

**IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
EASTERN ZONAL BENCH : KOLKATA
REGIONAL BENCH – COURT NO. 1
Customs Appeal No. 75016 of 2021**

(Arising out of Order-in-Appeal No.KOL/CUS(Port)/AKR/665-666/2020 dated 08.10.2020 passed by Commissioner of Customs, Kolkata)

M/s Premier Electronics : Appellant
4 Saklat Place, Ground Floor, Kolkata-700 072.
VERSUS

Commissioner of Customs(Port), : Respondent
15/1, Strand Road, Kolkata-700 001.
With

Customs Appeal No. 75017 of 2021

Premier Electronics

4 Saklat Place, Ground Floor, Kolkata-700 072.

VERSUS

Commissioner of Customs (Port),

15/1, Strand Road, Kolkata-700 001.

APPEARANCE:

Shri Arijit Chakraborty, Advocate for the Appellant

Shri S.Chakrovorty, Authorized Representative for the Respondent

CORAM:

HON'BLE SHRI ASHOK JINDAL, MEMBER (JUDICIAL)

HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)

FINAL ORDER NO. 77049-77050/ 2025

DATE OF HEARING :22.07.2025

DATE OF DECISION:22.07.2025

Order : [Per Shri Ashok Jindal]

Both appeals are of common issue. Therefore, both are disposed of by a common order.

2. The facts of the case are that appellants filed two Bills of Entry for clearance of consignment of various items including Computer Speaker with FM/USB/SD card from China and claimed

classification under Tariff Heading 85182200 attracting IGST @18%.

3. After filing of the said Bill of Entry in the EDI system a query was raised by the respondent wherein it was stated that there is change in CETH for the item from 85182200 to 85279990. In the said query the appellant was asked to submit product catalogue and explanation of CTH.

4. Pursuant to the said query the appellant have explained that the classification of the product has already been decided by the this Tribunal, in the case of Logic India Trading Vs. Commissioner of Customs, Cochin[2016(337) ELT 65 (Tri.Bang.)] which has been affirmed by the Hon'ble Apex Court reported in 2016 (342) ELT A34(SC). Therefore, requested to assess the Bills of Entry under CTH 85182200. Thereafter the Bills of Entry was assessed to CTH 85279990 attracting IGST @28%.

5. The said order was challenged before the Ld. Commissioner (Appeal) who affirmed the order of the Adjudicating Authority. Against the said order appellants were before us.

6. The Ld. Counsel for the appellants submits that the issue has been examined in the Tribunal in the case of Logic India Trading Company (Supra) and the said decision has been followed by this Tribunal in the case of Commissioner of Customs (Port), Kolkata Vs. Santosh Radio Products vide Final Order No. 76070/2018 dated 04.05.2018. Further in the case of OM SAI Shipping and Clearing Agency vide Final Order No. 75047275048/2020 dated 3rd January, 2020. Further in the case of Kejriwal Electronics Limited versus Commissioner of Customs (Port), Kolkata vide Final Order No. 75653/2025

dated 26.02.2025. Therefore, the issue is no more res-integra and the classification is to be held under CTH 85182200.

7. On the other hand, Ld. Authorized Representative reiterated the findings of the impugned order.

8. Heard the parties. Considered the submissions.

9. We find that the issue has been examined by the various judicial pronouncement and all has been discussed by this Tribunal in the case of M/s. Kejriwal Electronics Limited (Supra) wherein this Tribunal observed as under:

"3. *We find that the aforesaid, question of classification of the said products has been examined in extenso and the rival entries discussed threadbare. The subject issue is no more res integra. There are a catena of decisions holding the classification of the impugned goods under heading under CTH -8518. In the case of **Logic India Trading Company vs Commissioner of Customs, Cochin(2016(337)ELT 65(Tr-Bang.)**, as maintained by the Hon'ble Apex Court, reported in **2016(342)ELT A-34(SC)**, while dealing with similar set of facts, the courts have held the classification of the said goods under CTH 8518. Relevant paras of the said decision are referred to hereunder below: -*

"4. *We have considered the submissions made by both the sides. We have also gone through the contending tariff entries which stand reproduced by us in the preceding paragraphs. There is no dispute on the facts that some of the speakers being imported by the appellant have USB port with USB playback in addition and some of them have the facility of F.M. radio also. As is seen from the above reproduced entries, Heading 8518 22*

00 covers "Multiple Loudspeakers, mounted in the same enclosure". The product in question has been shown to us in the Court Room. The loudspeakers are in different sizes and some of them are the typical loudspeaker sizes seen in most of the functions where the sound received from outside sources gets amplified, as per requirement of the user. Of course the Revenue is not disputing the classification of the same.

However, wherever the speakers have an additional facility of USB port, which has been explained to us as a facility wherein a pen drive can be inserted and the sound recorded in the pen drive can be amplified by the speaker, Heading 8519 covers "Sound recording or reproducing apparatus". The question which is required to be decided is as to whether introducing such facility of USB port for USB playback is otherwise admittedly speaker can be considered to be a reproducing apparatus or not. The reading of the various sub-headings of the said Heading reveals that it covers the products like Audio CD player, CD players, MP3 players, time code recorders, etc. In our opinion, the speaker is primarily a speaker and some additional feature or facility for use of USB playback will not convert the same into a product equivalent to the products covered by Heading 8519. Similarly, Heading 8527 takes into its ambit the "Reception apparatus for radio-broadcasting, whether or not combined, in the same housing". The additional feature of FM radio in the speaker, in our opinion, would again not convert the huge speaker into a FM radio. Even going by the common parlance test, nobody would buy a huge speaker for the purpose of FM radio.

4.1 At this stage, we may advert to the Circular No. 27/2013-Cus., dated 1-8-2013 which alone stands relied upon by the lower authorities for coming to the conclusion against the assessee. The said circular stands given by the Ministry of Finance on the representations received from the industry in respect of the identical products being imported. The opinion as expressed in the said circular is based upon the outcome of the Conference of Chief Commissioners of Customs and Directorate General on the Customs Tariff and allied matters. Relevant paras of the said circulars are reproduced :-

"3. The competing headings are :

8518 - Loudspeakers, whether or not mounted in their enclosures : headphones

and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers: audio-frequency electric amplifiers: electric sound amplifier sets;

8519 - *Sound recording or reproducing apparatus;*

8527 - *Reception apparatus for radio-broadcasting whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock.*

4. The view that in case of a "multifunction speaker system", the "reception apparatus for radio-broadcasting (heading 8527)" or "reproduction function of sound as provided by USB playback (heading 8519)" is less important than the function of amplification and relay of sound, thereby leading to the inference that such products are classifiable in heading 8518, overlooks the fact that the HS nomenclature only mentions functions and does not refer to the complexity or sophistication of these functions. It appears that any sound reproducing playback device or reception apparatus for radio-broadcasting will need speakers for its effective functioning.

5. The classification of goods is to be determined by application of the General Rules for the Interpretation (GRIs) of the First Schedule to the Customs Tariff Act (CTA), 1975. GRI 1 requires that, "in classifying articles, for legal purpose it shall be determined according to the terms of the headings and any relative Section or Chapter Notes,..". Hence, all relevant legal texts must be considered. In this regard, Note 3 to Section XVI stipulates that, "unless the context otherwise requires, composite machines consisting of two or more machines fitted together to form a whole and other machines designed for the purpose of performing two or more complementary or alternative functions are to be classified as if consisting only of that component or as being that machine which performs the principal function".

6. During discussions held at the time of Conference, there was general agreement that in case of :

(a) "Speaker with USB port but without USB playback or FM radio", the product would be classified in heading 8518, by application of General Rules 1. Speakers classified under heading 8518 include both passive speakers and active speakers. Active speakers, like many subwoofers,

contain a built-in audio amplifier. The sub-heading under which speakers are classified depends on the number of 'drive units' - the actual loudspeaker cones or ribbons - in each cabinet or enclosure. Speakers with a single drive unit in each cabinet are classified under sub-heading 8518 21. Speakers with more than one drive unit in each cabinet - for example one woofer and one tweeter - are classified under sub-heading 8518 22. Speakers that are not mounted in a cabinet or enclosure are classified under sub-heading code 8518 29.

(b) "Speaker with USB Port having USB playback but without FM radio", the principal function of the device is imparted by USB playback facility. Therefore the said multifunction speaker system is classifiable in sub-heading 8519 81 of the Harmonized Customs Tariff, which provides for Sound recording or reproducing apparatus: Other apparatus: Using magnetic, optical or semi-conductor media: Other: Other.

(c) "Speaker with USB port having FM radio but without USB playback" the principal function of the device is imparted by Radio (reception apparatus for radio-broadcasting) and hence the multifunction speaker system classifiable under sub-heading 8527 99 by virtue of General Rules 1, Note 3 to Section XVI and 6.

(d) "Speaker with FM, USB port and USB playback", if it is held that the principal function of the device is imparted equally by Radio (reception apparatus for radio-broadcasting) and USB playback facility then it would be classified by sequential application of GRI, according to Rule 3(c). According to this rule, of all the possible heading or sub-heading that could equally apply the heading/sub-heading that comes last in numerical order is used to classify the goods. Hence the said product is classifiable under sub-heading 8527 99 by virtue of General Rule 1, Note 3 to Section XVI, 3(c), and 6."

As is seen from the above, the products considered in the said circular are identical to the products being imported by the assessee. For arriving at the conclusion that the speaker with the USB playback would fall under Heading 8519 and the speakers with FM radio would fall under Heading 8527, the Board has referred to the General Rules for the Interpretation specifically to Rule 1 and to Section Note 3 to Section XVI. The said Note is to the effect that where composite machine consists of two or more machine, the classification would be decided

depending upon the machine which performs the principal function. However, we find that the principal function of the 'Multimedia Speaker' is amplification of the sound and the USB port or FM radio is an additional feature introduced to such speakers. Looking at the speakers produced before us, and by appreciating the fact that the lower authorities have admittedly held the goods in question to be "Multimedia Speaker", though with additional facilities, it leads to inevitable conclusion that the main and principal function of the product is as speaker. As such, according to us, even in accordance with Section Note 3 to Section XVI, the items in question have to be classified as speakers as admittedly that is the principal function of the product. The interpretation adopted in the said circular is, in fact, contrary to the interpretation adopted by the Board in other circulars, though not dealing with the same items but expressing opinions on the items with advanced multifunctions.

4.2 Reference can be made to Circular No. 17/2007-Cus., dated 19-4-2007 wherein the classification of 'higher technology featured mobile/cellular handsets or telephones' was the subject matter of consideration. The cellular phones are classifiable under Heading 8517 12 of the Customs Tariff Act. It was observed that as a result of advanced technology, the cellular phones have additional features of word processing, email, internet, global positioning system, personal digital assistant (PDA), GPS receivers, camera and many other features. After taking into account the various provisions of law, it was observed as under :

"2. It is represented that mobile, cellular handset/telephone has the essential characteristic of transmission and reception apparatus, such as aerial, display screen, keypad and that the same should be of small size so that it can be hand-held and is of lightweight for use as telephone instrument. The other functions such as radio receivers, music players, e-mail, net browsers, calculators, stopwatch, alarm, computing on software platform are subsidiary to the main function of transceiver.

3.

4.

5. In terms of the First Schedule to the Customs Tariff, 'telephones for cellular networks or other wireless networks, push-

button type or other', would be classifiable under sub-heading 8517 12. Similarly, 'portable automatic data processing machine weighing not more than 10 kgs., consisting of at least a CPU, a key board and a display' would be classifiable under sub-heading 8471 30; and 'radio navigational aid apparatus' would be classifiable under sub-heading 8526 91. From the scope of the headings/sub-headings. Board found that all mobile or cellular telephones whether working on the Global System for Mobile Communications (GSM) standard, Code Division Multiple Access (CDMA) cellular systems, Wireless Local Loop (WLL) or any other Mobile technologies, principally used as communication device would get covered under sub-heading 8517 12. These are essentially communication devices working on the basis of towers and base stations arranged into a network of cells, which send and receive radio signals for the cellular/mobile phone for communication. In view of the above, Board clarifies that sub-heading 8517 12 will cover all types of telephones that work on cellular networking technology or other wireless network.

6. Further, such cellular/mobile phones may contain certain facilities such as storage of contact information such as phone numbers (dialed/received/ missed call), names and addresses, to-do lists, notes, appointments, E-mail address, facility for Short Message Service (SMS)/Multimedia Messaging Service (MMS), calculator, alarm clock, calendar, games and other similar facilities as a standard feature. These facilities assist the user to make calls to desired person, identify the caller, keep track of his calls, send/receive messages and enhanced use of communication using any of the above facility. Hence, these features of cellular/mobile phones do not change the principal function of such equipment i.e., 'telephony'.

7. Certain cellular/mobile phones called as 'smart phones' may also have other additional features such as accessing the Internet, sending and receiving E-mails, video recording/camera, word processing, radio or audio capabilities with color screens, QWERTY keyboard, touch screen. It may also run application software and synchronize with PCs, function as Global Positioning System (GPS) receiver. These devices work on operating systems (software) like Symbian OS, Microsoft Windows Mobile OS, Linux OS, which are similar to the software used in desktop

PC/laptop. All these functionalities grouped as PDA or pocket PC or camera or GPS receiver, contained in cellular/mobile phones, though represent as composite machine, for the purpose of classification, it will be governed by the Customs Tariff Act and the General Rules for Interpretation (GRI) as explained in para 4 above. Accordingly, in terms of Section Note 3 to Section Note XVI when the goods satisfy the following conditions these would be characterized as transmission apparatus in cellular/wireless network rather than as an Automatic Data Processing (ADP) machine or camera or GPS receiver.

i. use transmission of signals (representing speech, messages, data or pictures) by means of electromagnetic waves which are transmitted through the ether without any line connection i.e., wireless, in any of the bandwidth allotted to mobile/cellular networks say 850 MHz to 1900 MHz; and

ii. consist of transmission and reception hardware such as transceivers, antenna, microphone, speaker, battery, radio-frequency chip, basic band chip, power management chip, Subscriber Identity Module (SIM), International Mobile Equipment Identity (IMEI) or other unique identity for cellular/mobile phone as well as radio-frequency transmission software such as GSM, General Packet Radio Service (GPRS) and Enhanced Data rates for GSM Evolution (EDGE) etc.,

Hence, such cellular/mobile phones remain classified in sub-heading 8517 12, as the principal function of these equipments remain as 'telephony'.

8. It is further explained that cellular/mobile phones can also be employed as data modems to form a wireless access point connecting a personal computer to the Internet. In this use, the mobile phone is providing a gateway between the cellular service providers data network and PCs. In terms of Chapter Note 5D(ii), it is made clear that such mobile phones shall not be classified under Heading 8471 when they are presented separately. In other words, only when such phones are presented along with ADP machine or when composite machines consisting of ADP and mobile phones, where ADP is the principal function, these would be classified under Heading 8471. Further, it is clarified that GPS receivers having phone function that does not operate through any of the cellular network or mobile technologies for the transmission or reception of signals, but

operates exclusively through direct satellite connection or differential GPS (on the longwave radio frequencies between say 285 kHz to 325 kHz) is however classifiable under sub-heading 8526 91 as other radio navigational aid apparatus.

9. In trade parlance too, it is noticed that the goods are sold as cellular or mobile phones with various additional facilities, the use of which is dependant on the cellular service provided. Further consumers purchase such cellular phones mainly because of their ability to transmit data in all situation and locations, and at all times, not just in specified places that offer Wireless/Wi-Fi access. In short, it is found that goods are marketed and consumers purchase a smart phone or other similar cellular/mobile phone, because of the phone function with additional facilities and not for their PDA or GSM capabilities alone; as such these additional facilities will not become operational without subscribing to a cellular phone service plan. Hence, it is clarified that these instruments are to be categorized as mobile/cellular phones from the point of trade parlance."

As is seen from the above, the Ministry itself, while expressing opinion on the classification of the mobile phones having a number of additional features, concluded that inasmuch as the essential purpose of the mobile phone is to communicate, the additional features of having so many other functions will not convert the phones into any other item. As the goods are being marketed and being purchased by the consumers as smart phone or other similar cellular or mobile phone, the additional facilities will not convert the phones into any other item.

4.3 *In fact to the same effect is another circular of the Board being Circular No. 20/2013-Cus., dated 14-5-2013 wherein it was held that the classification of the 'Tablet Computer' having an additional facility of connecting to an cellular network to make a voice calls will not make the Table Computer divert from its main function and Table Computer would remain so.*

4.4 *When all the three circulars are viewed together, it is seen that the opinion expressed by the Board in Circular dated 1-8-2013 in respect of 'multifunctional speaker system' is diagonally opposite to the opinion expressed in the earlier two circulars being Circular No. 17/2007-Cus., dated 19-4-2007 and Circular No. 20/2013-*

Cus., dated 14-5-2013. In the other two circulars, the same Interpretative Rules have been taken into consideration and the same Section Note 3 to Section XVI stands taken note of and the products have been held to be classifiable according to their main and principal and essential function. We really fail to understand as to how subsequent circular stands issued wherein a different view stands expressed without assailing the fact that a speaker remains a speaker but with some additional facilities and features.

4.5 *We find that the lower authorities have solely and mainly relied upon the said circular of the Board. It is well settled that the circular issued by the Board are not binding on the Courts, be it judicial or quasi-judicial. Though there are plethora of judgments to that count but one such reference can be made to Hon'ble Supreme Court's decision in the case of CCE, Bhopal v. Minwool Rock Fibres Ltd. - [2012 \(278\) E.L.T. 581](#) (S.C.). Further, the Larger Bench of the Tribunal in the case of Bimetal Bearings Ltd. v. CCE, Chennai - [2008 \(232\) E.L.T. 790](#) (Tri.-LB) = [2010 \(18\) S.T.R. 539](#) (Tribunal-LB) has also held that the circulars which are against statutory provisions cannot be followed and cannot allow to override the statutory provisions in case of conflict.*

4.6 *In fact, there cannot be any dispute about the above legal proposition as it stands fully settled.*

4.7 *As we have already observed that even the lower authorities are not disputing the fact that the goods in question are speakers with added function, as such the main role of the item in question remains amplifying the sound received by it either from outside source or from inbuilt feature. As such, going by the Interpretative Rules and Section Note 3 to Section XVI, the criteria for classifying the product is the principal and the main function it performs, which in the present case remains to be that of a speaker. We accordingly hold that the goods in question are properly classifiable under Chapter Heading 8518 22 00. We may also add that the invoices raised by the seller of the goods stand examined by it and the description stand given as "Multimedia Speaker". This also reflects upon the fact that the goods in question, in common parlance are also traded as speakers. The appellants have also submitted an affidavit of the dealers, the invoices raised by them against the customers and the statement of Service*

Manager of the assessee. Examination of these documents shows that goods are primarily sold as speakers. Even the brochures placed on record indicate that the goods are being traded as speakers only and not as either FM radio or the sound reproduction system.

4. The aforesaid decision has been subsequently followed in a series of cases of similar nature. Thus, in the case of **Global Enterprises vs Commissioner of Central Excise, Delhi-II(2017/354/ELT 548(Tri-Del.)**, identical question of law was considered. The Tribunal held the classification of the said goods under CTH 8518. The relevant paras thereof are reproduced below: -

4. We have heard both the sides extensively and perused the appeal record, written submission and sales brochure of the impugned products. We take up for consideration, first the classification of multimedia speakers. There is no dispute about classification of such multimedia speakers without FM radio under CETH 8518 40 00. The dispute is only with reference to classification of multimedia speakers with FM radio. The Revenue held a view that the same is classifiable under CETH 8527 99 90, whereas GE contended that the same will be classifiable like any other multimedia speakers under CETH 8518 40 00. For better appreciation of the competing headings, the same are reproduced below :-

"8518	Microphones and stands therefor; loudspeakers, whether or not mounted in their enclosures, headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone and one or more loudspeakers, audio-frequency electric amplifiers; electric sound amplifier set
8518 10 10	Microphones and stands therefor, Loudspeakers, whether or not mounted in their enclosures
8518 21 00	Single loudspeaker, mounted in their enclosures
8518 22 00	Multiple loudspeakers, mounted in the same enclosure
8518 29 00	Other
8518 30 00	Headphones and earphones, whether or not combined with a microphone, and sets consisting of a microphone

	<i>and one or more loudspeakers</i>
<i>8518 40 00</i>	<i>Audio-frequency electric amplifiers</i>
<i>8518 50 00</i>	<i>Electric sound amplifier sets</i>
<i>8518 90 00</i>	<i>Parts"</i>
<i>"8527</i>	<i>Reception apparatus for radio-broadcasting, whether or not combined, in the same housing with sound recording or reproducing apparatus or a clock</i>
<i>-</i>	<i>Radio-broadcast receivers capable of operating without an external source of power :</i>
<i>8527 12 00</i>	<i>Pocket-size radio cassette-players</i>
<i>85271300</i>	<i>Other apparatus combined with sound recording or reproducing apparatus</i>
<i>8527 19 00</i>	<i>Other</i>
<i>-</i>	<i>Radio-broadcast receivers not capable of operating without an external source of power, of a kind used in motor vehicles :</i>
<i>8527 21 00</i>	<i>Combined with sound recording or reproducing apparatus</i>
<i>8527 29 00</i>	<i>Other Other Other</i>
<i>8527 91 00</i>	<i>Combined with sound recording or reproducing apparatus</i>
<i>8527 92 00</i>	<i>Not combined with sound recording or reproducing apparatus but combined with a clock</i>
<i>8527 99 00</i>	<i>Other : Radio communication receivers :</i>
<i>8527 99 11</i>	<i>Radio pagers</i>
<i>8527 99 12</i>	<i>Demodulators</i>
<i>8527 99 19</i>	<i>Other</i>
<i>8527 99 90</i>	<i>Other"</i>

5. We note that the Original Authority considered the impugned goods as composite goods and applying note 3 of Section XVI of the Central Excise Tariff Act, held that FM radio present in the amplifier speakers provide a "principal function" or "clearly defined function" and accordingly he held that the said product should be considered as "radio communication receivers - others" rather than speakers (audio frequency electric amplifier). We have carefully perused the finding of the Original Authority as recorded in para 103 of the impugned order. We note that the Original Authority fell in error in appreciating the factual details of the impugned goods, commercial parlance as to how it is brought and sold and also applicable scope of tariff entries in terms of the provisions of section note/chapter note. We reproduce the pictorial representation of multimedia speakers with built in FM radio as below:

6. We note the product, as represented above basically contains two speakers and a woofer. FM radio is built in, in the woofer. The whole set is a multimedia speaker system generally connected to other devices

like computers or audio players for sound output. A comparison of the above goods with multimedia speakers + sub-woofer, without FM radio, indicates that both the products are almost identical except for the fact that in one, there is an additional built in FM radio, in the sub-woofer. We are not in agreement with the lower authority in the conclusion that the speaker system combined with sub-woofer having built in FM radio, attains clearly defined function of an FM radio rather than a speaker system. In a plain trade parlance it is clear and apparent that a person intend to buy a multimedia speaker system will consider the impugned product for his requirement. The FM radio is an added, in built feature. As clearly shown in the sales brochure, the main function of the product is being provided by speaker system with sub-woofer.

7. We note that almost similar issue of classification of multimedia speakers having additional function of USB port and FM radio came up for consideration by the Tribunal in Logic India Trading Company - [2016 \(337\) E.L.T. 65](#) (Tri. - Bang.). The Tribunal held that the impugned goods are speakers with added function and the main role of the item, in question, remains amplifying the sound received from outside source or from inbuilt feature. Applying the interpretative rules and section note 3 of Section XVI, the Tribunal held that the product should be classified as speakers only. The said decision is affirmed by the Hon'ble Supreme Court in [2016 \(342\) E.L.T. A34](#) (S.C.).

5. Apart from the above it would be pertinent to also place on record the Tribunals' findings on the subject matter, in the appellant's own case decided vide **Order No.F.O.-76070/2018 dt.4/5/2018**. Relevant portion of the said order is as under: -

"5. After considering the arguments from both sides and on perusal of the records, we note that the goods imported have been described as "multi-media speaker system". It is stated to contain features of playing USB/FB/FM either by connecting the same or through blue tooth. The Department has argued that in view of the additional features in the imported goods, the same are more properly classified as music system under 8527 but

we note that essential function of the imported goods is nothing but multi media speakers. We also find that similar goods have been classified as sought by the respondent under 8518 in the case of Logic India Trading Co.Vs.Commr.of Customs, Cochin[2016(3370 ELT 65(Tri.-Bangalore). Tribunal observed as follows:

4.7 ..."As we have already observed that even the lower authorities are not disputing the fact that the goods in question are speakers with added function, as such the main role of the item in question remains amplifying the sound received by it either from outside source or from inbuilt feature. As such, going by the Interpretative Rules and Section Note 3 to Section XVI, the criteria for classifying the product is the principal and the main function it performs, which in the present case remains to be that of a speaker. We accordingly hold that the goods in question are properly classifiable under Chapter Heading 8518 22 00. We may also add that the invoices raised by the seller of the goods stand examined by it and the description stand given as "Multimedia Speaker". This also reflects upon the fact that the goods in question, in common parlance are also traded as speakers. The appellants have also submitted an affidavit of the dealers, the invoices raised by them against the customers and the statement of Service Manager of the assessee. Examination of these documents shows that goods are primarily sold as speakers. Even the brochures placed on record indicate that the goods are being traded as speakers only and not as either FM radio or the sound reproduction system."

6. *The detailed analysis of the classification of all such Audio-Visual Receivers was also undertaken independently by this Tribunal in the case of **ONKYO SIGHT & SOUND INDIA PVT.LTD.vs Commissioner of Customs, Chennai(2019(368)ELT 683(Tri-Chen.)**, wherein too the Southern Regional Bench of the Tribunal did not agree with the department's stance for classification of the said products under CTH 8527*

and had retained the CTH 8518 claiming the goods as Audio Frequency Amplifier along with Home Theatre Systems as multiple loudspeakers mounted in the same enclosure.

7. *In view of said matter having been examined ad nauseam as referred supra, we find no merit in the order of the lower authority which is therefore set aside.*

8. *The appeal filed by the appellant is hereby allowed with consequential relief, if any, as per law."*

10. In view of the above discussion we hold that the correct classification is under CTH 85182200 therefore, we do not find any merit in the impugned orders. The same are set aside. In result appeals are allowed with consequential relief, if any.

(Operative part of the order was pronounced in open court)

(ASHOK JINDAL)
MEMBER (JUDICIAL)

(K. ANPAZHAKAN)
MEMBER (TECHNICAL)