and positive terminals.

**LAW AND ANALYSIS:**

4. The matter was taken-up by the Classification Committee and during the course of hearing representative of M/s. Tesla Industries (Pvt.) Limited contended that the imported goods are 'valve regulated rechargeable lead acid batteries non spillable solar brand' which are different from the batteries to be qualified under HS code 8507.2090. Importer's representative also viewed that the HS code 85.07 is meant for lead acid electric accumulators including separators for starting piston engines or also other than starting piston engines but as their goods are 'valve regulated rechargeable sealed lead acid batteries' which are quite different in nature and as such do not fall under the HS code 8507.2090. The representative of the Collectorate is of the view that goods are in fact sealed lead acid batteries specifically mentioned in heading 8507.1000 and 8507.2000 and thus cannot be classified beyond these HS codes.

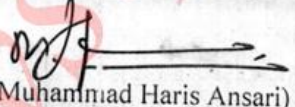
5. The Committee observed that the HS code 8507.1000 pertains to lead acid batteries meant for starting piston engines and the batteries under consideration are not meant for starting piston engines, hence, these are not classifiable under PCT 8507.1000. However, lead acid batteries other than those used in starting piston engines are specified under HS code 8507.2000. Although, the batteries under discussion are claimed to be deep cycle valve regulated but they are in fact also lead acid batteries. As far as the contention of the importer that batteries under consideration are classifiable under PCT heading 8507.8000 is concerned, the same is also not tenable as the said HS code pertains to other batteries which are not specifically covered under any of the preceding HS codes, which is not the case in this matter. Regarding the difference between cell and batteries, the committee is of the view that on the basis of the literature provided during the meeting the cell is a single unit that converts chemical energy into electrical energy and a battery is a collection of cells and though technically both are the same products having same functions, but in the instant case, the product admittedly contains multiple cells and therefore fall under the definition of a battery not a cell.

**HOLDING:**

6. In view of above discussion, committee is of the opinion that lead-acid batteries imported by M/s Tesla Industries (Pvt.) Limited, through application of Rule 1 of the GRI, are classifiable under PCT 8507.2090.

7. This Ruling is issued in terms of Chapter – II (Classification) of the CGO 12 / 2002 dated 15<sup>th</sup> June, 2002 and shall hold the field as far as present scheme of three dash national heading 8507.2000 continues. Any appeal against this Ruling shall lie only with the Federal Board of Revenue under Rule 2 of Pakistan Rules to the General Rules for Interpretation.

8. The above ruling is based upon the documents literature provided by the applicant and shall be treated as annul if it is found at any subsequent stage that this same was obtained by providing incorrect false, misleading or incomplete information by the applicant.

  
(Muhammad Haris Ansari)  
Additional Collector-II  
Chairman Classification Committee

Distribution:

1. PS to Member (Customs), Federal Board of Revenue, Islamabad.
2. Chief Collector of Customs (Appraisalment-South), Custom House, Karachi.
3. Chief Collector of Customs (Enforcement-South), Custom House, Karachi.
4. Chief Collector of Customs (Central/North) Custom House, Lahore / Islamabad.
5. Director General, Intelligence & Investigation-FBR, Mauve Area-1, G-10/4, Islamabad.
6. Chief (Tariff), Customs Wing, Federal Board of Revenue, Islamabad.
7. Collector, MCC Appraisalment (East) / (West) / (Preventive), Custom House, Karachi.
8. Collector of Customs MCC, Port Mohammad Bin Qasim, Karachi.
9. Collector of Customs, MCC (Appraisalment/Preventive) Lahore.
10. Collector, MCC Hyderabad / Gawadar / Quetta/ Multan / Sambrial / Faisalabad / Rawalpindi / Peshawar / Gilgit-Baltistan.
11. Collector of Customs Model Customs Collectorate Islamabad, with Reference Your Letter No SI/MISC/IDP976/2014/782 dated 17-02-2015.
12. Collector of Customs Adjudication I & II, Customs House, Karachi.
13. Collector, MCC (Adj./Appeals), Lahore / Faisalabad / Rawalpindi / Peshawar / Quetta.
14. M/s. Tesla Industries (Pvt.) Ltd, Plot No. 81-G, St No. 6, I-10/3, Islamabad.
15. Karachi Chamber of Commerce & Industry, Karachi.
16. Karachi Customs Agents Association, Custom House, Karachi.
17. Notice Board.
18. Master File.