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AC QCO exempts some compressor imports until March 31, 2027

S.O. 2324(E) lets AC and refrigeration makers import hermetic compressors for their own manufacturing outside the AC QCO until March 31, 2027, within set caps.

THE MINISTRY OF Commerce and Industry (Department for Promotion of Industry and Internal Trade) issued Order S.O. 2324(E), dated May 8, 2026. It was published the same day in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), No. 2233, in Hindi and English. It is the Air Conditioner and its related Parts, Hermetic Compressor and Temperature Sensing Controls (Quality Control) Amendment Order, 2026, made under sub-sections (1) and (2) of section 16 read with sub-section (3) of section 25 of the Bureau of Indian Standards Act, 2016, after consulting the Bureau. It comes into force from the date of its publication in the Official Gazette. It inserts a new proviso in paragraph 2 of the Air Conditioner and its related Parts, Hermetic Compressor and Temperature Sensing Controls (Quality Control) Order, 2019 (the 2019 Order), after the eighth proviso. It is signed by Sumeet Kumar Jarangal, Joint Secretary, under F. No. P-29014/63/2017-LEI.

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Under the new proviso, the 2019 Order does not apply to the goods in column (1) of its TABLE when a manufacturer of air conditioning and refrigeration equipment and related parts imports them for its own manufacturing. The relief runs from the date of publication of the Amendment Order up to March 31, 2027, and only up to the volume in column (2), headed Financial Year 2026-27. Each volume is a share of the total quantity of the goods imported during the financial year 2024-25. The cap is up to 40% for reciprocating compressors under two tons of refrigeration, for refrigerators and similar appliances, and up to 30% for rotary compressors under two tons, for air conditioners and heat pumps. It is up to 90% for scroll and rotary compressors of two tons and above, for refrigeration, air-conditioning and heat pump use. It is up to 100% for rotary compressors of two tons and above for variable refrigerant flow air conditioning systems. The first three entries cover fixed speed and variable speed (inverter) compressors.

A note to the TABLE sets two conditions. The manufacturer must keep a monthly record of the goods in column (1) and furnish it to "the authorities concerned" on its letterhead, signed by its authorized signatory. It must also submit a plan for indigenization of those goods to the Central Government. The order asks for no undertaking and provides for no verification or audit. It does not name the authorities concerned or say when the records and the plan are due. It does not say whether the 2024-25 quantity is the manufacturer's own imports or all imports of those goods. The relief does not reach imports by anyone other than such a manufacturer, or imports for any purpose other than its own manufacturing, and the order says nothing about what applies after March 31, 2027. Its note records the 2019 Order as S.O. 4354(E) of December 5, 2019, amended seven times before, most recently by S.O. 1815(E) of April 17, 2025.

A later order changed this proviso, and another applies to the 2019 Order as a whole. S.O. 5438(E) of October 1, 2026, the Second Amendment Order, changed the fourth entry to begin "Scroll or Rotary hermetic compressor of rated capacity" and added a separate three-year

exemption for up to 6,000 hermetic compressors and heat exchangers a year, for maintenance and sales, for each manufacturer certified by the Bureau or that has applied for certification. The Transition Facilitation (Quality Control) Order, 2026, S.O. 3417(E) of June 25, 2026, lists the 2019 Order among the ten Quality Control Orders open to a Scheme II route.

Issued by	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
Document	Order S.O. 2324(E), the Air Conditioner and its related Parts, Hermetic Compressor and Temperature Sensing Controls (Quality Control) Amendment Order, 2026
Dated	May 8, 2026
Published	Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), No. 2233, May 8, 2026
Takes effect	From the date of its publication in the Official Gazette
Amends	Paragraph 2 of the Air Conditioner and its related Parts, Hermetic Compressor and Temperature Sensing Controls (Quality Control) Order, 2019 (S.O. 4354(E), December 5, 2019): a proviso inserted after the eighth
Applies to	Hermetic compressors in the TABLE imported by a manufacturer of air conditioning and refrigeration equipment and related parts for its own manufacturing
Exempt until	March 31, 2027
Caps	Up to 40%, 30%, 90% or 100% of the total quantity imported during 2024-25, by compressor type
Conditions	A monthly record furnished to the authorities concerned on letterhead, signed by an authorized signatory; a plan for indigenization submitted to the Central Government
Later change	S.O. 5438(E), October 1, 2026: fourth entry now "Scroll or Rotary"; up to 6,000 hermetic compressors and heat exchangers a year for maintenance and sales, for three years, per manufacturer certified by the Bureau or that has applied for certification
Related	S.O. 3417(E), June 25, 2026, the Transition Facilitation (Quality Control) Order, 2026: the 2019 Order is one of ten QCOs open to a Scheme II route
Made under	Section 16(1) and (2) read with section 25(3), Bureau of Indian Standards Act, 2016

File	F. No. P-29014/63/2017-LEI
Signed by	Sumeet Kumar Jarangal, Joint Secretary

The TABLE as S.O. 2324(E) printed it (S.O. 5438(E) later amended the fourth entry)

Goods or articles	Financial Year 2026-27
Reciprocating hermetic compressors of fixed speed and variable speed (inverter), of rated capacity less than two tons of refrigeration, intended for use in refrigerators and similar refrigeration appliances.	Up to 40 per cent. of the total quantity of goods or articles imported during the financial year 2024–25.
Rotary hermetic compressors of fixed speed and variable speed (inverter), of rated capacity less than two tons of refrigeration, intended for use in air conditioners and heat pump applications.	Up to 30 per cent. of the total quantity of goods or articles imported during the financial year 2024–25.
Scroll and rotary hermetic compressors of fixed speed and variable speed (inverter) having a rated capacity of two tons of refrigeration and above, intended for use in refrigeration, air-conditioning, and heat pump applications.	Up to 90 per cent. of the total quantity of goods or articles imported during the financial year 2024–25.
Rotary hermetic compressor of rated capacity two tons of refrigeration and above for variable refrigerant flow air conditioning system.	Up to 100 per cent. of the total quantity of goods or articles imported during the financial year 2024–25.

The order (PDF, 697 KB)

Source: Gazette of India, CG-DL-E-08052026-272361.

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