सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण

Customs Authority for Advance Rulings

नवीन सीमाशुल्क भवन, बेलार्ड इस्टेट, मुंबई - ४००००१

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F.No. CAAR/CUS/APPL/147,148/2024-25-O/o Commr-CAAR-Mumbai दिनांक/Date : 23.12.2025

Ruling No. & date	CAAR/Mum/ARC/128, 129/2025-26 dated 23.12.2025
Issued by	Shri Prabhat K. Rameshwaram, Customs Authority for Advance Rulings, Mumbai
Name and address of the applicant	Apple India Private Limited 13th Floor, Prestige Minsk Square Municipal No 6, Cubbon Road, Bengaluru, Karnataka – 560001 {Email: raghunath1869@apple.com}
Concerned Commissionerate	1. The Principal Commissioner of Customs (III), (Import), Air Cargo Complex, Sahar, Andheri (East), Mumbai – 400 099 Email: import.acc@gov.in 2. The Principal Commissioner of Customs, Air Cargo Complex, Kempegowda International Airport, Devanahalli, Bengaluru, Karnataka- 560300 Email: commrapacc-cusblr@nic.in

ध्यान दीजिए/ **N.B.:**

1. सीमाशुल्क अधिनियम, 1962 की धारा 28I की उप-धारा (2) के तहत किए गए इस आदेश की एक प्रति संबंधित को निःशुल्क प्रदान की जाती है।

   A copy of this order made under sub-section (2) of Section 28-I of the Customs Act, 1962 is granted to the concerned free of charge.

2. इस अग्रिम विनिर्णय आदेश के खिलाफ कोई भी अपील ऐसे निर्णय या आदेश के संचार की तारीख से 60 दिनों के भीतर संबंधित क्षेत्राधिकार के उच्च न्यायालय के समक्ष की जाएगी।

   Any appeal against this Advance Ruling order shall lie before the **High Court of concerned jurisdiction**, within 60 days from the date of the communication of such ruling or order.

3. धारा 28-I के तहत प्राधिकरण द्वारा सुनाया गया अग्रिम विनिर्णय तीन साल तक या कानून या तथ्यों में बदलाव होने तक, जिसके आधार पर अग्रिम विनिर्णय सुनाया गया है, वैध रहेगा, जो भी पहले हो।

   The advance ruling pronounced by the Authority under Section 28 - I shall remain valid for three years or till there is a change in law or facts on the basis of which the advance ruling has been pronounced, whichever is earlier.

सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण, मुंबई
Customs Authority for Advance Rulings, Mumbai

4. जहां प्राधिकरण को पता चलता है कि आवेदक द्वारा अग्रिम विनिर्णय धोखाधड़ी या तथ्यों की गलत बयानी द्वारा प्राप्त किया गया था, उसे शुरू से ही अमान्य घोषित कर दिया जाएगा।
Where the Authority finds that the advance ruling was obtained by the applicant by fraud or misrepresentation of facts, the same shall be declared void *ab initio*.

अग्रिम विनिर्णय / Advance Ruling

Apple India Private Limited (IEC No. 0796001839) (hereinafter referred as "The Applicant/ The Company") filed an application for advance ruling in the Office of Secretary, Customs Authority for Advance Ruling, Mumbai. The said application was received in the secretariat of the CAAR, Mumbai on 09.10.2025, along with its enclosures in terms of Section 28H (1) of the Customs Act, 1962 (hereinafter referred to as the 'Act'). The applicant is seeking ruling for classification of apple watch bands (leather and non-leather) on merits in relation to advance ruling no. CAAR/Mum/ARC/212,213/2024-25 dated 10.03.2025 and Bombay High Court's order dated 16.09.2025.

2. The applicant has submitted the following:

2.1 The applicant has submitted an advance ruling application dated 14.11.2024 filed on 18.11.2024 regarding renewal of advance ruling dated 18.03.2016 in relation to 'Apple watch-and -Apple watch bands (leather and non-leather}". Vide Advance Ruling No. CAAR/ Mum/ ARC/ 212, 213/ 2024- 25 dated 10.03.2025 in the matter of Apple India Private Limited, CAAR, Mumbai has ruled the following:

> *For Apple Watch: Confirmed classification as contended by the applicant under CTH 8517 6290 based on merit.*
>
> *For Apple Watch Bands (leather and non-leather): Not adjudicated the Company's Application on the point of classification of 'non-leather Apple Watch Bands' and 'leather Apple Watch Bands' on the basis that the -matter is currently pending before the adjudicating authority in applicant's matter.*

2.2 The reasoning provided by CAAR, Mumbai in the above ruling was that a Show Cause Notice No. dated 27.12.2024 ('the SCN dated 27.12.2024') was issued by the Additional Commissioner of Customs, Appraising Group 5A & 5G, Air Cargo Complex {ACC), Mumbai after filing of the advance ruling application on 18.11.2024 by the Company (the Company was in receipt of the SCN on 03.01.2025). Pursuant to the Advance Ruling 2025. on 25.03.2025, the Company was issued Order-in-Original dated 24.03.2025 (OIO) by Additional Commissioner of Customs, Adjudication Cell, ACC, Mumbai Zone- III ('Additional Commissioner'). Vide the said OIO, Additional Commissioner ordered for reclassification of the 'non-leather Apple Watch Bands' from CTH 8517 7090 to 91132010 without going into various contentions raised by the company and in complete disregard of advance ruling 2016.

2.3 The Company being aggrieved by the Advance Ruling 2025 "on the limited point of Apple Watch Bands (leather and non-leather}" and the OIO) filed a writ petition on 28.04.2025 before Hon'ble High Court of Bombay under Article 226 of the Constitution. The Hon'ble High

Court of Bombay vide its Order dated 16.09.2025 ('High Court Order') accepted the contentions of the Company and has passed the following Order –

- Quashed and set aside the CAAR's impugned order dated 10.03.2025 to the extent it concerns the Apple watch bands and has directed CAAR, Mumbai to decide the renewal application dated 14.11.2024 afresh on merits and as expeditiously as possible following the principles of natural justice and giving a hearing to all the concerned parties.

- Quashed and set side OIO and has remanded it back to the Adjudicating Authority for fresh disposal of the SCN dated 27.12.2024 on merits. Further, while adjudicating the SCN, the Additional Commissioner is directed to consider all the contentions raised by the Company, including in particular, the contention based on the Advance Ruling 2016. and the impact of the judgement passed by this Hon'ble High Court in Isha Exim case.

2.4 Accordingly, the applicant has requested for advance ruling on the limited issue of classification of Apple Watch Bands (Leather) under 85177990 and Apple Watch Bands (Non-Leather) under 42050090. Brief functionality of Apple Watch Bands:

2.4.1 The bands of the device are made up of fluorelastomer or stainless steel or any other material other than of leather. The bands secure the Apple Watch on to the user wrist. enabling full functional capability of the watch to be accessible by the user. The attachment of the bands is essential for facilitating optimal functionality and enhancing the overall user experience. The bands are unique in nature and cannot be used anywhere else. The Apple Watch Bands have a unique and custom design integrated lug that will only fit the customized groove on the Apple Watch to be accessible by the user.

2.4.2 Further. most of the features of the Apple Watch can only be utilized once the Apple Watch is connected to the wrist of the user through the Apple Watch Bands. Some of such functionalities of Apple Watch which are only accessible to the user once the Apple Watch is affixed to the wrist through Apple Watch Bands are - tracking calories, steps taken, and distance travelled, heart rate sensor, notification alerts through haptics, activation of watch display on lifting of wrist. etc.

2.4.3 To this extent, Apple Watch Bands are essential for the functionality of Apple Watch and do deliver a complete user experience to the user. Hence, it amounts to part of the Apple Watch. In this regard, reliance is placed on the settled principal of law that part is construed to be an essential component of the whole without which the whole cannot function [CCE. Delhi Vs. Insulation Electrical {P) Ltd,, 2008 (224) E.L.T. Sf 2 (S.C.}].

3. Applicant's interpretation of the Laws/Facts:

3.1 **CLASSIFICATION OF APPLE WATCH BANDS (OTHER THAN LEATHER BANDS) UNDER CTH 8517 79 90:**

Section Note 2 to Section XVI (which covers Chapter 85) of Customs Tariff Act. 1975 ('the Customs Tariff Act') read with HSN explanatory notes provide for rules of classification of the parts of machines under Chapter 85, Chapter Note 2(b) provides that parts which are equally suitable for use principally with the goods of headings 8517 are to be classified in heading 8517. The term "parts" has not been defined in the HSN Explanatory Notes or the Customs Tariff Act Hence. reliance must be made to the Hon'ble Supreme Court's Ruling in the case of CCE, Delhi Vs. Insulation Electrical (P) Ltd., [2008 {224) EL. T Sf 2 (S.C.)]. In this case, the Apex Court while re tying on various other earlier rulings has defined the term " parts" as "an essential component of the whole without which the whole cannot function". A similar ruling has been made in the case of Electrosteel Castings Vs. GCE. [1 989 (43) E.LT. 305 (Tribunal)] which has been maintained by the Hon'ble Supreme Court in [1996 (83) ELT A48 (Supreme Court)].

3.2 As already mentioned above, the Apple Watch bands are unique in nature and cannot be used with other watches except Apple Watch. The unique and custom design integrated lug of the Apple Watch Bands will only fit the customized groove on the Apple Watch to be accessible by the user The Apple Watch Bands are therefore solely or principally for use with the Apple Watch. Thus, in view of the provisions of Section Note 2(b), since the bands for Apple Watch is a part of the Apple Watch (classified under CTH 8517 6290), the same are rightly classifiable under CTH 8517.

3.3 Further. the CTH 8517 specifically covers 'parts' of the goods falling under CTH 8517. Further, CTH 8517 71 00 covers aerials and aerial reflectors of all kinds, CTH 8517 79 10 covers populated. loaded or stuffed printed circuit boards. All other parts in respect of the goods falling under CTH 8577 are to be classified under CTH 8517 79 90. Since the bands of the device are made for use principally with the device and can only be used with 'the device', the bands imparted by the Applicant are 'part' of 'the device' and hence must be classified under CTH 8517 79 90.

Additionally, as already submitted, the Authority of Advance Rulings (Central Excise. Customs and Service Tax}. New Delhi had accepted the contentions of the Company on merits in relation to the classification of bands as parts of the device. i.e. Apple Watch under CTH 8517 70 90 vide Advance Ruling 2016 read with corrigendum dated April 06, 2016.

3.4 Apple Watch Bands do not merit classification under CTH 9113 2010. CTH 9113 covers -Watch Straps. Watch Bands and Watch Bracelets and parts thereof. Note 1 to Chapter 91 provides list of articles which are excluded from the scope of Chapter 91 Note 1 (g) to Chapter 91 excludes "articles of Chapter 85, not yet assembled together or with other components into watch or clock movements or into articles suitable for use solely or principally as parts of such movements (Chapter 85}."

As already discussed above, Apple Watch Band is an essential component of Apple Watch which are imported on standalone basis i.e.. it is not assembled with other components into Apple Watch and are rightly classifiable under Chapter 85, Hence, in view of Note 1(g) to Chapter 91 Apple Watch Bands are excluded from the scope of Chapter 91 and cannot be classified thereunder,

Additionally. the HSN Explanatory Notes to CTH 9113 provides that the sub-heading covers all kinds of watch straps. watch bands and watch bracelets i.e.. all devices for fastening watches to the wrist. Further it provides that the sub-heading may include watch bands which are clearly decorative in nature. The relevant extract of the HSN Explanatory Notes to CTH 9113 is reproduced hereunder

- This heading covers all kinds of watch straps, watch bands and watch bracelets, i.e., all devices for fastening watches to the wrist.

Watch straps, watch bands and watch bracelets may be of any material, for example, base metal, precious metal, leather, plastics or textile material. They may also be clearly decorative in character without this affecting their classification.

The heading also includes parts of watch straps, watch bands and watch bracelets, identifiable as such, of any material.

From the verbatim extracted above, it is clear that the coverage under Chapter 91 is of only those watch straps **which are used for fastening the watch on the wrist and/ or straps for decorative purposes**. In view of the above, the Company submits that the function of Apple Watch Bands is not only to fasten the Apple Watch to the user's wrist, rather it assists the Apple Watch to perform essential functions such as tracking activities, measuring heartbeat, providing alerts through haptics etc. Hence, in no stretch of imagination the Apple Watch bands {which aids the Apple Watch in attaining the complete functionality} can be considered as devices meant only for fastening watches to the wrist or items which are decorative in nature.

3.5 Further, the Explanatory Notes to CTH 9113 provides items which are excluded from the scope of CTH 9113 which are as reproduced hereunder

The heading excludes:

a) Other attaching devices (neck chains, pendant bands, watch chains, rings, brooches, etc.) which are classifiable in their appropriate headings.

b) Buckles and buckle-clasps of precious metal or of metal clad with precious metal (heading 71.35) or of base metal (heading 83.08)

c) Watch straps, watch bands and watch bracelets presented with their watches but not attached thereto {heading 91.01 or 91.02).

Thus, any attaching device which are appropriately classifiable under a different heading are excluded from the purview of CTH 9113. in view of the (a) above, That being so, and since as detailed in the foregoing submissions, the specific heading for Apple Watch Bands is under CTH 8517 (as parts of smartwatches), the same is anyway also excluded from classification under CTH 9113 by virtue of exclusion under the HSN Explanatory notes to CTH 9113. Therefore, it is submitted that where the goods satisfy the requirements of a specific entry, that entry should cover the goods rather than the residual heading. In view of GRI 3(a) and the judicial precedents cited above, where there is a specific heading for the Apple Watch Bands i.e., as part of Apple Watch falling under CTH 8517 of Chapter 85, it will not merit classification in the general entry of 9113, where watch straps which are used merely for fastening the watch to the wrist and/ or for decorative purposes, as per the HSN explanatory notes to CTH 9113.

3.6 CLASSIFICATION OF APPLE WATCH BANDS MADE OF LEATHER UNDER CTH 4205 00 90

The applicant's contention regarding classification of apple watch bands made of leather under cth 4205 00 90 has already been mentioned in the application dated 14.11.2025 filed on 18.11.2025 and the same has been taken on record while passing the advance ruling no. CAAR/ Mum/ ARC/ 212, 213/ 2024- 25 dated 10.03.2025. The same is not mentioned here for the sake of brevity.

Port of Import and reply from concerned jurisdictional Commissionerate

4.1 The applicant in their CAAR-1 indicated that they intend to import the subject goods i.e. Apple Smart Watch and its bands at the jurisdiction of office of the Principal Commissioner of Customs (III), (Import), Air Cargo Complex, Sahar, Andheri (East), Mumbai 400099 and at the jurisdiction of office of the Principal Commissioner of Customs, Airport & Air Cargo Complex, Air India Sats, Air Freight Terminal, Kempagowda, Bengaluru - 560 300. The application was forwarded to the office of the Principal Commissioner of Customs (III), (Import), Air Cargo Complex, Sahar, Andheri (East), Mumbai 400099 and to the office of the Principal Commissioner of Customs, Airport & Air Cargo Complex, Air India Sats, Air Freight Terminal, Kempagowda, Bengaluru - 560 300 on 28.11.2024. Further reminders were also sent on 17.12.2025 and 06.01.2025 to both the concerned jurisdictional Commissionerates. The concerned import Commissionerate, Air Cargo Complex, Sahar, Andheri (East), Mumbai replied vide letter dated 09.01.2025. A third reminder letter dated 23.01.2025 was issued to the concerned Bangalore Commissionerate, Airport and Air Cargo Complex, Bengaluru, however, no comments till date has been received.

4.2 The concerned import Commissionerate, Air Cargo Complex, Sahar, Andheri (East), Mumbai has further submitted that in regards to the classification of parts, namely bands made up of fluoroelastomer or stainless steel or any other material other than of leather (i.e. bands, other than leather bands) for different range of Apple Watch classifiable under CTH 8517 7990 of the First Schedule of the Customs Tariff Act, 1975 that the Watch Bands that are simple bands designed to hold the Watch on the user's wrist appears to be not characterized as electrical machinery and equipment or parts thereof, that are assembled together into a watch or clock movements, or into articles suitable for use solely or principally as parts of such movements. Thus, the Watch Bands having the-mentioned basic and decorative characteristics, appears to be not excluded from classification under Chapter 91 of ITC (HS) by virtue of Note 1 (g). Notes 1 (g) to Chapter 91 of ITC (HS) provides:

> *1. This Chapter does not cover: (g) Articles of Chapter 85, not yet assembled together or with other components into watch or clock movements or into articles suitable for use solely or principally as parts of such movements (Chapter 85).*

It was further mentioned that the Explanatory Note to Heading 9113 clarifies that the Heading covers watch straps, watch bands and watch bracelets and all devices for fastening watches to the wrist. Furthermore, they may be of any material and may provide decorative character. The Heading also includes parts of watch straps, bands and bracelets. It was further submitted that the bands that fasten the watch to the user's wrist, composed of various materials that can provide decorative character and do not perform the function of a watch or do not assist the watch in any way in performing the functions of watch, appears to be classifiable under Tariff Heading 9113.

4.3 In regards to parts of Apple Watch, namely bands made of leather ("leather bands"), it was submitted that the same appears to be classifiable under CTH 9113 in view of the submissions made above. Further, vide letter dated 14.01.2025, additional submissions were made by the concerned Import Commissionerate, Air Cargo Complex, Sahar, Andheri (East), Mumbai. The additional submissions made are as under:

i. On perusal of the application filed by the applicant, it is noticed that applicant has referred to various Rulings issued by the US Customs Authorities in the matter of classification of Smart Watch in the cases of applicants namely M/s Apple Inc. (Ruling dated 14.07.2015), M/s Samsung Electronics of America Inc. (Ruling dated 14.07.2015), M/s Fossil Group Inc. (Ruling dated 30.04.2018).

ii. However, while perusing the referred Rulings, this Office came across a Ruling dated 03.01.2017, by the US Customs on classification of "Bands for Apple Watches". wherein the Authority has concluded the proceedings with the pronouncement that Appie Watch Bands/ Straps of modal, modal sports bands of bovine leather and plastic respectively are classifiable under Chapter heading 9113. It is noticed that the applicant has not referred the subject Ruling pertaining to their own goods, which is specific about the classification of Apple Watch Bands.

iii. On perusal of CAAR's order No. AAR/CUS/12/2016 dated 18.03.2016 and Corrigendum dated 06.04.2016 (as enclosed by the applicant in their application), it was noted that the Order states about the classification of Apple Watch (85176290) and its' Parts (85177090). But, the present application has been made for review of the mentioned CAAR's orders, making it more specific about the Watch, Watch Bands (made of fluro-elastomer, stainless steel or any other material other than Leather) and Leather Bands.

iv. The department has recently issued a Protective demand dated 27.12.2024, based on the CRA's Observation's with respect to mis-classification of "Apple Watch Bands" conveyed in the year 2023, which was escalated to the level of SOF (Statement of Facts). The SCN is a way to convey the Audit's objection to the applicant and the applicant has to reply to the Adjudicating Authority. Therefore, it can be said that the SCN is not a confirmed demand and a deliberated decision shall be taken by the adjudicating authority after giving the due opportunity to the importer.

v. To arrive at a decision before issuance of SCN, the NIDB import data of Watch Bands was retrieved and it is found that in case 'of approx. 2000 Bills of Entry, Watch Bands were declared under the Tariff Heading 9113, whereas only in case of six Bills of Entry (including three B/Es of the applicant), Watch Bands were declared under Tariff Heading 8517.

Details of Hearing

5.1 In continuation of hearing dated 10.03.2025 and subsequent ruling passed, another hearing was held on 25.11.2025 at 11.30 AM. Shri Anurag Sehgal and Shri Gautam Khattar appeared for PH in the matter on behalf of the applicant. This hearing is being taken due to the remand order by Hon'ble High Court of Bombay arising out of disposal of W.P. filed by the applicant. That in this application matter pertains to classification of wrist bands of apple watch:

a) Non-leather bands
b) Leather bands

The issue before Hon'ble Bombay High Court pertaining to CAAR unit was whether the CAAR decline the passing of the ruling when a similar matter is pending adjudication before a department authority in a subsequent investigation and when the validity of the earlier ruling by CAAR is still in operation i.e. till March, 2025 or otherwise.

It is discussed with the applicants/ representative that there is no provision of renewing of ruling only a fresh consideration is provided in the statute and that the order of Hon'ble High Court is also in the same perspective.

Coming to the merit of the case the representative submitted as per follow:

That the wrist bands are customized, integrated to the devices i.e. apple watch that in the earlier ruling the CAAR authority and field formation were recognizing the same.
They in terms of non-leather band contended as per follow:

i) These wrist bands are being imported separately i.e. not with the main apple watch device.
ii) These are parts of apple watch and specifically covered as part under CTH 8517; section note 2(b) of section XVI refers.
iii) Non-leather band are specifically excluded by chapter 91 by note 1(g).
iv) It is excluded from CTH 9113 as explained in HSN EN (exclusion).

Regrading Leather Band: To be imported separately (not with apple watch). Section notes 1(b) of section XVI excludes the same; excluded from note 1(g) of chapter 91. CTH 4205 cover it in merit under other article of leather or of composition leather.

Further, the applicant was asked to provide the following:

1. The difference in terms of usability of leather band and non-leather bands.
2. Some samples/photographs of the both kind of bands i.e. leather and non-leather bands.
3. Comment in a similar smart watch band classification issue in which recently CAAR, Delhi has taken view that smart watch bands are classifiable under CTH 9113.

5.2 Nobody appeared for PH from the department side.

<u>Additional submission made by the applicant:</u>

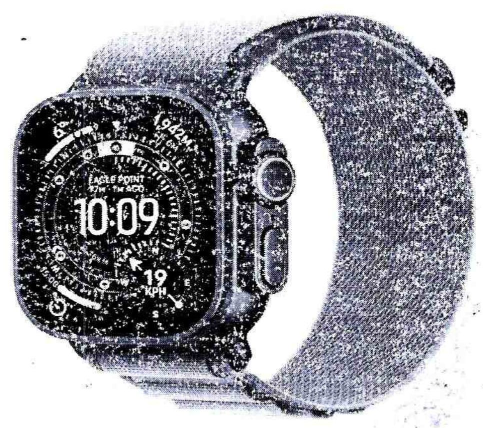
5.3 The applicant has submitted the additional information/reply in relation to apple watch band (Both, Leather and Non-leather) vide email dated 01.12.2025. Point-wise submission is as under:

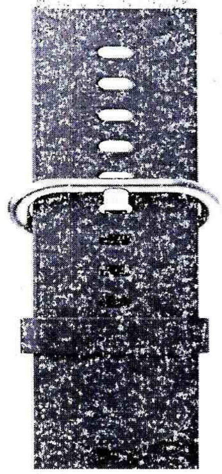
1. **<u>The difference in terms of usability of leather band and non-leather bands:</u>** There is no difference between the usability or functionality of leather bands and non-leather bands. Both leather and non-leather bands share the common functionality which is to secure the Apple Watch onto the user wrist, enabling full functional capability of the watch to be accessible by the user.

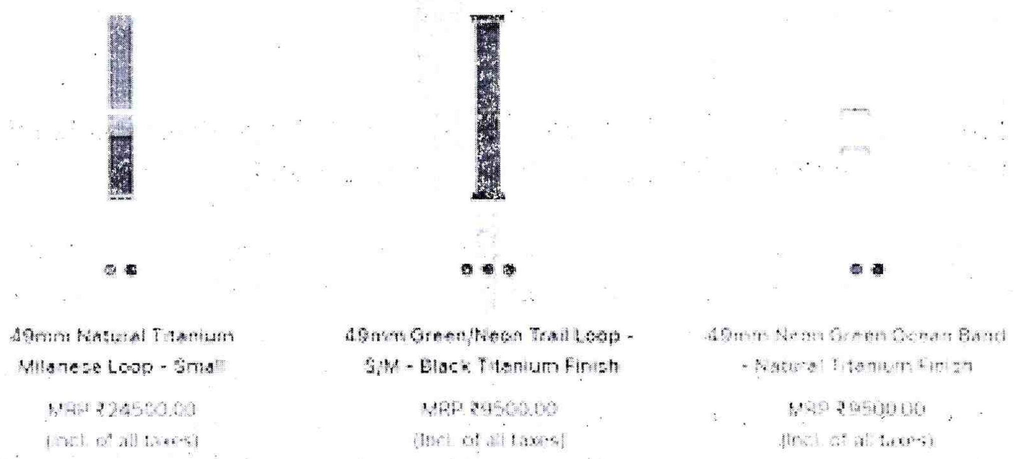
   <u>It is relevant to mention that most of the features of the Apple Watch can only be utilized once the Apple Watch is connected to the wrist of the user through the Apple Watch Bands.</u> Some of such functionalities of Apple Watch which are only accessible to the user once the Apple Watch is affixed to the wrist through Apple Watch Bands are **tracking calories, steps taken, and distance travelled, heart rate sensor, notification alerts through haptics, activation of watch display on lifting of wrist, etc. Hence, both leather and non-leather bands aid in achieving the full functionality of Apple watch bands.**

   Therefore, the only difference between the leather and non-leather bands is in the material used in these watch bands. Leather bands as the name suggests is made of leather. Non-leather bands may be made up of fluoroelastomer or stainless steel or any other material other than of leather.

2. **<u>Some samples/photographs of the both kind of bands i.e. leather and non-leather bands: The applicant has submitted the following photographs of both type watch bands-</u>**







3. **<u>Comment in a similar smart watch band classification issue in which recently CAAR, Delhi has taken view that smart watch bands are classifiable under CTH 9113:</u>**

The Company understand that the Customs Authority of Advance Ruling, New Delhi has given a Ruling No. CAAR/Del/Samsung India/70/2025 dated 01.10.2025 ('**Samsung CAAR Ruling**') in the matter of M/s Samsung India Electronics Private Limited. The issue in this CAAR ruling was to determine whether Samsung Galaxy Watch bands, imported as accessories for smartwatches, merit classification under **CTH 9113 as "Watch straps, watch bands and watch bracelets, and parts thereof."**

In this context, the Company would like to submit that the Apple watch bands are different from the Samsung watch bands on the point of "**interchangeability with standard watches**"

From the Samsung CAAR Ruling, it is abundantly clear that Samsung watch bands are compatible with a wide range of Samsung smart watch models and <u>also standard wristwatches using similar lug widths and spring-bar mechanisms [para 4.2. of the Ruling refers]</u>. **However, as submitted during the Company's Advance Ruling Application as**

well as during the aforementioned personal hearing, Apple watch bands are compatible with only Apple watches and are specifically designed for such watches – so as to enable them in achieving the full functionality.

Moreover, a specific Apple watch band is compatible with only a specific model of Apple watches. Hence, the Apple watch bands are not interchangeable across different models of Apple watches or among standard wristwatches, thereby making them specific for usage with the Apple watch as a part as per the Customs classification principles when read with Section Note 2b of Section XVI.

Further, the Samsung CAAR Ruling also captures the procedure to install the Samsung watch bands to a watch. The same is reproduced hereunder for ease of reference –

"2.4.6. Installing the watch band is a straightforward process designed to be -user friendly and tool-free. To begin, the spring bar pins must be inserted into the ends of the strap. These pins are then aligned with the lugs on the watch body. By gently compressing the spring bar, the user can position it so that it clicks securely into the lug holes, ensuring a firm attachment. Once the strap is properly installed, the user can fasten the buckle or clasp according to their wrist size, adjusting it for a snug yet comfortable fit. This intuitive installation method allows users to quickly change bands to suit different occasions or activities, enhancing the versatility of the Galaxy Watch or any other compatible Watches."

It is clear from the above, to install the **Samsung watch bands** spring bar pins are required to be inserted strap ends and aligned with the watch lugs. Thereafter the spring bar is to be compressed to securely click into the lug holes. This allows quick installation and easy interchangeability across Galaxy Watches and other compatible **generic wrist watches**. **In contrast**, Apple Watch bands use a mechanism with a unique integrated lug that fits only into the customized groove of the Apple Watch. This design makes Apple bands non-interchangeable with other watches and emphasizes exclusivity, as they cannot be used outside the Apple ecosystem.

Furthermore, in the Samsung CAAR, the Applicant while supporting its contention that the Samsung watch bands are within the scope of Explanatory Notes to CTH 9113 also mentions that since such watch bands are compatible with both Galaxy smart watches and general wrist watches, it is classified under CTH 9113 as **watch straps or bands in the conventional sense.** The relevant extract of the same is reproduced hereunder –

"1.11.6. The Explanatory Notes to CTH 9113 provide authoritative guidance on the scope and interpretation of this tariff heading. According to the notes, Heading 9113 covers "all kinds of watch straps, watch bands and watch bracelets, i.e., all devices for fastening watches to the wrist." This definition is broad and inclusive, emphasizing the functional purpose of the product—namely, securing a watch to the wrist—regardless of the specific type of watch or the material used.

*1.11.7. Samsung Galaxy Watch Bands clearly fall within this definition. They are designed specifically to fasten a watch (in this case, a smart watch) to the wrist. The fact that they are **compatible with both Galaxy smart watches and general wristwatches** further reinforces their classification as watch straps or bands in the conventional sense.*

....

*1.11.11. The Watch Bands are designed to attach seamlessly to the Galaxy Watch using specially engineered lugs and spring bar pins. These components are not only compatible with Samsung smart watches but also align with the standard lug dimensions used in conventional wristwatches. The bands are secured on the user's wrist through a traditional buckle mechanism, mirroring the fastening method of a typical wristwatch strap. In terms of both form and function, **these bands are indistinguishable from conventional watch straps** - they serve the same purpose of securing the watch to the wrist and are worn in the same manner."*

Further, the Samsung CAAR Ruling along with comments from Air Cargo Complex while confirming the classification of Samsung watch bands under CTH 9113 have considered the interchangeability feature of the Samsung watch bands with standard watches and has categorically mentioned that these watch bands are not only compatible with Samsung smart watches but also align with the standard lug dimensions used in conventional smart watches. This is in complete contradiction with the usage of the Apple watch bands which are **solely and principally for use with Apple watches** and that too a specific model of watch band can only be used with a specific model of Apple watch. Hence, Apple watch bands are not generic watch bands as Samsung watch bands and therefore do not merit classification under CTH 9113.

In view of the above, it is submitted that the Samsung CAAR Ruling is not applicable to Apple Watch bands (leather and-non-leather). Both the leather and non-leather bands are specifically defined for use with Apple watch bands and therefore should be classified as its parts. The non-leather bands by virtue of Note 2(b) to Section XVI is appropriately classifiable under CTH 8517 79 90. The leather bands though being excluded from the purview of Chapter 85 by virtue of Note 1 to Section XVI is appropriately classifiable under CTH 4205 00 90.

Discussion and findings

6.1 I have considered all the materials placed before me in respect of the subject goods. I have gone through the submissions made by the applicant during the personal hearing. I proceed to pronounce a ruling on the basis of information available on record as well as existing legal framework.

6.2 At the outset, I find that the issue raised in the question in the Form CAAR-1 is squarely covered under Section 28H(2) of the Customs Act, 1962, being a matter related to classification of goods under the provisions of this Act.

6.3 Before deciding the issue, let me deliberate on the legal framework prescribed in Customs Tariff Act, 1975, Chapter/ Section notes along with HSN explanatory notes. As per Rule 1 of GRI, 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.

6.4 I find that the applicant has submitted an advance ruling application dated 14.11.2024 filed on 18.11.2024 regarding renewal of advance ruling dated 18.03.2016 in relation to 'Apple watch- and -Apple watch bands (leather and non-leather}". Vide Advance Ruling No. CAAR/ Mum/ ARC/ 212, 213/ 2024- 25 dated 10.03.2025 in the matter of Apple India Private Limited, CAAR, Mumbai has ruled the following:

For Apple Watch: Confirmed classification as contended by the applicant under CTH 8517 6290 based on merit.

For Apple Watch Bands (leather and non-leather): Not adjudicated the Company's Application on the point of classification of 'non-leather Apple Watch Bands' and 'leather Apple Watch Bands' on the basis that the -matter is currently pending before the adjudicating authority in applicant's matter.

The Additional Commissioner of Customs, Adjudication Cell, ACC, Mumbai Zone- III vide Order-in-Original dated 24.03.2025 (OIO) has ordered for reclassification of the 'non-leather Apple Watch Bands' from CTH 8517 7090 to 91132010.

6.5 Being aggrieved by the Advance Ruling 2025 "on the limited point of Apple Watch Bands (leather and non-leather}" and the OIO) the applicant has filed a writ petition on 28.04.2025 before Hon'ble High Court of Bombay. The Hon'ble High Court of Bombay vide its Order dated 16.09.2025, has accepted the contentions of the Company and Quashed and set aside the CAAR's impugned order dated 10.03.2025 to the extent it concerns the Apple watch bands and has directed CAAR, Mumbai to decide **the renewal application dated 14.11.2024 afresh on merits** and as expeditiously as possible following the principles of natural justice and giving a hearing to all the concerned parties.

Accordingly, the applicant has requested for advance ruling on the limited issue of classification of Apple Watch Bands (Leather) under 85177990 and Apple Watch Bands (Non-Leather) under 42050090.

6.6 Apple Watch is designed for the exclusive use with the Apple iPhone ('iPhone'). The device is essentially an extension of the iPhone and designed to be worn on the user's wrist. **The features of the device can only be activated once the device is paired with an iPhone as the full functionality of the device requires an active connection to an iPhone**

The device functions as an extension of the iPhone, providing various features that enhance user interaction. When connected, it allows access to information stored on the iPhone through a "glances" feature, which enables the rapid display of relevant data, such as calendar events, weather updates, and messages, on a compact interface. Additionally, the Smart Reply function integrates the device into a wireless network, facilitating the transmission and reception of data, voice, and images. This allows users to respond to messages directed to the iPhone by composing text messages using frequently utilized options, dictating messages, or employing emojis for communication.

The device supports hands-free communication by utilizing its built-in speaker and microphone for brief conversations when paired with the iPhone. Users can seamlessly transfer calls to a car speaker or Bluetooth headset for added convenience. The device also features an alert notification system designed for wrist attachment, which delivers notifications to the user through gentle taps, signaling incoming messages on the connected iPhone. The device offers functionalities including timekeeping, photo storage and viewing, and music playback, all requiring prior pairing with an iPhone. Once paired, it displays time independently, although accuracy may diminish over time if not connected with an iPhone (thereby reflecting its usage to the consumer as an extension of the iPhone). Users can wirelessly download a limited photo library from the iPhone, allowing viewing on the device even when not connected.

The device is an advanced communication tool that enables peer-to-peer interaction through digital touch functionality, allowing features like taps, voice messages, heartbeat sharing, and sketches via a paired iPhone. It also supports Apple Pay transactions using near field communication. It is an activity tracker that can measures calories, heart rate, steps, and distance, sharing data with compatible iPhone applications. The device is equipped with a customized design chip, the device features a digital crown for navigation, a retina display with a touch sensor for varying pressure inputs, and a contacts button for quick communication access. Its heart rate sensor uses infrared technology, while haptic feedback from the linear actuator provides notifications. The device activates its display through wrist movement and leverages the paired iPhone's GPS capabilities, transmitting data via Wi-Fi, Bluetooth, or Near Field Communication.

Based on the above functions and technical details, vide Advance Ruling No. CAAR/ Mum/ ARC/ 212, 213/ 2024- 25 dated 10.03.2025 it was held that Apple watch has a host of functionalities such as timekeeping, storage of data etc. However, the principal function of the device is as an apparatus for the communication in a wireless network of voice, images and other data as it works as an extension of paired iPhone. Therefore, Apple watches are classifiable under CTH 8517 and specifically under Tariff Item '8517 62 90 of the First Schedule of the Customs Tariff Act, 1975.

6.7 Before, deciding the classification of the subject goods i.e. Apple Watch Bands, I will discuss the functionality and uses of the goods. The watch bands secure 'the device i.e. Apple watch' onto the user's wrist, enabling full functional capability of the device to be accessible by the user. The attachment of bands is essential for facilitating optimal functionality and enhancing the overall user experience. The bands of the device are made up of fluoroelastomer or stainless steel or leather or of any other material. Therefore, it can be stated that watch bands are basically used for securing the watch onto wrist of user. Bands are provided only for fastening; they do not perform any other functions.

7. <u>Classification of apple watch bands:</u>

7.1 Classification of goods covered under the Tariff Act is done as per the GIR of the First Schedule of Tariff Act. GIR 1 to 5 lays down the principles for determining classification of goods under a specific Heading whereas GIR 6 is applicable if the objective is to determine the classification of goods in the Sub-headings of a Heading.

7.2 GIR 1 stipulates that the goods under consideration should be classified in accordance with the terms of the Headings and any relevant Section or Chapter notes. These Section or Chapter notes and sub-notes give detailed explanation as to the scope and ambit of the respective Sections and Chapters. These notes have been given statutory backing and have been incorporated at the beginning of each Section / Chapter. For ready reference, Rule 1 is extracted herein below:

"Classification of goods in this Schedule shall be governed by the following principles:

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 ..."*

Therefore, the HSN Explanatory Notes are an important aid for ascertaining the classification of a good, in addition to the GIR and corresponding Chapter Notes and Section Notes.

7.3 The applicant submitted that in the light of section note 2(b) to chapter 85 and GIR rule 3(a), watch bands other than leather bands are classifiable under CTI 85177990 as parts of apple watch and in terms of Section Note 1 of Section XVI and GIR rule 1, leather watch bands are classifiable under CTI 42050090 as articles of leather or of composition leather. Details of the applicant's interpretation of laws/facts in this matter has already been mentioned in the Advance Ruling No. CAAR/ Mum/ ARC/ 212, 213/ 2024- 25 dated 10.03.2025.

7.4 First, I will discuss whether the watch bands can be termed as "Parts" or not. In the case of ***Electrosteel Castings v. CCE 1989 (43) ELT 305 (CEGAT),*** the Hon'ble Tribunal observed that "part" is a component whose absence will disable a machine or appliance. It must be regarded as an essential ingredient or part of that machine.

In the case of ***CCE v. Insulation Electricals (2008) 224 ELT 512 (SC),*** the Hon'ble Supreme Court observed that, a part is an essential component of the whole without which whole cannot function.

Reliance can also be placed on the decision of the Hon'ble Supreme Court in the case of ***Commissioner v. Insulation Electrical Private Limited [2008 (224) E.L.T. 512 (S.C.)]*** wherein it was held that a 'part' is an essential component of the whole without which the whole cannot function. This position has been consistently followed and reiterated in a catena of decisions including the decision of the Hon'ble Supreme Court in the case of ***CTO, Anti Evasion, Circle III, Jaipur v. Prasoon Enterprises [2019 (23) G.S.T.L. 441 (S.C.)]*** wherein it was held that the test for a product to be a part of the other is to see if the other is incomplete without the product or if the other cannot function without it. The complexity or lack of complexity will not be a detriment to the question of identifiable nature of the part.

In the present case, both kinds of the apple watch band (leather and non-leather) are used only for securing the apple watch onto user's wrist. Apple watch is finished/complete goods in itself and absence of apple watch band will not make it disable as it can still works as transmission apparatus of heading 8517.

Further, the applicant has submitted that some of functionality of Apple Watch which are only accessible to the user once the apple watch is affixed to the wrist through Apple Watch Bands are tracking calories, steps taken, and distance travelled, heart rate sensor, notification alerts through haptics, activation of watch display on lifting of wrist, etc.

It is observed from the submissions of the applicant that bands (leather and non-leather) secure the watch onto user's wrist but as far as claim of enabling the function capabilities for example; tracking activities, measuring heartbeat, providing alert through haptics, **the applicant has failed to explain that how both kinds of bands i.e. Leather and Non-Leather bands modify or impact the specific functioning of watch in tracking activities, monitoring heartbeat and in reception, conversion and transmission of voice, image and other data, specially when these "watch bands" does not perform or enabled with electromagnetic or other pairing activities with the apple watch.**

During the course of PH dated 25.11.2025 it was clear that there is no electromagnetic feature or system are fitted or equipped in the bands that can impact such functioning of the watch. It is "Apple Watch" that perform function such as tracking activities and measuring heartbeat when placed on the wrist, as such sensors are inbuilt within the watch not with bands. Hence, it can be concluded that when the apple watch is properly tied with wrist band irrespective of nature of bands i.e. leather band or non-leather band, the sensors come in direct contact with the wrist and starts functioning.

Therefore, it can be implied that subject goods i.e. apple watch bands are not parts of a communication device under heading 8517 as they do not contribute connectivity, data transmission/reception/conversion.

Further, as per the information available on apple.com, it can easily be seen that the apple watch has been evolved through a continuous process. When an apple watch is compared to series 11 (2025) to series 1 (2015), it can be seen that Hypertension notifications, ECG App, Blood Oxygen app, Low cardio fitness notifications, Sleep tracking and score, wrist temperature, Swim, snorkel, Wrist flick gesture, Double tap gesture and Electrical heart sensor etc. are added inn the series 11 apple watches itself, not in the watch bands. These features were not available in apple watch series 1 (2015). It is further observed that some features like high or low heart rate notification etc. was enabled from its inception (series 1). It is not the case that functionality of the apple watch is changed but additional features are added in the watch only whereas the functionality of the bands whether leather or non-leather remained the same.

Further the apple.com declares that the apps like Boold oxygen, vital app, temperature sensing feature etc. is for wellness purpose and not for medical use. Introducing new features in apple watch only encompassing additional features of watch and not the features of the bands and does not impose bearing on the classification of watch bands or watch straps irrespective of its constituent material.

7.5 The tariff heading 9113 under the First Schedule of the Customs Tariff Act, 1975, reads as sunder:

9113 **WATCH STRAPS, WATCH BANDS AND WATCH BRACELETS, AND PARTS THEREOF**

9113 10 00 - Of precious metal or of metal clad with precious metal

9113 20 - Of base metal, whether or not gold- or silver-plated:

9113 20 10 --- Parts

9113 20 90 --- Other

9113 90 - Other

9113 90 10 --- Parts

9113 90 90 --- Other

Further, the relevant explanatory notes of heading 9113, as issued by the World Customs Organisation (WCO), are reproduced below for reference and analytical consideration:

This heading covers all kinds of watch straps, watch bands and watch bracelets, i.e., all devices for fastening watches to the wrist.

Watch straps, watch bands and watch bracelets may be of any material, for example, base metal, precious metal, leather, plastics or textile material. They may also be clearly decorative in character without this affecting their classification.

The heading also includes parts of watch straps, watch bands and watch bracelets, identifiable as such, of any material.

The heading excludes :

(a) Other attaching devices (neck chains, pendant bands, watch chains, rings, brooches, etc.) which are classifiable in their appropriate headings.

(b) Buckles and buckle-clasps of precious metal or of metal clad with precious metal (heading 71.15) or of base metal (heading 83.08).

(c) Watch straps, watch bands and watch bracelets presented with their watches but not attached thereto (heading 91.01 or 91.02).

From the plain reading of the tariff heading and explanatory notes of Heading 9113, it is evident that Heading 9113 covers all types of watch straps, watch bands, and watch bracelets regardless of material **as long as their primary function is to secure a watch to the wrist.** The heading also covers parts identifiable as such, however, the tariff heading specifically excludes other types of attaching devices (e.g., neck chains, watch chains), certain buckles, and straps presented with but not attached to watches, which are classifiable under other specific headings. The applicant has further submitted that leather watch bands are classifiable under heading 4205 under heading "**Other articles of leather or of composition leather'** on the basis of Section note 1 of Section XVI which states that:

The relevant extract is as below –

"1. This Section does not cover :

...

(b) ***articles of leather or of composition leather (heading 4205)*** *or of furskin (heading 4303), of a kind used in machinery or mechanical appliances or for other technical uses;*

In the present case, it can be understood that watch bands or straps irrespective of nature of material, are essentially used to secure the watch onto user's wrist. Watch band do not perform any other specific functions than securing the watch onto wrist. it is not the case that the quality of polyester or leather used in making of bands, have specific nature impacting the performance of the watch. It is also clear that watch bands are interchangeable from one watch to another according to their models. Therefore, watch band cannot be understood as items of Section XVI or Chapter 85. Thus, exclusion clause is not applicable in present case.

7.6 Further, I rely on the following judgements-

1. In the case of **Mukesh Kumar Aggarwal & Co. Versus State Of Madhya Pradesh (2004 (178) E.L.T. 3 (S.C.)** :

> ***4.*** *In a taxing statute word which are not technical expressions or words of art, but are words of everyday use, must be understood and given a meaning, not in their technical or scientific sense, but in a sense as understood in common parlance i.e. "that sense which people conversant with the subject-matter with which the statute is dealing, would attribute to it". Such words must be understood in their 'popular sense'. The particular terms used by the legislature in the denomination of articles are to be understood according to the common, commercial understanding of those terms used and not in their scientific and technical sense "for the legislature does not suppose our merchants to be naturalists or geologists or botanists".*

In the case of **Commissioner of Central Excise, Delhi-III Versus Uni Products India Ltd. 2020 (372) E.L.T. 465 (S.C.),** the Hon'ble Supreme Court observed that in cases where an item is capable of being classified under two headings, common parlance test is the best way out.

7.7 In this case, from the photographs provided by the applicant and the website of Apple i.e. https://www.apple.com/in/shop/product/mftj4zm/a/49mm-light-blue-alpine-loop-medium-natural-titanium-finish? , I find that subject goods are sold as an **accessories** to apple watch under generic name "watch band". Further, the applicant has submitted that these bands are to be imported independently, not along with the watch. On the basis of tariff heading, explanatory notes, the information available on website of Apple, product details submitted by the applicant and Rule 1 of GIR, I find that subject goods are specifically covered under heading 9113, hence merit classification under CTH 9113, specifically as under:

(i) Watch bands/bracelets of base metal (e.g., metal link/mesh bracelets): 9113 20 90;

(ii) (ii) Watch bands of plastics/rubber, leather or textile (complete bands, not "parts"): 9113 90 90.

8. I rule accordingly.

23/12/25

(Prabhat K. Rameshwaram)
Customs Authority for Advance Rulings,
Mumbai.

सीमाशुल्क अग्रिम विनिर्णय प्राधिकरण, मुंबई
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(Vivek Dwivedi)
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