कार्यालय आयुक्त सीमा शुल्क (सामान्य)
16 OCT 2025
S. No.........................
नवीन सीमा शुल्क भवन नई दिल्ली-110037

CUSTOMS AUTHORITY FOR ADVANCE RULINGS
O/o THE CHIEF COMMISSIONER OF CUSTOMS
NEW CUSTOM HOUSE, NEAR IGI AIRPORT, NEW DELHI-110037
[Email:cus-advrulings.del@gov.in]
DIN: 20251074OR000000D1B4

Present
(Customs Authority for Advance Rulings, New Delhi)

F. No. VIII/CAAR/Delhi/Samsung (Dadri)/109/2025 | 917 to 923 14/10/2025

The day of 14th Oct., 2025

Rulings No. CAAR/Del/Samsung India/75/2025

In application No. 102/2025 dated 11.06.2025

Name and address of the applicant	:	Samsung India Electronics Private Limited, 6th Floor, DLF Centre Sansad Marg New Delhi, India-110001
Commissioner concerned	:	Principal Commissioner/Commissioner of Customs, Noida Custom Commissionerate, Concor Complex, Greater Noida, U.P-201311 [Port-INSTT6, Star Track Terminal Pvt Ltd ICD Dadri, Uttar Pradesh]
Present for the Applicant	:	Ms. Megha Singhvi, A.R Shri Abhishek Singhania
Present for the Department	:	None

Ruling

M/s Samsung India Electronics Private Limited, 6th Floor, DLF Centre Sansad Marg New Delhi, India-110001 (hereinafter referred to as "applicant", in short), filed the instant application in Form CAAR-1 before the Customs Authority for Advance Rulings, New Delhi (CAAR, in short) for seeking advance ruling. The said application was received in the Secretariat of the CAAR, New Delhi on 11.06.2025 along with their enclosures in terms of Section 28H (1) of the Customs Act, 1962 (hereinafter referred to as the 'Act').

1.1 The applicant vide their application has further submitted that M/s Samsung India Electronics Private Limited (herein after referred to as, "Applicant"/"SIEL") is a Company incorporated in India and having its Registered Office at 6th Floor, DLF Centre, Sansad Marg, New Delhi, India-110001.

1.2. The Applicant intends to import 'Wired remote controller' in India for further sale. It is further stated that no processing whatsoever would be carried out on the imported goods, post importation into India.

Description & Usage of Wired remote controller

O/C

1.3. The Wired Remote Controller is a precision-engineered interface device designed to provide centralized and user-friendly control over air-conditioning systems. Unlike wireless remotes, this controller is permanently mounted on a wall or ceiling and connected to the air-conditioner via a dedicated cable, ensuring uninterrupted signal transmission and eliminating issues related to battery life or signal interference.

1.4. At its core, the wired remote controller functions as a digital command center. When a user presses a button, the controller sends an electrical signal through a shielded wiring harness to the air-conditioner's main control board. The internal microcontroller within the AC unit decodes this signal and executes the corresponding command-whether it's adjusting the temperature, changing the fan speed, or switching between operational modes such as cooling, heating, etc.

1.5. The controller is needed for operation, as the air-conditioning unit lacks a physical power button on its body. All essential functions such as power on/off, temperature regulation, fan speed control, swing direction, timer settings, and mode selection are managed exclusively through the remote. There are different types of models for Wired remote controllers for AC, based on their application and features. Few types of such Wired remote controllers are listed below for reference;

1. **Simple Type**: A basic wired remote controller offering essential functions such as power on/off, temperature and fan speed control, mode selection, and airflow direction adjustment.
2. **Touch Simple Type**: A simplified touch-based controller with intuitive controls for basic AC operations, including temperature setting, mode selection, and timer functions.
3. **Premium Type**: A high-end controller with a full-color LCD, real-time clock, energy monitoring, weekly scheduling, and group control for up to 16 indoor units or ERVs.
4. **ERV Controller**: Specifically designed for Energy Recovery Ventilation systems, this controller supports group control of upto 16 ERV units and essential ERV operation settings.
5. **DVM Chiller Controller:** Tailored for DVM Chiller systems, it allows control of water outlet temperature, operation modes, and group scheduling for up to 16 chiller units.
6. **Standard Type for EHS**: A touchscreen controller for EHS systems featuring quiet and sleep modes, away function, filter alerts, and group control capabilities.

1.6. For ease of reference, the images of 'Wired remote controllers' are reproduced below;

1.7. Wired remote controllers support a wide range of operational functions, including:

- ✓ **Power Control**: On/Off operation of the air-conditioning unit
- ✓ **Temperature Setting**: Adjustable temperature range
- ✓ **Fan Speed Control**: Multiple fan speed levels for customized airflow
- ✓ **Mode Selection**: Switching between cooling, heating, dehumidification, fan-only, and auto modes
- ✓ **Airflow Direction Control**: Adjustment of horizontal and vertical louver positions
- ✓ **Timer Functions**: On/Off scheduling, weekly operation schedules, and sleep mode timers
- ✓ **Filter Maintenance Alerts**: Resettable alerts for filter cleaning or replacement

- ✓ **Dual Set Point Control**: Allows setting different temperatures for heating and cooling
- ✓ **Away Mode:** Energy-saving mode when the space is unoccupied
- ✓ **Auto Changeover**: Automatic switching between heating and cooling based on room temperature
- ✓ **Group Control**: Remote control for ERV has control of up to 16 indoor ERV units with a single controller

1.8. Further, the Wireless remote controllers have the following display and Interface features:

- ✓ **LCD Display**: Most models feature a backlit LCD screen, with premium models offering full-color displays
- ✓ **User Interface**: Easy-to-use, intuitive touch or button-based interfaces
- ✓ **Clock**: Real time clock (Daylight Saving Time)
- ✓ **Error Display**: Fault or error code display

1.9. In addition to the basic features, the Wireless remote controllers have following sensors and connectivity features:

- ✓ **Room Temperature Sensor**: Integrated sensors for accurate ambient temperature monitoring
- ✓ **IR Receiver:** Some models include an infrared receiver for additional remote control options
- ✓ **Energy Monitoring**: Advanced models support energy consumption tracking and reporting.
- ✓ **Model Display**: Indoor unit model numbers and status can be displayed on the controller.

1.10. The wired remote controller for air conditioners is composed of several critical internal components that ensure its functionality, durability, and safety. The device consists of a circuit board, which processes user inputs and transmits corresponding electrical signals to the air-conditioning unit. Optical sensors are included to support features such as ambient light detection or proximity-based activation. The controller is housed in a robust, flame-retardant casing that protects its internal electronics and provides a user-friendly interface.

1.11. To ensure reliable operation and electrical safety, the controller includes switches, fuses, etc. These components safeguard the device against voltage fluctuations and short circuits. A shielded cable is used for transmitting both power and control signals, minimizing electromagnetic interference and ensuring consistent communication with the air-conditioning unit. The wiring harness organizes and secures internal connections. Together, these components form a control unit that is essential for the efficient and safe operation of modern HVAC systems.

1.12. In summary, the Wired Remote Controller is a critical component in modern HVAC systems, offering a blend of technical sophistication, operational reliability, and user-centric design. Its fixed installation, comprehensive control features, and durable construction make it ideal for use in office buildings, hotels, hospitals, and other commercial facilities where centralized and secure climate control is essential.

1.13. The Applicant intends to import 'Wired Remote Controller' in India for further sale to domestic customers.

Eligibility to file Application for Advance Ruling

1.14. Based on the criteria specified under Chapter VB, Customs Act, 1962, the following checklist has been prepared in order to prove that Applicant is eligible to file this Application, inter alia;

Whether the Applicant holds a valid IEC Number at the date of filing this Application?	Yes
Whether the present Application has been filed in respect of goods prior to importation in India?	Yes
Whether the present Application is barred under Sec. 28-I (2), Customs Act?	No
Whether the subject-matter of the present Application is eligible to seek Advance Ruling, in terms of *Sec. 28-H (2), Customs Act*?	Yes
Whether prescribed Court-fees has been paid at the time of filing the present Application	Yes

1.14.1 Further, the Applicant wishes to seek an Advance Ruling for determination of HSN classification of the 'Wired remote controller' proposed to be imported into India.

1.14.2. In this regard, the Applicant wishes to disclose that the Company regularly imports 'Wired remote controller'.

Statement containing Applicant's interpretation of law and/or facts, as the case may be, in respect of questions on which Advance Ruling is sought?

1.15. Questions on which Advance Ruling is sought-

Question: Whether 'Wired remote controller' imported into India would merit classification under:

i. HSN 8537 as "*Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517*" or

ii. HSN 8415 as "*Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated*".

Import of 'Wired remote controller' into India and its classification

1.15.1. The Applicant intends to import and sell 'Wired remote controller' for Air Conditioners in India. For the purposes of import, we need to determine the HSN under which the import can be made.

1.15.2. The mechanics of determining the classification of any product is as under:

- World Customs Organisation ('WCO') has enunciated the Harmonized Commodity Description and Coding System or Harmonized System of Tariff Nomenclature (HSN), an internationally standardized system which lays the foundation of classification of goods across the globe.
    - WCO has also issued Explanatory Notes to HSN ("Explanatory Notes") which provides an insight into the meaning of expressions employed in the HSN and are used for easy interpretation of different commodity groups created under the HSN.
    - In India, classification under the First Schedule to the Customs Tariff Act, 1975 (also referred to as "CTA") is governed by the General Rules for the Interpretation of the Schedule ('GRI') prescribed therein. These GRI are to be applied sequentially while determining the classification of a particular product. The First Schedule and GRI are simply a derivative of the HSN issued by the WCO.
    - Further, the Explanatory Notes to the above First Schedule of CTA provide a safe guide for interpretation of the said First Schedule and hold a high persuasive value as

observed by the Hon'ble Supreme Court in **Wood Craft Products Limited [1995 (77) ELT 23 (SC)]**.

1.15.3. In order to determine the rate of customs duty applicable to a particular Products which are imported into India, it is important to identify the classification of such Products under the Schedules to the CTA.

1.15.4. The First Schedule to CTA has 21 Sections and 98 Chapters. A Section is a group consisting of several Chapters which codify a particular class of goods. The Section notes explain the scope of various Chapters/ Headings contained in such Sections. The Chapters consist of Chapter Notes, brief description of the Products arranged in 4-digit, 6-digit and 8-digit levels. 4-digit code is referred as 'Heading' followed by 6-digit code referred as 'Sub-Heading' and 8-digit code referred as 'Tariff Item'.

1.15.5. Rate of duty for a particular Products is specified at 8-digit or Tariff Item level. Thus, to determine the rate of duty on any imported Products, classification at 8-digit or Tariff Item level needs to be identified and the classification has to be determined sequentially i.e., first classification at 4-digit level (Heading) then at 6-digit level (Sub-heading) and finally at 8-digit level (Tariff Item).

1.15.6. In view of the above, it becomes important to analyse the GRI to determine the proper classification under the CTA. Rule 1 of GRI provides that the classification shall be determined in line with the following which needs to be followed in sequential order. The classification shall be determined according to the terms of headings and any relative Section or Chapter Notes. The relevant text is reproduced as under:

> *"1. The titles of Sections, Chapters and sub-chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions:"*

1.15.7. Basis the above, Rule 1 of GIR, classification must be in accordance with the terms of Chapter heading and any other relevant Section and Chapter Notes.

1.15.8. In the event the articles cannot be classified solely on the basis of GRI 1, GRI's 2 to 6 may be applied in order, as appropriate. GRI 2 to 6 have been reproduced below for ready reference:

> *"2. (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished articles has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), presented unassembled or disassembled.*
>
> *(b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3.*

3. When by application of rule 2(b) or for any other reason, goods are, prima facie, classifiable under two or more headings, classification shall be effected as follows:

(a) the heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.

(b) mixtures , composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to (a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.

(c) when goods cannot be classified by reference to (a) or (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration."

4. Goods which cannot be classified in accordance with the above rules shall be classified under the heading appropriate to the goods to which they are most akin.

5. In addition to the foregoing provisions, the following rules shall apply in respect of the goods referred to therein:

(a) camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long term use and presented with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This rule does not, however, apply to containers which give the whole its essential character;

(b) subject to the provisions of (a) above, packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision does not apply when such packing materials or packing containers are clearly suitable for repetitive use.

6. For legal purposes, the classification of goods in the sub-headings of a heading shall be determined according to the terms of those sub-headings and any related sub-heading Notes and, mutatis mutandis, to the above rules, on the understanding that only sub-headings at the same level are comparable. For the purposes of this rule the relative Section and Chapter Notes also apply, unless the context otherwise requires."
Basis the above, let us now proceed to analyse the relevant HSN classification with respect to the subject 'Wired remote controller.'

1.16. Whether 'Wired remote controller' may be classified as "Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517"

1.16.1. Chapter 85 of the First Schedule to CTA, pertains to "Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles".

1.16.2. Further, Tariff Entry 8537 pertains to 'Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517'. The said entry has been reproduced below for ready reference:

Tariff Entry		Description
8537		**Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517**
8537 10	-	**For a voltage not exceeding 1,000 V**
8537 1010	---	For use in goods of Chapter 88 or 89 or 93
8537 1090	**---**	**Other**
8537 2000	-	For a voltage exceeding 1,000 V

1.16.3. On bare perusal of Tariff entry 8537, it is apparent that for goods to be classifiable under Chapter Heading 85.37 following three conditions are required to be cumulatively satisfied:

1. Goods must be Board, panel, console, etc.;
2. Board, panel, console, etc. must be equipped with two or more apparatus of Chapter Heading 8535 or 8536; and
3. Board, panel, console etc., must be used for the purpose of the electrical control or distribution of the electricity.

1.16.4. Upon a thorough examination of Tariff Entry 8537, it becomes evident that for goods to be classified under the said entry, three specific conditions must be met cumulatively:

- ✓ **Nature of Goods**: The items in question must be categorized as boards, panels, consoles, or similar structures.
- ✓ **Equipped Apparatus**: These boards, panels, or consoles must be fitted with two or more devices that fall under Chapter Headings 8535 or 8536. This implies that the goods must contain multiple apparatuses that are specifically designed for electrical applications as outlined in these headings.
- ✓ **Intended Use**: The primary function of these boards, panels, or consoles must be for the electrical control or distribution of electricity. This means that the goods should be utilized in a manner that facilitates the management or distribution of electrical power.

1.16.5. This understanding is reinforced in the decision of the CESTAT, Kolkata in the case of IFB Industries Limited Vs. CC – 2001 (131) ELT 213 (T) which provides that aforesaid three conditions are to be cumulatively satisfied for goods to be classifiable under Chapter Heading 8537.

1.16.6. In the present factual context, the product under consideration "Wired remote controller" for air conditioners clearly satisfies all three cumulative conditions required for classification under HSN Heading 8537 as follows:

- The Wired remote controller qualifies as a console, as it is a structured interface device physically connected to the air-conditioning unit via a cable. This console serves as the user's primary point of interaction with the system, enabling control over various operational parameters such as temperature, fan speed, and mode selection.

- The controller is equipped with multiple electrical apparatus falling under Heading 8536, including switches, fuses, and connectors, which are integrated into its internal circuitry. These components are essential for signal transmission, protection, and control, thereby fulfilling the requirement of incorporating two or more apparatus of Heading 8535 or 8536.

- The controller is expressly designed for the electrical control of the air-conditioning unit. It transmits electrical signals that directly influence the functioning of the AC system, such as turning it on or off, adjusting settings, and managing airflow.

Therefore, the Wired remote controller meets all three statutory and interpretative conditions for classification under HSN 8537.

1.16.7. Attention is drawn towards the Explanatory Notes to CTH 8537 which elucidate the characteristics and classification criteria of any good to be classified under the said entry. The relevant extract of Explanatory notes to CTH 8537 has been reproduced below for reference:

"85.37 - Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 85.35 or 85.36, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading 85.17.

8537.10 - For a voltage not exceeding 1,000 V
8537.20 - For a voltage exceeding 1,000 V

These consist of an assembly of apparatus of the kind referred to in the two preceding headings (e.g., switches and fuses) on a board, panel, console, etc., or mounted in a cabinet, desk, etc. They usually also incorporate meters, and sometimes also subsidiary apparatus such as transformers, valves, voltage regulators, rheostats or luminous circuit diagrams. The goods of this heading vary from small switchboards with only a few switches, fuses, etc. (e.g., for lighting installations) to complex control panels for machine-tools, rolling mills, power stations, radio stations etc., including assemblies of several of the articles cited in the text of this heading.

The heading also covers:

(1) Numerical control panels with built-in automatic data processing machine, which are generally used to control machine-tools.
(2) Programmed switchboards to control apparatus; these permit variations in the choice of operations to be followed. They are normally used in domestic electrical appliances, such as washing machines and dish washers.

(3)" Programmable controllers" which are digital apparatus using a programmable memory for the storage of instructions for implementing specific functions such as logic, sequencing, timing, counting and arithmetic, to control, through digital or analog input/output modules, various types of machines. The heading does not cover automatic controlling apparatus of heading 90.32."

1.16.8. In view of the above-mentioned Explanatory notes, CTH 8537 covers boards, panels, consoles, desks, cabinets, and other bases that are equipped with two or more apparatus of heading 8535 or 8536 and are used for the electric control or distribution of electricity. The Wired remote controller, by design, is a console-type device that integrates multiple electrical components and is used to control the operation of air-conditioning systems.

1.16.9. Firstly, the controller is physically structured as a console or panel, typically wall-mounted, and serves as the user interface for managing the air-conditioning unit. It houses a combination of electrical apparatus such as switches, fuses, connectors, and circuit boards, which fall under headings 8535 and 8536. These components are not merely passive but are actively involved in signal processing and control, fulfilling the requirement that the device must be equipped with two or more apparatus of the specified headings.

1.16.10. Secondly, the Wired remote controller is used for the electrical control of the air-conditioning system. It transmits electrical signals that initiate and regulate various functions such as power on/off, temperature adjustment, fan speed, and mode selection. This aligns with the Explanatory note of CTH 8537 that includes devices used for electric control, such as programmed switchboards and programmable controllers, which perform logic, sequencing, and timing functions. While the Wired remote controller may not be a full-fledged programmable logic controller (PLC), it performs predefined control functions through digital inputs, which is consistent with the scope of Heading 8537.

1.16.11. Moreover, the Explanatory notes clarify that the heading includes a wide range of control assemblies, from simple switchboards to complex control panels and explicitly mention programmed switchboards used in domestic appliances. The Wired remote controller, being a programmed interface for HVAC systems, fits within this category. It is not merely a signalling device but a functional control unit that manages the operation of a machine (the air conditioner) through electrical means.

1.16.12. In this regard, Attention is invited to US Cross Ruling NY N230145 [4-9-2012] in the Company's own case dealing with the HSN classification of the 'Wired Remote Control for camera'. In the said US Cross Ruling, Wired remote controls were held to be classifiable under Tariff Entry 8537.10.9070 - Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of 8535 or 8536, for electric control or the distribution of electricity.... For a voltage not exceeding 1,000 V: Other: Other: Other.

Relevant extract from the US Cross Ruling is as under:

"The first item is the Samsung Remote Switch model ED-SR2NX02. The remote switch is comprised of a handheld electrical switch that is attached to a USB 2.0 cable. The switch features a push-button, which allows the user to slide and hold, signalling the camera for a longer shutter release time. The cable is permanently assembled to the plastic switch housing, forming a handheld remote with a wired connection. The cable has a micro-USB connector to plug into the camera's USB port and includes a device to convert the electrical switch signals **into data signals. The** remote switch is marketed for use as an optional accessory for compatible Samsung digital camera models NX20, NX210 and NX1000.

1.16.13. The "Remote Switch" is a wired remote control device that is used to control specific functions of a camera, as such heading 8544 is inapplicable. The applicable subheading for the remote switch model ED-SR2NX02 will be 8537.10.9070, Harmonized Tariff Schedule of the United States (HTSUS), which provides for "Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of 8535 or 8536, for electric control or the distribution of electricity…: For a voltage not exceeding 1,000 V: Other: Other: Other."

1.16.14 Further, reliance is placed on US Cross Ruling NY N042963 [13-11-2008] dealing with the HSN classification of the 'Wired Remote Control for car stereo'. In the said US Cross Ruling, Wired remote controls were held to be classifiable under Tariff Entry 8537.10.9070 - Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of 8535 or 8536, for electric control or the distribution of electricity…: For a voltage not exceeding 1,000 V: Other: Other: Other. Relevant extract from the US Cross Ruling is as under:

"The merchandise under consideration is the Sound Gate Remcore. The Sound Gate Remcore is a seven button wired remote control. This remote is designed for use with a car stereo. It provides the user with a means of controlling a remotely located IPOD or Zune digital media player connected directly to a factory or aftermarket car stereo. The applicable subheading for the Sound Gate Remcore Remote will be 8537.10.9070, Harmonized Tariff Schedule of the United States (HTSUS), which provides for "Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity ...: For a voltage not exceeding 1,000 V: Other: Other: Other."

1.16.15. Additionally, in US Cross Ruling NY D83460, the tariff classification of an air conditioner control box was under consideration and it was held as under:

"As indicated by the submitted sample and the information provided, the control box, which consists of a metal housing, fan switch, capacitor, thermostat, connector, and power cord, is the apparatus that regulates the operation of a window air conditioning unit.

The applicable tariff provision for the air conditioner control box will be 8537.10.9070, Harmonized Tariff Schedule of the United States Annotated (HTSUSA), which provides for other boards, panels, ..., cabinets and other bases, ... for electric control or the distribution of electricity...: For a voltage not exceeding 1,000 V. The general rate of duty will be 3.2 percent ad valorem."

1.16.16. Further, in a Ruling issued by German Customs Authority under reference DEBTI9822/22-1 on August 31, 2022, the HSN classification for a programmable remote control for air conditioners was in question. The device in question included microcontrollers, an LC display, key switches, and a status LED, designed to operate at 12 VDC. It was classified under tariff heading 85371091990 as an electrical control apparatus, based on its function as a support equipped with multiple devices for electrical switching or control, rather than as a thermostat or automatic data processing unit.

1.16.17. Furthermore, in a Ruling issued by Slovak Customs under reference SK1497294/15/344 on January 22, 2016, the product under consideration was a control panel comprising of a control device, control button, display, having electrical contacts and used in conjunction with cooling units in the ICOM system. This panel, which allowed users to input values and navigate menus but does not process or evaluate signals independently, was also classified under heading 85371099.

1.16.18. Given the above, we are of the view that the subject goods are appropriately classifiable under CTH 8537 of the Customs Tariff as ""Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517"". Further classifiable under sub-heading 8537 10 as "For a voltage not exceeding 1,000 V", more specifically under HSN 8537 10 90 as "Other".

1.17. Whether 'Wired remote controller' imported into India would merit classification under HSN: 8415 as "*Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated*"

1.17.1. The tariff entry 8415 pertains to "*Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated*". The relevant Tariff heading and its sub-headings are reproduced below for ready reference;

Tariff Entry		Description
8415		Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated
841510	-	Of a kind designed to be fixed to a window, wall, ceiling or floor, self-contained or "split-system"
841520	-	Of a kind used for persons in motor vehicles
	-	Other:
84159000	-	Parts

1.17.2. If the Wired remote controller is to be classified under Tariff Heading 8415, the most appropriate subheading would be 8415 9000, which covers "parts".

1.17.3 Note 2(a) of Section XVI of the First Schedule to the CTA states that even if the product is a part of any machinery falling under Chapter 84 or 85, the same shall be classified under the respective heading of the product on standalone basis and not with the machines of that kind. The relevant extract of the note has been reproduced below:

> "*2. Subject to Note 1 to this Section, Note 1 to Chapter 84 and to Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 8484, 8544, 8545, 8546 or 8547) are to be classified according to the following rules:*
>
> *(a) parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 8409, 8431, 8448, 8466, 8473, 8485, 8503, 8522, 8529, 8538 and 8548) are in all cases to be classified in their respective headings;*"

1.17.4. As per Note 2(a) to Section XVI, when a product is identifiable as a part of a machine or apparatus of Chapter 84 or 85, it shall be classified under its own appropriate heading if such a heading exists, rather than being subsumed under the heading of the machine it serves. This principle is well established in tariff interpretation and is further supported by the Explanatory Notes to tariff entry 8415, which governs air-conditioning machines. The relevant extract of the explanatory notes to CTH 8415 have been reproduced below for ready reference:

> ***"PARTS***
>
> *In accordance with the provisions of Note 2 (b) to Section XVI, this heading includes separately resented indoor units and outdoor units for split-system air conditioning machines of this heading. Other parts for air-conditioning machines, whether or not designed for building into a self-contained unit, are to be classified in accordance with the provisions of Note 2 (a) to Section XVI (headings 84.14, 84.18, 84.19, 84.21, 84.79, etc.) or, if Note 2 (a) is not applicable, in accordance with Note 2 (b) or 2 (c) to Section XVI, depending on whether or not they are identifiable as suitable for use solely or principally with the air-conditioning machines of which they are parts.*"

1.17.5. The Explanatory notes clarify that parts of air-conditioners are to be classified in accordance with Note 2(a) to Section XVI. Only when Note 2(a) is not applicable, i.e., when there is no specific heading for the part, should classification proceed under Note 2(b) or 2(c), which allow for classification as part of the parent machine.

1.17.6. In the present case, although the Wired remote controller is functionally essential to the operation of the air-conditioning unit, it is not automatically classifiable under Tariff entry 8415, more specifically under CTH 8415 90 00, which covers parts of air-conditioning machines. This is because the controller is not merely a passive component or mechanical part; rather, it is a self-contained electrical control unit that meets the structural and functional criteria of a console or panel under CTH 8537.

1.17.7. The existence of a specific and more appropriate heading CTH 8537 10 90 which covers electrical control panels and consoles equipped with apparatus of headings 8535 or 8536, triggers the application of Note 2(a). Since the wired remote controller:

- ✓ Has a distinct identity and function as a control console,
- ✓ Incorporates multiple electrical apparatus (e.g., switches, fuses, circuit boards),
- ✓ And is used for the electrical control of a machine (the air-conditioner),

Therefore, in accordance with Note 2(a) to Section XVI and the interpretative guidance from the Explanatory Notes, the Wired remote controller despite being a functional part of an air-conditioning system cannot be classified under CTH 8415 90 00. Instead, it must be classified under CTH 8537 10 90, which specifically covers such electrical control devices.

1.18. Conclusion:

The 'Wired remote controller' for air conditioner is classifiable under the HSN 8537 10 90 as Other under CTH 8537 (Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517).

2. Comments of Customs Port Commissionerate:

2.1 As per the provisions of CAAR Regulation, 2021, the complete application of the applicant was provided to the concerned custom port, i.e. Customs Air Crago Complex (Import), New Delhi and requested to furnish the requisite comments in the instant matter. Vide letter dated 01.09.2025, the port has submitted their comments which are as under:-

2.2. Applicant holds a valid IEC and therefore is eligible for seeking such advance ruling.

2.3. As per available records, the question raised in the application is not pending before any officer of Customs, the Appellate Tribunal or any Court.

2.4. As per Annexure I to the subject AR application, the applicant is planning to import "Wired remote controller" at port INSTT6, Star Track Terminal Pvt. Ltd. ICD Dadri, Uttar Pradesh. The goods will be used in Air conditioning systems and will be further sold in the Indian Markets.

The applicant has raised following question in respect of which advance ruling has been sought:

2.5. Classification of goods (i.e. Wired Remote Controller) under the Customs Tariff Act, 1975; Comment with respect of classification of goods:

The importer has made the case that the goods falls under the category of consoles and the goods are appropriately classifiable under CTH 85371090 instead of CTH 84159000. Terms of CTH 8537 read as produced under:

Tariff Entry		Description
8537		Boards, panels, consoles desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517
853710	-	For a voltage not exceeding 1000V
85371010	---	For us in goods of Chapter 88 or 89 or 93
85371090	---	Other

Whereas terms of CTH 8415 read as produced under:

Tariff Entry		Description
8415		Air conditioning machines, comprising a motor driven fans and elements for changing the temperature and humidity, including, those machines in which the humidity cannot be separately regulated.
841510	-	Of a kind designed to be fixed to a window, wall, ceiling or floor, self-contained or split system
841520	-	Of a kind used for persons in motor vehicles
		Other
84159000		Parts

2.5.1. Whether goods shall merit classification under CTH 8415 and specifically under 84159000 as parts:

In this context, Note 2 of Section XVI of the First Schedule to the Customs Tariff Act, 1975 provides as follows:

Parts of machines (not being parts of the articles of heading 8484,8544, 8545 or 8547) are to be classified according to the following rules:

(a) parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 8409, 8431, 8448, 8466, 8473, 8485, 8503, 8522, 8529, 8538 and 8548) are in all cases to be classified in their respective headings;"

(b) **other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 8479 or 8543) are to be classified with the machines of that kind** or in heading 8409, 8431, 8448, 8466, 8473, 8503, 8522, 8529 or 8538 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 8517 and 8525 to 8528 are to be classified in heading 8517;

2.5.2. In terms of above rule it is clear that goods to be classified in CTH 84159000 as parts should not have a separate tariff heading if the heading exist then the goods need to be classified in that separate tariff heading. From the above it also flows that the goods to be classified in the separate tariff head should have an independent/standalone function which means that wired remote controller should work independently. However, as claimed by the applicant M/s Samsung India Electronics Pvt. Ltd, these wired remote controller have been specifically designed for operating AC and have essential character as part of AC.

2.5.3. Whether goods shall merit classification under CTH 8537:

Terms/description of the heading are as produced under:

Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517.

For the goods to be classified in this head, it must satisfy the following criteria:

- Goods must be board, panel, console, etc;
- It must be equipped with two or more apparatus of heading 8535 or 8536;
- It must be used for either electrical control or distribution of electricity.

2.5.4. Whereas the importer has made the case wherein the impugned item i.e. Wired remote controller appears to satisfy all above three conditions. However the fact that the goods have electric control (or electricity control) remains disputed since impugned goods does not appear to have electric control as for the goods to fall under CTH 8537 they appears to have primary function as to protecting electrical equipment from hazards, preventing/controlling electric fluctuations, distribution, regulating flow of electricity and optimizing energy usage for example electrical control boards, panel boards, etc. Wired remote controller does not have these functions rather its main function remains signaling device which sends signal to the receiver which then decodes the command sent from the remote control and perform the desired function. Therefore the functioning of the remote control is altogether different from what appears to be covered under CTH 8537.

2.6. Reliance has been placed on FINAL ORDER NO. 50874/2022 dated 20.09.2022 issued by Principal Bench of CESTAT in the case of M/s Vodafone Idea Ltd. v/s. Principal Commissioner of Customs (Import), ICD, Tughlakabad, New Delhi, CESTAT Principal Bench wherein it was held that:

> *..............in the case of a carburettor or an internal combustion engine, it is explained that the function performed by carburettor is distinct from that of the engine. However, the said function is not an individual function as the operation of the carburettor is inseparable from that of the engine. Hence, the carburettor is considered as a part of the engine as opposed to an independent machine. It therefore, transpires that the true test for determining whether an item is classifiable as parts/components is as follows:*
>
> *(i) Whether the item has a separate identifiable individual function of its own, when compared to the main machine; and*
>
> *(ii) Whether the item is capable of operating independently of the main machine on its own If the answer to both the aforesaid questions is in the negative, item would be classifiable as parts and in that case the item will not be classifiable as an apparatus faffing under its own appropriate heading.*

2.7. As it can be seen the goods Wired Remote Controller for AC does not have a separate identifiable individual function of its own when compared to main machine i.e. AC and the item is also not capable of operating independently, hence the same appear to be classifiable as parts of AC under CTH 84159000.

2.8. Further, it is a fact that the importer has not disputed the fact that goods i.e. Wired remote controller are essential part parts of AC without which AC is inoperable.

In view of the above, it is clear that goods shall be classified in the tariff head which provides a more specific description rather than in that heading which provides more general description. AC wired remote controller being specifically designed for operating AC and have essential character as part of AC shall merit classification under CTH 84159000.

3. Records of the Personal Hearing:

Personal hearing in the matter was conducted through physical mode on 01.09.2025. During the course of personal hearing, the authorized representatives of the applicant i.e. Ms. Megha Singhvi and Shri Abhishek Singhania reiterated submissions made in their application and they have nothing more to add. Further, no one appeared/joined from the concerned customs port.

4. Additional Submissions of the Applicant:

4.1. For the sake of brevity, the entire facts stated in the Application are not stated. However, the Applicant craves leave to refer & rely upon the Statement of Facts & Grounds raised in the Application. The same may be treated as part of these additional submissions.

4.2. The Applicant intends to import 'Wired Remote Controller' into India for further sale. It is further stated that no processing whatsoever would be carried out on the imported goods, post importation into India.

4.3. The concerned Jurisdictional Office (hereinafter referred to as 'Department') has offered comments via letter dated 27 August 2025, on the Advance Ruling Application filed by the Applicant. The case of Department is summarized as under:

(i) The Port acknowledges Note 2(a) but emphasizes Note 2(b) of Section XVI of the First Schedule to the Customs Tariff Act 1975 ('CTA'), arguing that the controller is specifically designed for ACs and lacks standalone functionality. Therefore, it should be classified under CTH 84159000 as a part of air-conditioning systems.

(ii) The Wired remote controller does not have the feature of electric control as for the goods to fall under CTH 8537. The controller is described as a signaling device, not performing electric control or distribution of electricity.

(iii) Department has placed reliance on the Vodafone Idea Ltd. case (Final Order No. 50874/2022 dated 20 September 2022) to determine whether an item should be classified as a part or as an independent apparatus. Per the Department, the following two tests must be applied: 1) Does the item have a separate, identifiable function distinct from the main machine? 2) Can it operate independently of the main machine?

Since, the Wired Remote Controller functions only in conjunction with the AC and lacks standalone operation, the Port concluded that it should be classified as a part of the AC under CTH 84159000, rather than as an independent apparatus under Heading 8537.

4.4. The Applicant respectfully disagrees with the comments filed by the Department. Further, the Applicant craves the leave of the Hon'ble Authority to file Additional Submissions, in rebuttal to the comments filed by Department. It is requested that such Additional Submissions may be taken on record and be treated as part of the original Application.

4.5. "Whether 'Wired remote controller' imported into India would merit classification under:

i. HSN 8537 as "Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517" or

ii. HSN 8415 as "Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated"

4.5.1 Department's Comments classifying the 'Wired Remote Controller" under Heading 8415:

(1) In the Comments dated 27 August 2025, the Department has alleged that Wired Remote Controller be classified under CTH 8415, as the Wired Remote Controller is a part of the AC and aligns under the scope of CTH 8415.

(2) In this regard, the Department has analyzed Note 2 of Section XVI and stated that the goods to be classified in CTH 84159000 as parts should not have a separate tariff heading. Further, the goods to be classified in the separate tariff head should have an independent/standalone function which means that wired remote controller should work independently. However, these wired remote controller have been specifically designed for operating AC and have essential character as part of AC.

(3) Reliance is placed on the Vodafone Idea Ltd. case (Final Order No. 50874/2022 dated 20 September 2022), arguing that the true test for determining whether an item is classifiable as parts/ components is as follows:

(i) Whether the item has a separate identifiable individual function of its own, when compared to the main machine; and
(ii) Whether the item is capable of operating independently of the main machine on its own

(4) If the answer to both the aforesaid questions is in the negative, item would be classifiable as parts and in that case the item will not be classifiable as an apparatus falling under its own appropriate heading. As it can be seen the goods Wired Remote Controller for AC does not have a separate identifiable individual function of its own when compared to main machine i.e. AC and the item is also not capable of operating independently, hence, the same appear to be classifiable as parts of AC under CTH 84159000.

(5) The department has further argued that the fact that the Wired Remote Controller have electric control (or electricity control) remains disputed since impugned goods does not appear to have electric control as for the goods to fall under CTH 8537 they should appear to have primary function as to protecting electrical equipment from hazards, preventing/controlling electric fluctuations, distribution, regulating flow of electricity and optimizing energy usage for example electrical control boards, panel boards, etc. The Wired remote controller does not have these functions rather its main function remains signaling device which sends signal to the receiver which then decodes the command sent from the remote control and perform the desired function. Therefore, the functioning of the remote control is altogether different from what appears to be covered under CTH 8537.

4.6. Analysis of Note 2 of Section XVI and independent Nature of the Wired Remote Controller:
4.6.1. Department's interpretation of Note 2 of Section XVI First Schedule to the CTA is incomplete and inconsistent with the legal framework and Explanatory Notes.

4.6.2. Note 2(a) of Section XVI of the First Schedule to the CTA states that even if the product is a part of any machinery falling under Chapter 84 or 85, the same shall be classified under the respective heading of the product on standalone basis and not with the machines of that kind. The relevant extract of the note has been reproduced below:

"*2. Subject to Note 1 to this Section, Note 1 to Chapter 84 and to Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 8484, 8544, 8545, 8546 or 8547) are to be classified according to the following rules:*

(a) parts which are goods included in any of the headings of Chapter 84 or 85 (other

than headings 8409, 8431, 8448, 8466, 8473, 8485, 8503, 8522, 8529, 8538 and 8548) are in all cases to be classified in their respective headings;"

4.6.3. As per Note 2(a) to Section XVI, when a product is identifiable as a part of a machine or apparatus of Chapter 84 or 85, it shall be classified under its own appropriate heading if such a heading exists, rather than being subsumed under the heading of the machine it serves. This principle is well established in tariff interpretation and is further supported by the Explanatory Notes to tariff entry 8415, which governs air-conditioning machines. The relevant extract of the explanatory notes to CTH 8415 have been reproduced below for ready reference:

"PARTS

4.6.4. In accordance with the provisions of Note 2 (b) to Section XVI, this heading includes separately resented indoor units and outdoor units for split-system air conditioning machines of this heading. Other parts for air-conditioning machines, whether or not designed for building into a self-contained unit, are to be classified in accordance with the provisions of Note 2 (a) to Section XVI (headings 84.14, 84.18, 84.19, 84.21, 84.79, etc.) or, if Note 2 (a) is not applicable, in accordance with Note 2(b) or 2(c) to Section XVI, depending on whether or not they are identifiable as suitable for use solely or principally with the air-conditioning machines of which they are parts."

4.6.5. The Explanatory notes clarify that parts of air-conditioners are to be classified in accordance with Note 2(a) to Section XVI. Only when Note 2(a) is not applicable, i.e., when there is no specific heading for the part, should classification proceed under Note 2(b) or 2(c), which allow for classification as part of the parent machine.

4.6.6. Further, it is hereby submitted that the Department has incorrectly added a condition that the part must have a "standalone function" to merit classification under its own heading.

4.6.7. However, it is submitted that the Note 2(a) in itself does not require the parts to have standalone operation, it only requires that the part should be covered by a specific heading.

4.6.8. The Wired Remote Controller is a console with embedded switches, fuses, connectors, and microcontrollers, it performs electric control functions, including signal transmission, programmable logic, real-time feedback and is externally mounted, not physically integrated into the AC unit. Further, it can be replaced or upgraded independently and manages multiple AC units. These features establish its identity as an electric control apparatus, not a passive part.

4.6.9. In the present case, although the Wired remote controller is functionally essential to the operation of the air-conditioning unit, it is not automatically classifiable under Tariff entry 8415, more specifically under CTH 8415 90 00, which covers parts of air-conditioning machines. This is because the controller is not merely a passive component or mechanical part; rather, it is a self-contained electrical control unit that meets the structural and functional criteria of a console or panel under CTH 8537.

4.6.10. The existence of a specific and more appropriate heading CTH 8537 10 90 which covers electrical control panels and consoles equipped with apparatus of headings 8535 or 8536, triggers the application of Note 2(a). Since the wired remote controller:

- Has a distinct identity and function as a control console,
- Incorporates multiple electrical apparatus (e.g., switches, fuses, circuit boards),
- And is used for the electrical control of a machine (the air-conditioner),
- Therefore, in accordance with Note 2(a) to Section XVI and the interpretative guidance from the Explanatory Notes, the Wired remote controller despite being a part of an air-conditioning system cannot be classified under CTH 8415 90 00. Instead, it must be classified under CTH 85371090, which specifically covers such electrical control devices.

4.7. Electric Control Functionality of the Wired Remote Controller:

4.7.1. Chapter 85 of the First Schedule to CTA, pertains to "Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles".

4.7.2. Further, Tariff Entry 8537 pertains to 'Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517'. The said entry has been reproduced below for ready reference:

Tariff Entry		Description
8537		Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517
8537 10	-	For a voltage not exceeding 1,000 V
8537 1010	---	For use in goods of Chapter 88 or 89 or 93
8537 1090	---	Other
8537 2000	-	For a voltage exceeding 1,000 V

4.7.3. On bare perusal of Tariff entry 8537, it is apparent that for goods to be classifiable under Chapter Heading 85.37 following three conditions are required to be cumulatively satisfied:

- Goods must be Board, panel, console, etc.;
- Board, panel, console, etc. must be equipped with two or more apparatus of Chapter Heading 8535 or 8536; and
- Board, panel, console etc., must be used for the purpose of the electrical control or distribution of the electricity.

4.7.4. In this regard, the Department has argued that the Wired Remote Controller does not perform electric control as required under CTH 8537. Instead, it is described as a mere signalling device, unlike electrical control boards or panels that protect electrical equipment from hazards, preventing/controlling electric fluctuations, distribution, regulating flow of electricity and optimizing energy usage.

4.7.5. It is hereby submitted that Heading 8537 covers consoles and panels equipped with apparatus of headings 8535 or 8536, used for electric control or distribution of electricity. The use of the word "or" in the heading is significant as it clearly indicates that distribution of electricity is not a mandatory condition; electric control alone is sufficient for classification under this heading.

4.7.6. The Wired Remote Controller performs electric control by generating and transmitting electrical signals that regulate the AC's operational parameters, including power on/off, temperature, fan speed, and mode selection. It includes embedded switches, fuses, connectors, and microcontrollers, which are active components under headings 8535 and 8536.

4.7.7. While the primary function of the Wired Remote Controller is to control the operation of air-conditioning systems, it does incorporate certain features that contribute to electrical safety and stability, even if not in the same way as traditional electrical control boards.

4.7.8. Firstly, the controller includes fuses and surge protection components, which are designed to safeguard its internal circuitry from voltage spikes, short circuits, or other electrical anomalies. These components are standard apparatus under Heading 8536 and serve to protect the controller itself and, indirectly, the connected AC unit from electrical hazards. While it may not regulate the entire building's electrical flow like a distribution board, it does ensure safe signal transmission and prevents damage due to electrical faults within its scope of operation.

4.7.9. Secondly, the controller uses shielded cables and regulated signal pathways to prevent electromagnetic interference and ensure stable communication with the AC's main control board. This contributes to controlling fluctuations in signal quality and electrical input, which is critical for the reliable functioning of HVAC systems.

4.7.10. Moreover, advanced models of the controller include energy monitoring features, which allow users to track power consumption and adjust usage patterns. This not only supports energy optimization but also helps in identifying irregularities or inefficiencies in the system, which can be precursors to electrical stress or overload.

4.7.11. While the Wired Remote Controller may not perform centralized power distribution or voltage regulation like a panel board, it does incorporate protective and stabilizing features that contribute to electrical safety and control within its operational domain. These functions, combined with its programmable logic and embedded apparatus, reinforce its classification under CTH 8537 as an electric control console.

4.7.12. Furthermore, contrary to the Department's assertion, the Wired Remote Controller does contribute to energy optimization. Advanced models are equipped with features such as energy monitoring, dual set-point control, and programmable scheduling, which allow users to track power consumption, set efficient temperature thresholds for heating and cooling, and automate operation based on occupancy or time of day. These capabilities help reduce unnecessary energy usage and improve overall system efficiency. The controller's ability to manage multiple units through group control also enables centralized energy management across large facilities. These functions go beyond basic signaling and demonstrate that the controller actively regulates and optimizes the use of electricity in the air-conditioning system.

4.7.13. In addition, the Explanatory Notes to Heading 8537 explicitly include programmed switchboards used in domestic appliances, which permit variations in operational choices that is exactly what the Wired Remote Controller enables. Therefore, the absence of traditional power distribution or hazard protection functions does not disqualify the controller from classification under CTH 85371090. Its core function is electric control of an appliance, executed through embedded electrical apparatus, and its energy optimization features further reinforce its eligibility under Heading 8537.

4.7.14. Attention is drawn towards the Explanatory Notes to CTH 8537 which elucidate the characteristics and classification criteria of any good to be classified under the said entry. The relevant extract of Explanatory notes to CTH 8537 has been reproduced below for reference:

> "85.37 - Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 85.35 or 85.36, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading 85.17.
> 8537.10 - For a voltage not exceeding 1,000 V
> 8537.20 - For a voltage exceeding 1,000 V

These consist of an assembly of apparatus of the kind referred to in the two preceding headings (e.g., switches and fuses) on a board, panel, console, etc., or mounted in a cabinet, desk, etc. They usually also incorporate meters, and sometimes also subsidiary apparatus such as transformers, valves, voltage regulators, rheostats or luminous circuit diagrams. The goods of this heading vary from small switchboards with only a few switches, fuses, etc. (e.g., for lighting installations) to complex control panels for machine-tools, rolling mills, power stations, radio stations, etc., including assemblies of several of the articles cited in the text of this heading.

The heading also covers:

(1) Numerical control panels with built-in automatic data processing machine, which are generally used to control machine-tools.

(2) Programmed switchboards to control apparatus; these permit variations in the choice of operations to be followed. They are normally used in domestic electrical appliances, such as washing machines and dish washers.

(3)" Programmable controllers" which are digital apparatus using a programmable memory for the storage of instructions for implementing specific functions such as logic, sequencing, timing, counting and arithmetic, to control, through digital or analog input/output modules, various types of machines.

The heading does not cover automatic controlling apparatus of heading 90.32."

4.7.15. In view of the above-mentioned Explanatory notes, CTH 8537 covers boards, panels, consoles, desks, cabinets, and other bases that are equipped with two or more apparatus of heading 8535 or 8536 and are used for the electric control or distribution of electricity. The Wired remote controller, by design, is a console-type device that integrates multiple electrical components and is used to control the operation of air-conditioning systems.

4.7.16. The Wired remote controller is used for the electrical control of the air-conditioning system. It transmits electrical signals that initiate and regulate various functions such as power on/off, temperature adjustment, fan speed, mode selection etc. This aligns with the Explanatory note of CTH 8537 that includes devices used for electric control, such as programmed switchboards and programmable controllers, which perform logic, sequencing, timing functions and permit variations in the choice of operations to be followed / performed.

4.7.17. The Wired Remote Controller functions as a programmed switchboard within the meaning of Heading 8537, as it permits variations in the choice of operations to be followed by the air-conditioning system as elucidated in the explanatory notes to CTH 8537. It is not limited to basic on/off or temperature control; rather, it is designed to execute a range of programmable functions that allow users to customize and automate the operation of the AC units. Advanced models of the controller include features such as weekly scheduling, dual set-point control, and group control of up to 16 indoor units or ERVs, enabling the user to define specific operational sequences and conditions. These capabilities reflect the essence of a programmed switchboard, as the controller stores and executes predefined instructions based on user input and environmental feedback. Additionally, the controller integrates a real-time clock, error code display, and ambient temperature sensors, which further enhance its ability to dynamically adjust operations. This level of programmable logic and sequencing aligns directly with the Explanatory Notes' description of devices that permit variations in operational choices, thereby confirming that the Wired Remote Controller qualifies as a programmed switchboard for electric control under Heading 8537.

4.7.18. Moreover, the Explanatory notes clarify that the heading includes a wide range of control assemblies, from simple switchboards to complex control panels and explicitly mention programmed switchboards used in domestic appliances. The Wired remote controller, being a programmed interface for HVAC systems, fits within this category. It is not merely a signalling device but a functional control unit that manages the operation of a machine (the air conditioner) through electrical means.

4.7.19. The Wired Remote Controller is not a passive accessory, it is an active electrical control console that interfaces directly with the air-conditioning system's main control board. Here's how it achieves electric control:

(a) **Signal Transmission via Electrical Circuitry**

- When a user presses a button (e.g., to change temperature or fan speed), the controller generates an electrical signal.
- This signal is transmitted through a shielded cable to the AC unit's main control board.
- The AC's internal microcontroller decodes the signal and executes the corresponding command.

This process involves electrical switching and control, not mechanical or manual input.

(b) **Embedded Electrical Apparatus**

The controller contains multiple components that fall under headings 8535 and 8536:

- Switches: For toggling power, modes, and settings.
- Fuses: For electrical safety and surge protection.
- Connectors and circuit boards: For signal routing and processing.

These components are integrated into the controller's internal circuitry, enabling it to perform electric control and distribution functions.

(c) **Programmable Logic and Control Features**

- Advanced models of the controller include:
- Microcontrollers: For logic processing and command sequencing.
- Programmable scheduling: Weekly timers and group control of multiple units.
- Energy monitoring: Tracks and reports power usage.
- Dual set point control: Allows separate heating and cooling thresholds.

These features go beyond simple signalling. They involve digital logic, timing, and sequencing, which are core aspects of electric control.

4.7.20. It is therefore submitted that the Wired Remote Controller is a console with embedded electrical apparatus. It performs electric control by managing the AC's operational parameters via electrical signals.

Analysis and application of Vodafone Idea Ltd Case

4.8. The Department has placed reliance on the Vodafone Idea Ltd. case (Final Order No. 50874/2022 dated 20 September 2022) to lay down the principle that the true test for determining whether an item is classifiable as parts/ components is as follows:

(i) Whether the item has a separate identifiable individual function of its own, when compared to the main machine; and

(ii) Whether the item is capable of operating independently of the main machine on its own.

4.8.1. If the answer to both the aforesaid questions is in the negative, item would be classifiable as parts and in that case the item will not be classifiable as an apparatus falling under its own appropriate heading.

4.8.2. The Department argued that the Wired Remote Controller does not possess a separate identifiable function nor the capability to operate independently of the air-conditioning unit. Based on this, it is contended that the controller should be classified as a part under CTH 84159000.

4.8.3. In this regard, it is hereby submitted that this reliance is respectfully misplaced and the factual matrix of the present case is clearly distinguishable. In Vodafone Idea Ltd., the item under consideration was a Router Line Cards. The Tribunal observed that the individual Router Cards perform functions inseparable from that of the equipment. For example, a Router requires a line card to operate as much as the line card requires the power and intelligence of the Router to operate. This is distinct from a Network interface card (NIC), which other than drawing power from the Automatic Data Processing (ADP) machine, operates separately and independently of the ADP machine by performing the sole function of translating the output of the ADP machine. NIC would, therefore, qualify as 'an apparatus'.

4.8.4. The tribunal concluded that the Router Line Cards should not be classified as complete network devices under CTI 8517 62 90. Instead, they should be classified as parts of the existing routers, under a more appropriate heading, such as CTI 8517 70 90. CESTAT determined that the imported cards could not function independently. They are inserted into dedicated slots within the main router chassis and derive their power and intelligence from the main equipment. They, therefore, do not possess the "essential character" of a complete apparatus.

4.8.5. The above judgment is not applicable in the instant case as the question in the above case was whether the Router line cards are parts or accessories. Further, the principle highlighted in the above judgment is whether the goods are considered as parts or not and what are the conditions that are required to be fulfilled for a subject good to be a "part".

4.8.6. However, in the instant case, the question is not whether the Wired Remote Controller is a part or an accessory. The wired remote controller is a part of the AC and its classification under the Customs Tariff must be determined in accordance with the legal framework laid out in Note 2 of Section XVI. Further, as per the explanatory notes Note 2(a) is required to be applied first. This provision clearly states that parts which are themselves goods included in any of the headings of Chapter 84 or 85 must be classified in their respective headings, irrespective of their use with another machine.

4.8.7. Attention is drawn to the case of Motherson Bergstorm HVAC Solutions Pvt. Ltd. v. Principal Commissioner of Customs, ICD, New Delhi decided by the CESTAT, Principal Bench, New Delhi on 05 June 2025, wherein the classification of various air conditioning components under the Customs Tariff Act, 1975 was under consideration. The appellant had imported items such as blowers, filters, water valve assemblies, thermostats, control panels, and modules, and classified them under specific tariff headings based on their individual functions. The customs department, however, reclassified all these items under a single heading Tariff Item 8415 90 00 as parts of air conditioners, and demanded differential duty with interest.

4.8.8. The appellant argued that each item was independently classifiable under its respective heading as per Note 2(a) of Section XVI of the Customs Tariff Act, which states that parts which are themselves goods of Chapter 84 or 85 should be classified under their own headings. They cited HSN Explanatory Notes and relevant Supreme Court judgments to support their position, emphasizing that Note 2(b), which allows classification with the machine itself, applies only when Note 2(a) is inapplicable.

4.8.9. The Tribunal examined the technical nature and function of each imported item and found that they were indeed independently classifiable under their respective headings. For example, blowers were found to be covered under "industrial fans and blowers" (8414 59 30), filters under machinery for filtering gases (8421 39 90), and thermostats under automatic regulating instruments (9032 10 10). The Tribunal rejected the department's argument that classification under "others" within each heading made Note 2(a) inapplicable.

4.8.10. Ultimately, the Tribunal held that the department's reliance on Note 2(b) was misplaced and that the goods should be classified individually under their respective headings. The reassessment order passed by the Principal Commissioner was set aside, and the appeal was allowed in favor of the importer. The demand for differential duty and interest was quashed, reaffirming the principle that classification must be based on the nature and function of the goods, not merely their end use.

4.8.11. Further, the Supreme Court in Secure Meters Ltd. v. Commissioner of Customs, New Delhi 2015 (5) TMI 241-SUPREME COURT observed that Note 2(b) would apply only when Note 2(a) is not applicable. The Supreme Court also held that Note 2(b) would apply only if the items in question are not specifically classifiable under their respective headings. The relevant portion of the order of the Supreme Court is reproduced below:

"16. It was sought to be argued by Ms. Kiran Suri that as per Note 2(b), when these LCDs are used solely for particular instrument, namely, electricity supply meter, it has to be classified with the said meter and, therefore, Chapter Entry 9028 would get attracted. However, this argument loses sight of the fact that Note 2(b) relates to 'other parts and accessories', namely, it would apply to those parts and accessories for which Note 2(a) is inapplicable. Once we find that in the present case Note 2(a) squarely applies, the irresistible conclusion is that the goods will be classified in tariff item 9013, which is the specific heading for these goods.

4.8.12. In Collector of Central Excise v. Delton Cables Ltd. (2005) 12 SCC 284, this Court has held, while interpreting Notes 2(a) and 2(b) of Chapter Heading 85, which is virtually to the same effect, that Note 2(b) would apply only if the items in question were not specifically classifiable under their respective headings. Para 4 of the said judgment, to this effect, reads as under:

"4. It is clear from a reading of the two clauses to the section note that clause (b) would only apply once it was found that the items in question were not specifically classifiable under their respective headings. As has been clearly said by the Collector (Appeals) "from the sequence of the paragraphs given under Section Note 2 it is clear that the question of switching over to Section Note 2(b) can arise only after ensuring that the parts are not covered by Section Note 2(b) [sic Section Note 2(a)] which begins with the expression "other parts" meaning thereby that the parts which are not covered by Section Note 2(a) would be considered for coverage by Section Note 2(b). One cannot therefore directly jump over to Section Note 2(b) without exhausting the possibility of Section Note 2(a)."

4.8.13. In light of the above, it is inferred that even if a product is a part of a larger system, it must be classified independently if it is covered by a specific heading in terms of Note 2(a). The Wired Remote Controller satisfies the criteria of Heading 8537, which includes consoles equipped with two or more apparatus of headings 8535 or 8536, used for electric control or distribution of electricity. The controller contains embedded switches, fuses, connectors, and microcontrollers, and performs electric control functions such as signal transmission, programmable logic, and real-time feedback. These features establish its identity as an electric control apparatus under Heading 8537. Therefore, despite being a part of the AC system, the Wired Remote Controller must be classified under CTH 85371090, and not under CTH 84159000, in accordance with the mandatory classification rule under Note 2(a).

4.9. The Department's interpretation overlooks the broader scope of Heading 8537 and the Explanatory Notes, which include programmed switchboards and programmable controllers. Accordingly, the Wired Remote Controller must be classified under CTH 85371090, and not as a mere part under CTH 84159000.

4.10. The Wired remote controller includes multiple components that fall under headings 8535 and 8536, such as switches, fuses, connectors, and microcontrollers. These are not passive elements but are actively involved in signal processing and control. The controller is also capable of managing multiple AC units through group control, further demonstrating its functional autonomy. Therefore, it merits classification under CTH 8537.

5. Findings, Discussion & Conclusion:

5.1 Having examined the CAAR-1 application, the comments received from the jurisdictional Customs Commissionerate, the record of personal hearing held on 12.09.2025, additional written response of the applicant dated 10.09.2025 and the applicable legal framework, I find the application to be valid in terms of the Customs Act, 1962 and the CAAR Regulations, 2021. I therefore allow the application in terms of Customs Act & CAAR regulations and proceed to determine the classification of the proposed imports on the basis of the information on record.

Product Description

5.2 On going through the application, I find that the product under consideration, as described in the application and supporting technical literature, is a *Wired Remote Controller* intended for use with air-conditioning and HVAC systems. The controller is a wall-mounted or ceiling-mounted device permanently connected to the air-conditioning unit through a dedicated cable. It operates as an electrical command interface that enables the user to control various functions of the air-conditioning system such as power ON/OFF, temperature setting, fan speed, mode selection, swing control, timer operation, and scheduling. It is observed that the device consists of a printed circuit board incorporating switches, fuses, connectors, and microcontrollers. Upon user input, electrical signals are generated and transmitted through the cable to the air-conditioner's main control board, which decodes the signal and executes the corresponding command. The controller's design eliminates the need for infrared transmission and avoids issues of battery life or signal interference associated with wireless remotes. The product literature further demonstrates that different models of wired remote controllers exist, ranging from basic button-operated units to sophisticated touchscreen panels with LCD displays, real-time clocks, energy monitoring, and programmable scheduling. Certain variants are capable of group control of up to 16 indoor units or ERVs, evidencing that the device performs electric control functions across multiple machines. From a technical standpoint, the device comprises several electrical components falling under Chapter 85, including switching apparatus, fuses, printed circuit boards, and protective elements that regulate and transmit electrical signals. It is therefore an active electronic unit and not a mechanical or passive part.

Issue of classification:

5.3 The question for determination before me is whether wired remote controllers for air-conditioning machines merit classification as "parts" of air conditioners under heading 8415 and specifically under Tariff Item 8415 90 00 or as electrical consoles/panels for control under tariff heading 8537 and specifically Tariff Item 8537 10 90). The applicant claims classification under 8537 10 90, while the Department argues that the goods are inseparable parts of AC units and fall under 8415 90 00. The both the competing tariff headings covers following:

8415		**AIR CONDITIONING MACHINES, COMPRISING A MOTORDRIVEN FAN AND ELEMENTS FOR CHANGING THE TEMPERATURE AND HUMIDITY, INCLUDING THOSE MACHINES IN WHICH THE HUMIDITY CANNOT BE SEPARATELY REGULATED**
8415 10	-	*Of a kind designed to be fixed to a window, wall, ceiling or floor, self-contained or "split-system":*
8415 10 10	---	Split system
8415 10 90	---	Other
8415 20	-	*Of a kind used for persons in motor vehicles:*
8415 20 10	---	For buses
8415 20 90	---	Other
	-	*Other:*
8415 81	--	*Incorporating a refrigerating unit and a valve for reversal of the cooling or heat cycle (reversible heat pumps):*
8415 81 10	---	Split air-conditioner two tonnes and above
8415 81 90	---	Other
8415 82	--	*Other, incorporating a refrigerating unit:*
8415 82 10	---	Split air-conditioner two tonnes and above
8415 82 90	---	Other
8415 83	--	*Not incorporating a refrigerating unit:*
8415 83 10	---	Split air-conditioner two tonnes and above

8415 83 90	---	Other
8415 90 00	-	Parts
8537		**BOARDS, PANELS, CONSOLES, DESKS, CABINETS AND OTHER BASES, EQUIPPED WITH TWO OR MORE APPARATUS OF HEADING 8535 OR 8536, FOR ELECTRIC CONTROL OR THE DISTRIBUTION OF ELECTRICITY, INCLUDING THOSE INCORPORATING INSTRUMENTS OR APPARATUS OF CHAPTER 90, AND NUMERICAL CONTROL APPARATUS, OTHER THAN SWITCHING APPARATUS OF HEADING 8517**
8537 10 00	-	For a voltage not exceeding 1,000 V
853710 10	---	For use in goods of Chapter 88 or 89 or 93
8537 10 90	---	Other
8537 20 00	-	For a voltage exceeding 1,000 V

5.2.1 The HSN Explanatory Notes to Tariff Heading 8415 as follows:-

"This heading covers certain apparatus for maintaining required conditions of temperature and humidity in closed spaces. The machines may also comprise elements for the purification of air.

They are used for air conditioning offices, homes, public halls, ships, motor vehicles, etc., and also in certain industrial installations requiring special atmospheric conditions (e.g., in the textile, paper, tobacco or food industries).
The heading applies only to machines:

(1) Equipped with a motor-driven fan or blower, and

(2) Designed to change both the temperature (a heating or cooling element or both) and the humidity (a humidifying or drying element or both) of air, and

(3) For which the elements mentioned in (1) and (2) are presented together.

In these machines the elements for humidifying or drying the air may be separate from those for heating or cooling it. However, certain types incorporate only a single unit which changes both the temperature and, by condensation, the humidity of the air. These air conditioning machines. cool and dry (by condensation of water vapour on a cold coil) the air of the room in which they are installed or, if they have an outside air intake (damper), a mixture of fresh air and room air. They are generally provided with drip pans to catch the condensate.
The machines may be in the form of single units encompassing all the required elements, such as self-contained window or wall types (referred to as "through-the-wall" units). Alternatively, they may be in the form of "split-systems" which operate when connected together, i.e., a condenser unit for external installation plus an evaporator unit for internal installation. These "split-systems" are ductless and utilize a separate evaporator for each area to be air conditioned (e.g., each room).

From the structural point of view, the air conditioning machines of this heading must therefore incorporate, in addition to the motor-driven fan or blower for circulating the air, at least the following elements:

An air heating device (operated by hot water, steam or hot air tubes or by electric resistances, etc.) and an air humidifier (generally consisting of a water spray) or an air de-humidifier:
or A cold water coil or a refrigerator unit evaporator (either of which changes both the temperature and, by condensation, the humidity of the air);

or Some other type of cooling element with a separate device for changing the humidity of the air.
In certain cases, the de-humidifier makes use of the hygroscopic properties of absorbent materials.

This heading covers, inter alia, reversible heat pumps designed, through a single system fitted with a valve for reversal of the cooling/heat cycle, to perform the dual function of heating and cooling premises. In the cooling cycle, the reversing valve directs the flow of hot, high pressure vapour to the outdoor coil where the heat released during condensation is fanned into the outdoor air and then compressed refrigerant flows into an indoor coil where it vaporizes and absorbs heat and cools the air that is driven around the premises by a fan. In the heating cycle, the shifting of the valve for reversal of the cooling/heat cycle causes the refrigerant flow to reverse so that the heat is released inside the premises.

Air conditioning machines may be supplied with their means of heating or cooling from an external source. They are usually fitted with air cleaners consisting of one or more layers of filtering material, often impregnated with oil (textile material, glass wool, steel or copper wool, expanded metal, etc.) through which the air is passed to remove suspended dust, etc. They may also be provided with devices for adjusting or automatically controlling the temperature and humidity of the air.

This heading also covers apparatus which, although not fitted with a device for separately regulating the humidity of the air, change the humidity by condensation. Examples of such apparatus are the above-mentioned self-contained units and split-systems which utilize a separate evaporator for each area to be air conditioned (e.g., each room), and also apparatus for cold stores consisting of a combined cooling evaporator and motorized blower. Also included are units for heating/cooling a closed chamber (lorry, trailer or container), consisting of a compressor, a condenser and a motor in a housing mounted on the outside of the goods compartment and of a ventilator and an evaporator within the container.

However, the heading excludes refrigeration units designed to maintain a fixed temperature well below 0 °C in a closed chamber (e.g., lorry, trailer or container), and fitted with a heating system to raise the temperature in the chamber, within certain limits, when the outside temperature is very low. Such equipment is classifiable in heading 84.18 as refrigerating or freezing equipment, the heating function being subsidiary to the equipment's essential function, which is to keep perishable products cool during transportation.

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In accordance with the provisions of Note 2 (b) to Section XVI, this heading includes separately presented indoor units and outdoor units for split-system air conditioning machines of this heading.

Other parts for air-conditioning machines, whether or not designed for building into a self-contained unit, are to be classified in accordance with the provisions of Note 2 (a) to Section XVI (headings 84.14, 84.18, 84.19, 84.21, 84.79, etc.) if Note 2 (a) is not applicable, in accordance with Note 2 (b) or 2 (c) to Section XVI, depending on whether or not they are identifiable as suitable for use solely or principally with the air-conditioning machines of which they are parts.

The heading excludes:

(a) Air heaters and hot air distributors of heading 73.22 which can also distribute fresh or conditioned air.
(b) Non- reversible heat pumps of heading 84.18 and chillers for air conditioning machines (heading 84.18).
(c) Apparatus which, although incorporating a motor-driven fan, has the sole function of changing either the temperature or humidity of the air (headings 84.79, 85.16, etc.)."

5.2.2 The HSN Explanatory Notes to Tariff Heading 8537 as follows:-

"These consist of an assembly of apparatus of the kind referred to in the two preceding headings. (e.g., switches and fuses) on a board, panel, console, etc., or mounted in a cabinet, desk, etc. They usually also incorporate meters, and sometimes also subsidiary apparatus such as transformers, valves, voltage regulators, rheostats or luminous circuit diagrams.

The goods of this heading vary from small switchboards with only a few switches, fuses, etc. (e.g., for lighting installations) to complex control panels for machine-tools, rolling mills, power stations, radio stations, etc., including assemblies of several of the articles cited in the text of this heading.The heading also covers:

(1) Numerical control panels with built-in automatic data processing machine. which are generally used to control machine-tools.
(2) Programmed switchboards to control apparatus; these permit variations in the choice of operations to be followed. They are normally used in domestic electrical appliances, such as washing machines and dish washers.
(3) "Programmable controllers" which are digital apparatus using a programmable memory for the storage of instructions for implementing specific functions such as logic, sequencing, timing, counting and arithmetic, to control, through digital or analog input/output modules, various types of machines. The heading does not cover automatic controlling apparatus of heading 90.32

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Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the goods of this heading are classified in heading 85.38.
The heading excludes:
(a) Telephone switchboards (heading 85.17).
(b) Simple switch assemblies, such as those consisting of two switches and a connector (heading 85.35 or 85.36)
(c) Cordless infrared devices for the remote control of television receivers, video recorders or other electrical equipment (heading 85.43).
(d) Time switches with clock or watch movement or with synchronous motor (heading 91.07)."

5.4 At the outset, I note that Rule 1 of the General Rules for Interpretation provides that classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes. Only when such classification cannot be made by Rule 1, shall subsequent rules be invoked. Therefore, the first step is to examine whether the goods are prima facie covered by Heading 8537 or 8415.

5.5 It is evident that the Tariff Heading 8537 covers "*boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517*".

5.5.1 Therefore, I note that for an article to be classified under Tariff Heading 8537, it must satisfy the following conditions cumulatively (a) It must be a board, panel, console, desk, cabinet, or other base; (b) It must be equipped with two or more apparatus of heading 8535 or 8536; and (c) It must be for electric control or the distribution of electricity. In the present case, I note that impugned goods satisfy these conditions on account of following:

(i) The product is described as a wall or ceiling-mounted unit that houses the user interface and internal circuitry for controlling the AC. In common parlance and technical understanding, such a unit designed to centralize control functions is aptly described as a "console." I find that the first condition is met;

(ii) The applicant has submitted that the controller contains components such as switches and fuses. Switches are classifiable under heading 8536 and fuses are classifiable under heading 8535. The internal printed circuit board (PCB) acts as the base that mounts and interconnects these apparatus. Therefore, the assembly constitutes a console equipped with two or more apparatus of the specified headings. Thus, I find that the second condition is also satisfied; and

(iii) Third is the most critical condition for determination. The Department argues that the controller is a mere signalling device and that "electric control" under CTH 8537 pertains to apparatus that manages electrical power flow. I find this interpretation to be restrictive and not in consonance with the WCO Explanatory Notes. The Explanatory Notes to HSN 8537 explicitly state that the heading covers "programmed switchboards to control apparatus; these permit variations in the choice of operations to be followed. They are normally used in domestic electrical appliances, such as washing machines and dishwashers." In view of above, I find that third condition is also satisfied.

5.6 Further, I have also examined Note 2 of Section XVI which provides as under:-

"Subject to Note 1 to this Section, Note 1 to Chapter 84 and to Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 8484, 8544, 8546 or 8547) are to be classified according to the following:

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 8409, 8431, 8448, 8466, 8473, 8485, 8503, 8522, 8529, 8538 and 8548) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 8479 or 8543) are to be classified with the machines of that kind or in heading 8409, 8431, 8448, 8466, 8473, 8503, 8522, 8529 or 8538 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 8517 and 8525 to 8528 are to be classified in heading 8517;

(c) All other parts are to be classified in heading 8409, 8431, 8448, 8466, 8473, 8503, 8522, 8529 or 8538 as appropriate or, failing that, in heading 8485 or 8548."

5.6.1 The Note 2(a) provides that parts which are goods included in any of the headings of

Chapter 84 or 85 (other than headings 8409, 8431, 8448, 8466, 8473, 8485, 8503, 8522, 8529, 8538 and 8548) are in all cases to be classified in their respective headings. Therefore, when no specific heading exists shall they be classified as parts of a machine under Note 2(b). Since Heading 8537 specifically includes the goods in question, the operation of Note 2(a) mandates classification therein. I note that the legal position on the application of these notes is settled. The Hon'ble Supreme Court in **Secure Meters Ltd. Case [2015 (319) E.L.T. 565 (S.C.)]** held that "clause (b) would only apply once it was found that the items in question were not specifically classifiable under their respective headings."

5.7 I observe that the argument of the Commissionerate that the controller cannot function independently is not decisive. Independence of function is not the sole test for classification and the significant factor is whether a specific tariff heading exists that describes the goods. The controller's function is to perform electric control by transmitting and sequencing electrical signals. This is exactly the type of function envisaged under Heading 8537. The fact that it is designed for use with a specific machine does not take it out of that heading. Therefore I reject the contention of the department.

5.8 I have also gone through the HSN Explanatory Note to Heading 8537 which clarify that the heading covers, inter alia, "programmed switchboards to control domestic electrical appliances such as washing machines and dishwashers." The subject Wired Remote Controller performs a similar function in relation to an air-conditioning system. Therefore, by parity of reasoning, the product clearly falls within the purview of Heading 8537.

5.9 I further note that in **Motherson Bergstrom HVAC Solutions Pvt. Ltd. [(2025) 33 Centax 207 (Tri.-Del)]**, the Tribunal held that Note 2(a) to Section XVI requires classification of articles according to their own specific headings even if they are parts of HVAC systems. This ruling squarely supports the applicant's position. The *Vodafone Idea* case cited by the Department is distinguishable on fact as it dealt with internal circuit modules incapable of being traded or replaced separately.

5.10 I find that Tariff Heading 8514 covers "air conditioning machines, comprising a motor driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated" and Tariff item 8415 90 00 covers parts of air-conditioning machines. However, as clarified by Note 2(a) to Section XVI, when a part is itself an article covered by a heading of Chapter 84 or 85, it is to be classified in that heading and not as a part. Hence, if the controller satisfies the description of Heading 8537, classification under 8415 is ruled out. In this case I find that controller satisfies the conditions of CTH 8537 hence; its classification under CTH 8415 is ruled out.

5.11 I find that the Commissionerate's argument that the controller only sends signals and does not control electricity misconstrues the language of Heading 8537. The phrase "for electric control or distribution of electricity" uses the disjunctive *"or"*, which means that the heading covers devices used for either control or distribution. The wired remote controller performs electric control functions by governing the operation of another machine through electrical means. Thus, it satisfies the requirement of the heading. Further, the Commissionerate's reliance on the *Vodafone Idea* case is misplaced because that case dealt with internal modules of a router incapable of separate commercial identity. On the other hand, the wired remote controller is a complete, saleable console, often marketed separately or supplied as an optional accessory, which can be replaced or upgraded without altering the main AC unit. It thus possesses a distinct commercial and functional identity.

5.12 It is evident from the factual material that the impugned product is more than a simple signalling device. It performs logic-based electrical control using a microcontroller and executes programmed instructions. The ability to set schedules, group controls, and monitor faults shows that the controller exercises functional control over the machine. Therefore, the goods possess the essential character of an electrical control console.

5.13 Having examined both headings, I find that Heading 8537 provides a more specific description of the subject goods than Heading 8415. The principle of Rule 3(a) of GRI dictates that where goods are prima facie classifiable under two headings, the heading giving the most specific description shall prevail over a more general one. Heading 8537, which explicitly mentions "consoles equipped with apparatus for electric control," is clearly more specific than Heading 8415, which generically covers "parts" of air-conditioning machines. Additionally, I note that the essential character of the *Wired Remote Controller* is that of an electrical control unit. It is therefore more appropriately classified as an independent electrical control apparatus.

5.14 In view of above discussions, I find that the product under consideration does not fall under Heading 8415 90 00 as a "part" of an air-conditioning machine, but under Heading 8537 10 90 as an "Electrical Control Console".

6. In view of the above, I hold that "Wired Remote Controllers" for air-conditioning systems are classifiable under heading 8537, subheading 8537 10, more specifically under tariff item 8537 10 90 ("Other") of the First Schedule to the Customs Tariff Act, 1975.

7. I, rule accordingly.

शैलेश कुमार

(Shailesh Kumar)
Customs Authority for Advance Rulings,
New Delhi

F. No. VIII/CAAR/Delhi/Samsung (Dadri)/109/2025 **Dated: 14.10.2025**

This copy is certified to be true copy of the ruling and is sent to: -

1. M/s Samsung India Electronics Private Limited, 6th Floor, DLF Centre Sansad Marg New Delhi, India-110001
2. Principal Commissioner/Commissioner of Customs, Noida Custom Commissionerate, Concor Complex, Greater Noida, U.P-201311
3. The Customs Authority for Advance Rulings, Mumbai, New Custom House, Ballard Estate, Mumbai-400001.
4. The Chief Commissioner (AR), Customs Excise & Service Tax Appellate Tribunal (CESTAT), West Block-2, Wing-2, R.K. Puram, New Delhi-110066.
5. The Pr. Chief Commissioner of Customs, Delhi Customs Zone, New Custom House, IGI Airport Complex, New Delhi-110037.
6. Guard file.
7. Webmaster.

Harish

(Harish Kumar)
Additional Commissioner & Secretary,
Customs Authority for Advance Rulings, Delhi