CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
NEW DELHI
PRINCIPAL BENCH, COURT NO. 1

Customs Appeal No. 54695 of 2023

[Arising out of Order-in-Original 06/Commr./VC/Maruti Suzuki/ICD PPG/2022-23 dated 30.01.2023passed by the Commissioner of Customs, ICD Patparganj, New Delhi]

M/s. Maruti Suzuki India Ltd. **Appellant**
Plot No.01, Nalson Mandela Road,
Vasant Kunj, New Delhi-110070

Vs.

Commissioner of Customs, ICD Patparganj, New Delhi **Respondent**

Appearance:
Present for the Appellant : Shri B.L. Narasimhan, Ms. Anjali Gupta and Shri Ashwani Bhatia, Advocates
Present for the Respondent: Shri N.M.Goyal, Authorised Representative

CORAM:
HON'BLE DR. RACHNA GUPTA, OFFICIATING PRESIDENT
HON'BLE MS. HEMAMBIKA R. PRIYA, MEMBER (TECHNICAL)

Date of Hearing :07.07.2026
Date of Decision:06.08.2026

Final Order No.51279/2026

HEMAMBIKA R. PRIYA

The present appeal has been filed by M/s. Maruti Suzuki India Limited[1], against the Order-in-Original No. 06/Commr./VC/Maruti Suzuki/ICDPPG/2022-23 dated 31.01.2023 passed by the

1. The Appellant/MSIL

Commissioner of Customs, Patparganj, New Delhi, which confirmed the demand of service tax amounting to Rs.3,77,69,484/- and imposed penalty of Rs.3,77,69,484/- under section 114A of the Customs Act, 1962.

2. The brief facts of the case are that the appellant is a manufacturer of vehicles, including motor vehicles/cars (petrol, CNG, and diesel). The Appellant imports various products for manufacturing of such motor vehicles. One of such products is Glow Plug Controller / Glow Control Unit[2]that is used in Diesel Engine Motor Vehicles (Cars), which the Appellant classified the same under CTI 9032 8990 as Automatic regulating or controlling instruments and apparatus paying Basic Customs Duty[3] @7.5% in terms of Sr. No. 494 of Notification 50/2017-Cus. dated 30.6.2017 ('NN 50/2017), Integrated Goods and Services Tax (IGST') @ 18% and Social Welfare surcharge @10%.On audit,the CRA team noted that the impugned goods were appropriately classifiable under CTI 8511 9000 as a part of glow plug classifiable under CTH 8511. This audit enquiry culminated into issuance of the Show Cause Notice alleging that the impugned goods are parts of glow plugs which are classifiable under CTH 8511 and therefore, the impugned goods merit classification under CTI 8511 9000as parts thereof. The Appellant responded to the Show Cause Notice vide reply dated 12.10.2022, thereafter, the impugned order was passed confirming the proposals made in the Show Cause Notice. Hence, the appellant has filed the present appeal.

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2. GCU
3. BCD

3. Learned counsel submitted that the burden to prove re-classification of the impugned goods under CTH 8511 was on the department, which had not discharged its burden in the instant case. Learned counsel also submitted that when a classification is proposed by the Department, the burden to prove the correctness of such proposed classification was strictly on the Department, by adducing proper evidence and duly discharging the burden of proof. Learned counsel contended that the Show Cause Notice merely contained a bald allegation that the impugned goods were parts of glow plugs and, therefore, classifiable under CTH 8511. Such an assertion has been made without citing any evidence (technical or otherwise) or any other supporting documentation. He further stated that the Show Cause Notice did not refer to any relevant legal provisions, including Section Notes, Chapter Notes, or explanatory materials to justify such a classification. He submitted that the impugned order had also failed to discharge the burden of proof, as it cites no substantive evidence to establish that the impugned goods qualify as "parts." The only discussion on classification of the impugned goods in Para 26 and 27, wherein also the impugned order had failed to establish how GCU is a part of glow plug. In fact, the order itself acknowledged that the Show Cause Notice was vague and unsupported by reasons. He further submitted that the absence of any factual foundation, corroborative material, or legal reasoning, the Department had fundamentally failed to justify the proposed classification. Consequently, the burden of proof squarely placed on the Department in matters of classification—remains entirely undischarged. Learned counsel for the Appellant

relied upon the recent judgment passed by Hon'ble Supreme Court in the matter of **M/s Hamdard (Wakf) Laboratories** vs **Commissioner, Commercial Tax, U.P. Commercial**[4].

3.1 Learned counsel also placed reliance on following decisions:

(a) **Hindustan Ferodo Limited** vs. **Collector of Central Excise**[5];

(b) **HPL Chemicals** vs. **Commissioner of Central Excise, Chandigarh**[6];

(C) **Quinn India Ltd** v. **Commissioner of Central Excise**[7];

(d) **Polaris India Pvt. Ltd.** v. **Principal Commr. of Cus., New Delhi**[8],

3.2 Learned counsel submitted that a'part' is an article without which the main product (i.e. glow plug in the present case) cannot function. For instance, plug body, heating coil, etc. were parts of glow plug. On the other hand, the products including the impugned goods merely assist in the functioning of glow plugs and are used alongside and hence, cannot be considered as parts. He relied on the following judgments to establish that a "part' is an essential component of the whole without which the whole cannot function:

(i) **Commissioner of C. Ex., Delhi** vs.**Insulation Electrical (P) Ltd**[9].

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4. 2026-V1L-20-SC
5. 1997(89) ELT 16 (SC)
6. (2006) 197 ELT 324 (SC)
7. (2006) 9 SCC (559)
8. 2023(386) E.L.T. 287 (Tri. - Del)
9.2008 (224) E.L.T. 512 (S.C.)

(ii) **Pragati Silicons Pvt. Ltd.** vs. **Commissioner of Central Excise, Delhi**[10].

3.3 Learned counsel stated that the function of glow plug was to provide heating, and undoubtedly worked in conjunction with glow plugs. However, it does not participate in the functioning of the glow plug, i.e. heating. The function of GCU is to control the glow plugs, basis the signals received from ECM and on the basis of diagnosis of glow plugs. Both the components i.e. glow plug and GCU performed their respective functions of heating and controlling, respectively. Hence, GCU is not a part of Glow Plug and if GCU is not a part, it cannot be classified as part of glow plug under CTI 8511 9000.

3.4 Learned counsel further contended that the proposal to classify the impugned goods under CTI 8511 9000was incorrect. He stated that it was settled law that irrespective of whether the classification claimed by the Appellant was correct or not, if the classification confirmed in the impugned order was incorrect, the entire case of the Revenue shall not sustain. In this regard,he relied on the judgment of **Sunrise Traders**, vs. **Commissioner of Customs- Mundra**[11], affirmed by Hon'ble Supreme Court in **Commissioner of Customs, Mundra** vs. **Surnrise Traders**[12].

3.5 Learned counsel submitted that CTH 8537 had three requirements and all three were fulfilled by the impugned goods, which were as follows:

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10. 2007 (211) ELT 534 (SC)
11. 2022(381) E.L.T. 393 (Tri. - Ahmd.)
12. 2022(382) E.L.T. 23 (S.C.)

(i) **The product should be used either for electric control or for the distribution of electricity**- GCU takes the decision whether to send command to the relay inside it for allowing / disallowing the current flow for switching the glow plug ON/OFF. This decision is based on signals received from ECM as well as diagnosis results of glow plugs and circuit. Therefore, GCU controls the flow of electric current from the battery to the glow plug and thus, satisfies the first condition.

(ii) **The product should be in the form of board, panel, console, desk, cabinets or any other similar base**: Board is a printed circuit card on which smaller components, cards, or modules can be mounted. Usually such boards are covered by a metallic cover, making the whole structure, a cabinet. The term 'other similar base' is also wide enough to cover all types of bases that are equipped with two or more apparatus of CTH 8535 or8536. The CU has board and a cabinet, therefore, being a board as well as cabinet or other bases, GCU satisfy the second condition as well.

(iii) **The product should be equipped with two or more apparatus of heading 8535 or 8536**: GCU is equipped with relay, switches, and connectors falling under CTH8536. A list of child components fitted on the board inside the GCU is available at Annexure-9 Page 123-124 of the Appeal Paper book. Therefore, GCU incorporates instruments and apparatuses which are classifiable under CTH 8536. Thus, GCU satisfies the third condition also.

Therefore, having fulfilled all the requirements of CTH 8537, the impugned goods are appropriately classifiable under CTH 8537.

3.6 Learned counsel further submitted that in addition to satisfying all the three requirements under CTH 8537, GCU also satisfied the scope of programmable controllers specifically covered under HSN explanatory note to CTH 8537. He drew attention to the Apex Court judgment in the case of **Commissioner of Customs, New Delhi** Vs **C-Net Communication (I) Pvt. Ltd.**[13]**,** wherein it was held that the word 'apparatus' would certainly mean the compound instrument or chain of series of instrument designed to carry out specific function or for a particular use. The term "apparatus" had been defined by the Court of International Trade (U.S.) and its predecessor court as a combination of articles and materials which are intended, adapted, and necessary for the accomplishment of some purpose.GCU is a combination of shunt (resistor), relay and a micro controller designed to carry out the specific function of switching on the glow plug based on logic i.e. whether to follow the ECM signals or not, which is based on the decision whether there is any mal-function or not.

3.7 Learned counsel also placed reliance on the Trade Notice No. 95/96 dated 02.09.1996 issued by the Commissioner of Central Excise & Customs, Cochin vide, wherein the classification of Programmable Logic Controllers was discussed and it has been held that "...

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13. 2007 (12) SCC 72

Programmable Logic controllers ... are classifiable under Heading 85.37 of the Tariff". Learned counsel further contended that even if it is assumed that GCU was a part of glow plug, it would still be classifiable under CTH 8537 by virtue of Section Note 2(a) to Section XVI.

3.8 Learned counsel further submitted that the Commissioner had relied on Section Note 2(b) to hold that the impugned goods could be classified under CTH 8511 as parts, if they were not covered by nomenclature specifically in any of the headings of Chapter 84 or 85 and they were solely or principally used with Glow plugs. He contended that Section Note 2(b) was not applicable in the instant case because before exhausting Section Note 2(a), Section Note 2(b) cannot be applied. Section Note 2(b) starts with the words "other parts" i.e. parts other than those covered under Section Note 2(a). He relied on the case of **Collector of Central Excise** vs. **Delton Cables Ltd.**[14]; and **Secure Meters Ltd**. V. **Commissioner of Customs**[15], in this regard. It is a settled position that Parts' is a general entry if compared to a specific entry and specific entry prevails over a general entry. Reliance in this regard was placed on the following judgments:

(i) **Jtekt Sona Automotive India Limited** vs. **Commissioner of Customs**[16].

(ii) **UNI Products India Ltd**. vs. **Commissioner of C. Ex.**[17].

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14. 2005(181) E.L.T. 373 (S.C.)
15. 2015(319) ELT 565 (SC)
16. 2020(371) E.L.T. 293 (Tri. - Del.)affirmed by Hon'ble Supreme Court in 2021(378) E.L.T. A115 (S.C.)

3.10 Learned counsel submitted that alternatively, the impugned goods was liable to fall under CTH 9032 CTI 9032 9000 which reads as under:

Tariff Item		Description
9032		Automatic Regulating or Controlling Instruments and Apparatus
903210	-	Thermostats:
903220	-	Manostats:
	-	Other instruments and apparatus:
90328100	--	Hydraulic or pneumatic
903289	--	Other:
90328910	---	Electronic automatic regulators
90328990	---	Other
90329000	-	Parts and accessories

3.11 Learned counsel stated that in order to fall under CTH 9032, Chapter Note 7 to Chapter 90 was required to be fulfilled. Chapter note 7 provided the scope of CTH 9032, and as per Note 7(b), automatic regulators will be covered under CTH 9032 if:

(a) it automatically controls electrical or non-electrical quantities,

(b) its operation is dependent on an electrical phenomenon varying according to the factor to be controlled,

(c) it is designed to bring the factor and maintain it at desired value and stabilize against disturbances as well; and

(d) constantly or periodically measure actual value.

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17. 2008 (231) ELT 453 (Tri. - Del.) affirmed by Hon'ble Supreme Court in 2020(372) E.L.T. 465 (S.C.)

3.12 Learned counsel stated that in the present case, the impugned goods are automatic regulators (regulating the flow of passing of current) that contains a logic to control the switching on/off the relay so as to pass current to the glow plug. Further, the factor to be controlled in the present case is current' and the impugned goods are designed to bring this current to, and maintain it at a desired value i.e. when there is a malfunction and ECM sends signals to pass current to the glow plug, the impugned goods takes the final decision of not passing the current which ultimately result in maintaining at a desired value. Learned counsel also placed reliance on judgment of **Hyundai Motors India Ltd.** vs. **Commissioner of Customs**[18], wherein the classification of Electronic Control unit used in a motor vehicle was held to be classifiable under CTH 9032.

3.13 Learned counsel submitted that Show Cause Notice did not allege collusion, wilful mis-statement or suppression of facts. The only allegation pertained to mis-classification of the impugned goods. The Show Cause Notice was silent on the core ingredients for invoking the extended period and therefore fails to satisfy any of the necessary ingredients required for invoking Section 28(4).It was a settled principle of law that in the absence of any allegation in the Show Cause Notice/Order regarding fraud, suppression or wilful mis-statement, invocation of extended period of limitation cannot be invoked. Reliance in this regard was placed on the following judgments:

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18. 2025-TIOL-276-CESTAT-MAD

(a) **Air India Ltd.** vs. **Commissioner of Service Tax, New Delhi**[19];

(b) **Collector of Central Excise** vs. **H.M.M. Limited**[20]

3.14 Learned counsel contended that it was settled position of law that extended period was not invokable in cases involving different interpretations on classification of a particular product. He relied on the following decisions:

(i) **Hanon Climate Systems India Pvt. Ltd.** Versus **Commissioner of Customs ICD Patparganj** and **Other ICDs, Delhi**[21];

(ii) **M/s Videocon D2H Limited** Vs **Additional Director General, (Adjudication), Directorate of Revenue Intelligence, New Delhi**[22].

4. Learned Authorized Representative for the Department reiterated the findings of the given in the Order-in-Original. He submitted that the additional submissions may be read as part and parcel of the arguments advanced during hearing of the appeal. Thereafter, he submitted the following contentions:

4.1 **Essential Part Theory**: Learned authorized representative submitted that the GCU was an "inherent part" of the glow plug system. In modern vehicles, the glow plug cannot perform its function automatically without the evaluative logic provided by the controller.

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19. 2024-VIL-1788-CESTAT-DEL-ST
20. 1995(76) ELT 497 (SC)
21. 2026-VIL-216-CESTAT-DEL-CU
22. 2025-VIL-1605-CESTAT-DEL-CU

4.2 **Functional Unit**: Learned authorized representative relying on Section Notes 3 and 4 of Section XVI, submitted that when individual components (GU and Glow Plugs) contribute together to a single defined function (starting the engine), the whole must be classified under the heading appropriate to that function (CTH 8511).

4.3 Learned authorized representative also submitted that MSIL have argued that Note 2(a) of Section XVI mandates that parts which are themselves "goods" included in a heading of Chapter 85 (such as controllers in 8537) must be classified there regardless of their end-use, whereas in the Westinghouse judgment, it was argued that the more "specific" generic heading (8536 for relays) should prevail under Rule 3(a). The Hon'ble Supreme Court rejected this argument holding that the "user test" in the Section Notes takes precedence. He submitted as follows:

i) **Rule 1 Overrides Rule 3**: Classification is first determined by the terms of the headings and relative Section/Chapter notes (Rule 1).

ii) **System Integrity**: Since the GU has no independent function outside of the starting system, the functional unit concept (Section Note 4) is the primary legal note to follow.

iii) **Predominant Use**: Because the GCU is used solely for the operation of glow plugs (which are specifically named in 8511), the Westinghouse logic suggests that the broader "Electrical Ignition/Starting Equipment" heading (8511) is the correct legal home, rather than a generic controller entry.

4.4 Learned authorized representative relied upon the decision of the Tribunal in the case of **Commissioner of Customs, Bangalore** Versus **Bosch Ltd**[23]. He contended that in the Bosch case, the CESTAT had relied on the "suitability for use test" established in the Westinghouse Saxby Farmer judgment. The Tribunal held that because the SMARTRA unit's sole and principal use was as a vehicle security accessory and hence could not be classified under a generic electrical heading (8536). In the context of the instant case, learned Authorised Representative submitted that the GCU is designed solely for use with glow plugs to facilitate starting the engine. Since "glow plugs" and "starting equipment" are specifically named in CTH 8511, the Bosch order logic dictates that the specific functional system (8511) must prevail over the generic electrical heading (8537) favored by the appellant. Learned authorized representative also relied on the decision of the Hon'ble Supreme Court in **G.S. Auto International Ltd.** vs. **Collector of Central Excise**[24]**.** The Hon'ble Supreme Court's judgment in G.S. Auto International Ltd provides a strong legal framework for classification based on the "suitability for use" test, which directly aligns with the Department's efforts to classify MSIL Glow Plug Control Units (GU) under CTH 8511.In GS Auto, the Supreme Court held that the primary test for classification is whether the goods are suitable for use solely or primarily with specific articles (in that case, motor vehicles). In the present case, learned Authorised Representative stated that the GCU is designed specifically and solely

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23. (2024) 21 Centax 27 (Tri.-Bang.)
24. 2003(152) E.L.T. 3 (S.C.)

for evaluating preheating requirements in diesel engines. Since the GCU is "suitable for use primarily" with the engine-starting equipment named in CTH 8511, the GS Auto precedent dictates it must be classified there, rather than under a generic controller entry.

4.5 Learned authorized representative further relied upon the decision of the Tribunal in **Continental Automotive Brake Systems India Pvt. Ltd.** vs. **Commissioner of Customs**[25]. CESTAT order in Continental Automotive Brake Systems India Pvt. Ltd. provides a contemporary legal precedent that strongly supports the Department's classification MSIL Glow Plug Control Units (GU) under CTH 8511.

5. We have heard the Ld Counsel for the appellant and the learned authorised representative for the department. In order to arrive at any conclusive finding, we would need to understand the product viz., Glow Plug Control Unit, its functioning etc. As per the information available on the internet, a GCU is an electronic module i.e., a PCB with microprocessor/relay/switching circuitry that regulates current, voltage and duration of heating supplied to glow plugs in a compression-ignition diesel engine. The GCU uses Pulse Width Modulation to precisely control voltage and current to each glow plug, stabilizing temperature and improving cold-start performance and emissions. Functionally, the GCU is essential to the correct and safe operation of modern fast-heating glow plugs, especially in meeting emissions and cold-start requirements. So, while the GCU is not a component inside the glow plug, it is an integral part of the overall glow plug system in

25. 2024(389) E.L.T. 93 (Tri.-Del)

contemporary diesel engines. The appellant has classified the said product under CTH 90328990 as 'Automatic regulating or controlling instruments and apparatus and availed the benefits of Notification no. 50/2017-Cus dated 30.6.2017. The Appellant has also submitted that the alternate classification heading is CTH 8537. The department has submitted that the same is liable to be classified under CTH 8511 as parts of glow plug.

8510 90 00	- Parts…………	kg.	10%	-
8511	**Electrical ignition or starting equipment of a kind used for spark-ignition or compression-ignition internal combustion engines (for ex-ample, ignition magnetos, magneto-dynamos, ignition coils, sparking plugs and glow plugs, starter motors); generators (for example, dy-namos, alternators) and cut-outs of a kind used in conjunction with such engines**			
8511 10 00	- Sparking plugs	u	15%	-
8511 20	- Ignition magnetos; magneto-dynamos; magnetic flywheels :			
8511 20 10	Electronic ignition magnetos	u	15%	-
8511 20 90	--- Other	u	15%	-
8511 30	- Distributors; ignition coils:			
8511 30 10	--- Distributors	u	15%	-
8511 30 20	--- Ignition coils	u	15%	-
8511 40 00	- Starter motors and dual purpose starter-generators.	u	15%	-
8511 50 00	- Other generators.	u	15%	-
8511 80 00	- Other equipment.	u	15%	-
8511 90 00	- Parts.	kg.	15%	-

6. We note that the CTH 9032 as claimed by the appellant covers automatic regulating/controlling instruments. In this context, we find that the Ld Counsel has submitted that the said product satisfies the Chapter note 7 of Chapter 90 which provides the scope of the said entry. He submitted that the said item automatically controls electrical or non-electrical quantities; its operation is dependent on electrical phenomenon varying according to the factor to be controlled, it is designed to bring the factor and maintain its desired value and stabilize against disturbances and constantly or periodically measure

actual value. However, in order to classify the goods in the said Chapter 90, we find that the notes to Section XVI/Chapter 90 carve out exception for apparatus for switching or controlling electrical circuits that are more specifically covered in Chapter 85 headings like 8511/8537. We find that the products covered by this heading is for independent instruments such as thermostats, Manostats and other instruments or apparatus. It is also important to note that there is no specific heading under this CTH and the appellant has opted to classify the same in the residual CTH 90328990. It may be pertinent to note this point that the said chapter covers a large residual category for parts/accessories not covered elsewhere covered. In the instant case, we note that the said Chapter carves out an exception for goods more specifically covered in Chapters 84 or 85. Consequently, we are of the view that GCU is not classifiable under this CTH 9032 and is more appropriately classifiable under Chapter 85 of the Customs Tariff.

6.1 Learned Counsel has also submitted an alternate CTH 8537 for Classifying GCU. We find that CTH 8537 covers Boards/panels/consoles equipped with two or more apparatus of heading 8535 or 8536 (switches, relays, fuses) for electric control, including those with Chapter 90 instruments. A perusal of the related HSN notes of CTH 8537, we find that the said heading covers boards, panels, consoles, desks, cabinets and other bases equipped with two or more apparatus of heading 8535 or 8536, for electric control or distribution of electricity, including those incorporating instruments or apparatus of Chapter 90. This classification would fit if the unit is a genuine assembly of two-plus discrete switching/protective apparatus mounted on a base. However, in the instant case, it has been submitted that the GCU is a combination of shunt, relay and a micro-controller which form a single unit. Consequently, this single-PCB electronic module is not likely to structurally meet the "two or more apparatus" requirement of CTH 8537, making this CTH a weaker fit on strict interpretation of the HSN. Further, we note that heading is for electric control or distribution of electricity which is not the function of the said product. Hence, we are of the view that GCU is not classifiable under CTH 8537.

6.2 The learned Authorised Representative has submitted that the GCU is rightly classifiable under CTH 8511 as it is a inherent part of the glow plug system. It has been further submitted that the glow plug cannot function without the evaluative logic provided by the controller. At this juncture, we refer to Section notes 3 and 4 of Section XVI, which reads as follows:

> "3.- 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.
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> 4.- Where a machine (including a combination of machines) consists of individual components (whether separate or interconnected by piping, by transmission devices, by electric cables or by other devices) intended to contribute together to a clearly defined function covered by one of the headings in Chapter 84 or Chapter 85, then the whole falls to be classified in the heading appropriate to that function."

6.2.1 We note that said Section Notes suggest that when individual components viz., GCU and Glow Plugs contribute together to a single defined function, which is electrical ignition or starting equipment for engines (both diesel or IC), the whole is liable to be classified under the heading appropriate to that function. We observe that the first four digits under HSN 8511 explicitly cover electrical ignition or starting equipment used for spark-ignition or compression-ignition internal combustion engines, including sparking plugs and glow plugs. The HSN Explanatory Notes to 85.11 extend this heading to electronic control units that regulate ignition/glow-plug operation based on sensor inputs, which is precisely the GPCU's function.

6.3 We further draw support from the General Rules of Interpretation, which clearly states that if the goods are squarely described by the heading text plus Explanatory Notes, classification is resolved without resort to the subsequent rules. The governing framework for Classification proceeds under the General Rules of Interpretation, applied in sequence — Rule 1 (plain reading of heading/ chapter notes) first, with later rules invoked only if Rule 1 doesn't resolve the question. Both the HSN and its Explanatory Notes have always been considered as a dependable, safe guide for resolving tariff classification disputes, since the Central Excise/Customs Tariff is aligned with the Harmonised System as held by the Hon'ble Supreme Court in **CCE** v. **Wood Craft Products**[26]**.** In this context, we note that the Hon'ble Supreme Court in its judgment in the case of **M/s Thermax Ltd** Vs **Commissioner of Central Excise, Pune**[27] has highlighted the persuasive value of the HSN and held as follows:-

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26. (1995) 3 SCC 454)
27. 2022 (382) E.L.T. 442 (S.C.)

"6. The definition of a product given in the HSN should be given due weightage in the classification of a product for the purpose of levying excise duty. This is because in the Statement of Objects and Reasons of the Bill leading to enactment of Central Excise Tariff Act, 1985, it was clearly stated that the pattern of tariff classification is broadly based on the system of classification derived from the International Convention on the Harmonised Commodity Description and Coding System (Harmonised System) with such contraction or modification thereto as are necessary, to fall within the scope of the levy of Central Excise duty. The tariff so suggested for the levy under the Indian Tariff Act is based on an internationally accepted nomenclature, in the formulation of which, all considerations, technical and legal, have been taken into account. This was done to reduce avoidable disputes on tariff classification. Besides, the tariff would be on the lines of the harmonized system. It was also borne in mind that the tariff on the lines of the harmonized system would bring about considerable alignment, between the Customs and Central Excise Tariffs, which in turn, would facilitate charging of additional customs duty on imports, equivalent of excise duty. It was therefore expressly stated in the Statement of Objects and Reasons that the Central Excise Tariff are based on the HSN and the internationally accepted nomenclature was as such taken into account, to reduce tariff classification disputes. ***Thus, it was suggested that a safe guide for classification is the internationally accepted nomenclature emerging from the HSN and in case of doubt, the HSN should be chosen advisory for ascertaining the true meaning of any expression used in the Tariff Act.*** *In Wood Craft (supra), in the opinion written by Justice J.S. Verma, the following was pertinently opined in this context :*

> *"12. … .. Accordingly, for resolving any dispute relating to tariff classification, a safe guide is the internationally accepted nomenclature emerging from the HSN. This being the expressly acknowledged basis of the structure of Central Excise Tariff in the Act and the tariff classification made therein, in case of any doubt the HSN is a safe guide for ascertaining the true meaning of any expression used in the Act. The ISI Glossary of Terms has a different purpose and, therefore, the specific purpose of tariff classification for which the internationally accepted nomenclature in HSN has been*

adopted, for enacting the Central Excise Tariff Act, 1985, must be preferred, in case of any difference between the meaning of the expression given in the HSN and the meaning of that term given in the Glossary of Terms of the ISI.

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18. We are of the view that the Tribunal as well as the High Court fell into the error of overlooking the fact that the structure of the Central Excise Tariff is based on the internationally accepted nomenclature found in the HSN and, therefore, any dispute relating to tariff classification must, as far as possible, be resolved with reference to the nomenclature indicated by the HSN unless there be an express different intention indicated by the Central Excise Tariff Act, 1985 itself. The definition of a term in the ISI Glossary, which has a different purpose, cannot, in case of a conflict, override the clear indication of the meaning of an identical expression in the same context in the HSN. In the HSN, block board is included within the meaning of the expression "similar laminated wood" in the same context of classification of block board. Since the Central Excise Tariff Act, 1985 is enacted on the basis and pattern of the HSN, the same expression used in the Act must, as far as practicable, be construed to have the meaning which is expressly given to it in the HSN when there is no indication in the Indian tariff of a different intention."

7. Commenting on the importance of taking guidance from HSN Classification and how a taxing statute should be construed in consonance with their commonly accepted meanings in the trade and popular sense, Justice Sanjiv Khanna in D.L. Steels (supra) also so correctly observed as follows :-

"9. The Harmonised System of Nomenclature, developed by the World Customs Organisation, has been adopted in India by way of the Customs Tariff Act, 1975, though there are certain entries in the Schedules to this Act which have not been assigned HSN codes. The Harmonised System is governed by the International Convention on Harmonised Commodity Description and Coding System, which was adopted in 1983, and enforced in January, 1988. This multipurpose international product nomenclature harmonises

description, classification, and coding of goods. While the primary objective of the HSN is to facilitate and aid trade, the Code is also extensively used by governments, international organisations, and the private sector for other diverse purposes like internal taxes, monitoring import tariffs, quota controls, rules of origin, transport statistics, freight tariffs, compilation of national accounts, and economic research and analysis. In the present times, given the widespread adoption of the Harmonised System by over 200 countries, it would be extremely difficult to deal with an international trade issue involving commodities, without adverting to the Harmonised System. The Code is the bedrock of custom controls and procedures. The HSN consists of over 5000 commodities groups, which are structured into 21 Sections and 97 Chapters, which are further divided into four and six digit sub-headings. Many custom administrations, like India, use an eight or more digit commodity coding system, with the first six digits being the HSN code.

10. Classification under the Harmonised System is done by placing the goods under the most apt and fitting sub-heading. This is done by choosing the appropriate Chapter, Heading, and sub-heading respectively. To facilitate interpretation and classification, each of the 97 Chapters in the HSN contain corresponding Chapter Notes, General Notes, and Explanatory Notes applicable to the Headings and sub-headings within that Chapter. In addition, there are six General Rules of Interpretation applicable to the Harmonised System as a whole.

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12. We would, at this stage, take on record the well-settled principle that words in a taxing statute must be construed in consonance with their commonly accepted meaning in the trade and their popular meaning. When a word is not explicitly defined, or there is ambiguity as to its meaning, it must be interpreted for the purpose of classification in the popular sense, which is the sense attributed to it by those people who are conversant with the subject matter that the statute is dealing with. This principle should commend to the authorities as it is a good fiscal policy not to put people in doubt or quandary about their tax liability. The common

> *parlance test is an extension of the general principle of interpretation of statutes for deciphering the mind of the law-maker. However, the above rule is subject to certain exceptions, for example, when there is an artificial definition or special meaning attached to the word in a statute, then the ordinary sense approach would not be applicable."*

6.5 It is important to note here that in the aforesaid judgment, the Supreme Court has reiterated the view that the HSN code is the bedrock of custom controls and procedures. It has also been held that as per the HSN, classification is done by placing the goods under the most apt and fitting sub-heading. Drawing support from the above, we note that following the GIR 1, CTH 8511 specifically 8511.90 if treated as a "part" of ignition equipment, is the more technically defensible heading, since the article's function which is controlling glow plug heating, is directly named in both the text of the said heading and HSN Explanatory Notes to 85.11 which clearly states that … "This heading covers electrical starting or ignition equipment and appliances for internal combustion engines of any kind (piston or other types), whether for use in motor cars, aircraft, boats or the like, or for stationary engines". It also covers generators and cut-outs for use in conjunction with such internal combustion engines. In the instant case, it is an admitted fact that the GCU gives signal to the glow plug and assists in the ignition of the engine. Hence, we hold that the GCU is appropriately classifiable under CTH 8511.

6.6. We also draw support from the Technical Note on Glow Plugs and Glow Plug Controllers authored by Bosch Limited which has been submitted by the appellant. The said technical note provides a technical basis to uphold classification of the Glow Plug Control Unit (GCU) under CTH 8511. Relying on the Bosch Technical Note, we note the following:

(i). "Functional Unit":Section note 4 of section XVI states that a combination of machines states that where a machine (including a combination of machines) consists of individual components (whether separate or interconnected by piping, by transmission devices, by electric cables or by other devices) are intended to contribute together to a clearly defined function covered by one of the headings in Chapter 84 or Chapter 85, then the whole falls to be classified in the heading appropriate to that function.

(ii) In the instant case, the GCU is part of a combination of machines intended to contribute to a clearly defined function (starting the engine). The Bosch note explicitly confirms this by stating that at a fundamental level, the Glow system comprises of a heater and a controller. This supports the application of Section Note 4 to Section XVI, requiring the whole system to be classified under the heading appropriate to its function (8511).

(iii) Standalone Controller: Ld Counsel has submitted that the GCU is a generic controller for CTH 8537. However, the aforesaid Bosch note identifies the GCU as a device, specifically designed to "regulate the heating" of glow plugs. Because the GCU has no function outside of the glow plug ecosystem, hence, it is a "part" rather than a general-purpose electrical board.

(iv) Technical Essentiality: Learned Authorised Representative has contended that the glow plug "cannot perform its function" automatically without the GCU evaluating pre-heating requirements.

(v) We note that the said Technical Bosch confirms this "intelligent" interaction, noting that the GCU processes ECU signals to determine specific heating current and duration. Such an explanation clearly supports the classification of GCU as a "key part" for the flawless starting operation of a cold diesel engine".

(vi) "Inherent Part": The said note’s description of "Intelligent Glow Systems" portrays the microcontroller as a component that prevents "cascading of failures".

(vii) Drawing on the said description, we find that the inevitable conclusion is that GCU is an "inherent part" of the glow plug, making it inseparable for a safe and effective operation of the 8511 ignition equipment.

6.7 Consequently, by relying on Bosch's own technical literature, it is evident that the GCU and Glow Plug are two halves of a single functional system, thus justifying its classification under CTH 8511.

7. We further draw support from the Supreme Court’s judgment in the case of Westinghouse Saxby Farmer Ltd. vs. Commissioner of Central Excise, Calcutta 2021 (376) E.L.T. 14 (S.C.) wherein the Hon’ble Supreme Court emphasized on Note 3 of Section XVII, which establishes the "suitability for use test". The Court held that even if a product (like a relay) is technically electrical machinery, if it is designed and used solely or principally as a part of a specific system (railway signalling), it must be classified under the heading corresponding to that principal use. Learned Counsel has submitted that Note 2(a) of Section XVI mandates that parts which are themselves "goods" included in a heading of Chapter 85 (like controllers in 8537) must be classified there regardless of their end-use. However, we find that the Hon’ble Supreme Court has rejected similar argument, holding that the "user test" in the Section Notes takes precedence. We note that as per the aforesaid judgment, since

GCU is used solely for the operation of glow plugs (which are specifically named in 8511), the broader "Electrical Ignition/Starting Equipment" heading (8511) would be the correct legal home, rather than a generic controller entry.

8. Both the learned Counsel and learned Authorised Representative have relied on several decisions of the Hon'ble Supreme Court and the Tribunal. We take up some of these judgments and examine them. On the issue of the responsibility of the Department to discharge the onus for reclassification, a perusal of the impugned order clearly reflects that each of the submissions of the appellant has been dealt and the classification has been ordered under CTH 8511 based on GIR 1 read with the relevant Section and Chapter notes. Hence, the Department has discharged the onus. Hence, the judgments relied upon by the appellant on this issue does not come to play.

8.1 Several decisions have been relied upon to establish that extended period of limitation cannot be invoked unless the intent to evade/positive act by the appellant is established. In this context, Ld Counsel has submitted that the prior to the initiation of investigations after CRA audit, the appellant was importing the said item and classifying the same under CTH 90328990. The goods were cleared by the jurisdictional Customs authorities. We find that as the Bench had requested, copies of the earlier Bills of Entry have been filed before us. We find that the B/E no. 2967434 dt 19/10/2015, the appellant imported Controller Assembly, Glow Plug Part under 90328990. Similarly, copies of several such Bills of Entry have been submitted clearly evidencing that the Department had been clearing the said goods without disputing its classification. Consequently, we hold that the allegation of suppression or misdeclaration with an intent to evade cannot be accepted. Hence, the demand for the extended period and the penalty imposed under section 114Acannot be sustained.

9. In view of the above, we hold as follows:

(i) The appropriate classification of the GCU is CTH 8511

(ii) The demand for normal period is upheld.

(iii) The penalty under Section 114A cannot be sustained

10. The impugned order is amended to the above extent and the appeal is allowed to the extent indicated above

(Order pronounced on **06.08.2026**)

(DR. RACHNA GUPTA)
OFFICIATING PRESIDENT

(HEMAMBIKA R. PRIYA)
MEMBER (TECHNICAL)

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