IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08.09.2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP Nos. 31862, 31868, 31874, 31974, 31976 and 31987 of 2026
and
W.M.P. Nos.35040, 35044, 35063, 35177, 35182
and 35188 of 2026

M/s.Inzi Controls India Limited
Represented by its Senior Executive,
D. Dhamodharan,
72, Bangalore Highway,
Irungattukottai Village,
Sriperumbudur, Kancheepuram 602 105.

..Petitioner in all WPs

Vs

1. The Joint Commissioner (ST) Appeals
Integrated Commercial Taxes and
Registration Department Buildings,
(South Tower) 7th Floor Nandanam,
Chennai-600 035

2. The Deputy Commissioner (ST) - IV
Large Taxpayers Unit,
Integrated Commercial Taxes and
Registration Department Buildings
(South Tower), Nandanam,
Chennai 600 035

..Respondents in all WPs

Petitions filed under Article 226 of the Constitution of India praying for issuance of Writ of Certiorari calling for records pertaining to the issue of the impugned orders dated 11.05.2026 along with APL 04 bearing reference nos. ZD3305260846470 (2018-19), ZD3305260844755 (2017-18), ZD3305260849440 (2019-20), ZD330526085282D (2022-23), ZD3305260842981 (2020-21) and ZD3305260852097 (2021-22) respectively passed by the 1st Respondent and quash the same as the same being arbitrary, without the authority of law, contrary to the provisions of the Section Notes and Chapter Notes to the Customs Tariff and HSN Explanatory Notes passed in violation of the principles of natural justice in as much as the submissions made by the Petitioner were not at all taken into account and also in contravention of Articles 14, 19 (1)(g) and 265 of the Constitution of India.

For Petitioner:	Mr.G.Natarajan in all WPs
For Respondents:	Mr.I.Dinesh, Additional Government Pleader (Tax) Mr.R.Sethu Prabakaran, Government Advocate (Tax) in all WPs

COMMON ORDER

Orders in original dated 08.04.2024 were carried in appeal by the petitioner. Said appeals were rejected by the appellate authority under impugned orders dated 11.05.2026.

2. The petitioner is engaged in the business of manufacturing air and oil filters for supply to automobile companies. The petitioner classified these goods under Chapter 84 of the Customs Tariff Act, 1975, specifically 8421 23 00 and 8421 31 00. Proceedings were initiated in relation thereto on the ground that these goods are classifiable under Chapter 87 and not under Chapter 84. Said proceedings culminated in the impugned appellate orders.

3. Learned counsel for the petitioner referred to reply dated 26.03.2024 to the show cause notice and contended that the proper officer was requested to consider the HSN Note to Chapter 87 in relation to the principles for the classification of goods under said chapter. In particular, he pointed out that the triple test was relied on and that it was contended that two conditions under the triple test are not satisfied, viz., the petitioner's goods fall within Heading 8401 to 8479 and are consequently excluded from the coverage of Section XVII; and the goods are specifically covered under Heading 8421. He adds that these contentions were also raised before the appellate authority by also placing reliance on several judgments, including the judgment of the Supreme Court in *CCE vs. Uni Products Ltd., (2020 (372) E.L.T. 465 SC) (Uni Products)*. In addition, learned counsel relies upon Instruction No.1/2022-Cus dated 05.01.2022 (*Instruction No.1)*, whereby the CBIC directed the officers to take into consideration the judgments referred to therein and not rely exclusively on *M/s Westinghouse Saxby Farmer Ltd. vs. Commissioner of Central Excise, Kolkata [2021 (376) E.L.T. 14 (S.C.)] (Westinghouse Saxby)*. Disregarding the petitioner's contentions and Instruction No.1, learned counsel submits that the impugned appellate orders were issued relying solely on the 'sole or principal use test' which is laid down in *Westinghouse Saxby.* Hence, he contends that reconsideration is warranted.

4. In response to these contentions, Mr.I.Dinesh, learned Additional Government Pleader (Tax), raises a strong preliminary objection. He submits that the petitioner has an efficacious alternative remedy before the GST Appellate Tribunal. He submits further that the present dispute raises mixed questions of fact and law relating to the classification of goods and that the appropriate forum for consideration thereof is the Appellate Tribunal. As regards the contention that the triple test was disregarded, turning to the operative paragraphs of the impugned appellate orders, learned counsel submits that the appellate authority recorded cogent reasons for relying on the 'sole or principal use test' and for rejecting the contention based on Heading 8421. He concluded his submission by pointing out that the appellate authority duly exercised jurisdiction vested in him and that interference under Article 226 of the Constitution of India is not warranted. Supplementing these submissions, Mr.R.Sethu Prabakaran, learned Government Advocate (Tax), submits that Section XVI, which includes Chapter 84, expressly excludes articles falling within the scope of Section XVII. He also submits in conclusion that the question relating to the classification of compressors used in air conditioning systems and automobiles fell for consideration before this Court in *Hanon Automotive Systems India Private Limited vs. Deputy Commissioner (CT)/Deputy Commissioner (ST) - II, Large Taxpayers' Unit (2026:MHC:1097) (Hanon),* and that this Court held that they are

classifiable under Chapter 87 because they are intended exclusively for use in automobiles.

5. The existence of an alternative remedy is a material consideration while exercising discretionary jurisdiction under Article 226 of the Constitution of India. It is, however, not an embargo to the exercise of such jurisdiction. Ordinarily, in exercise of such jurisdiction, disputes relating to classification are not decided on merits. I do not propose to do so. The limited question I intend to answer is whether there was any deficiency in the decision making process warranting interference in judicial review.

6. In the petitioner's reply dated 26.03.2024 to the show cause notice, the petitioner stated, in relevant part, as under:

> *2.2 As per the explanation (iii) and (iv) of the Tariff schedule issued under Notification No, 01/2017 (CTR) dated 28.06.2017, the tax payers have to refer to the HSN code as specified in the Customs Tariff Act 1975. The said explanations are reproduced below for ease of reference.*
>
> *(iii). "Tariff item", "sub-heading" "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).*
>
> *(iv) The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General*

Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification

2.3 Hence, the issue of classification of "Air filters/Oil filters" manufactured and supplied by us, has to be determined with reference to the above statutory materials. The rival classifications are 8421 3100 (falling under Section XVI of the Customs Tariff) as claimed by us and 8708 (falling under Section XVII of the Customs Tariff) as claimed by the department and these Chapter headings, along with relevant Section Notes and Chapter notes and HSN Explanatory Notes are enclosed for perusal.

2.4 It may be observed that Chapter 87, which comes under Section XVII of the Customs Tariff, covers various automobiles and their parts. The relevant HSN Note to Chapter 87! Section XVII, which explains the principles for classification of goods as Parts of goods of this Chapter / Section, lays down three conditions are to be satisfied, for classification of any goods as parts under this heading. The conditions are as follows:

It should however be noted that these headings apply only to those parts accessories which comply with all three of the following conditions:

(a) They must not be excluded by the terms of Note 2 of this section;

(b) They must be suitable for use solely or principally with the articles of chapter 86 to 88; and

(c) They must not be more specifically included elsewhere in the Nomenclature.

2.5 In this connection, attention is invited to Note 2 (e) of Section XVII, which is reproduced below for ease of reference:

2. The expressions "parts" and "parts and accessories" do not apply to the following articles, whether or not they are identifiable as for the goods of this section.

(e) machines and apparatus of headings 8401 to 8479 or parts thereof, other than radiators for the articles of this section, articles of heading 8481 or 8482, or provided they constitute integral parts of engines or motors, articles of heading 8483.

2.6 It may be observed from HSN Explanatory Note to chapter 8421, the following goods are specifically covered thereunder;

(ii) FILTERING OR PURIFYING MACHINERY AND APPARATUS. FOR LIQUIDS OR GASES

Much of the filtration or purification plant of this heading is purely static equipment with no moving parts. The heading covers filters and purifiers of all types (physical or mechanical, chemical, magnetic, electro - magnetic, electrostatic, etc.,). The heading covers not only large industrial plant, but also filters for internal combustion engines and small domestic appliances. The heading does not, however, include filter funnels, milk strainers, vessels, tanks, etc., simply equipped with metallic gauze or other straining material, nor general purpose vessels, tanks, etc., even if intended for use as filters after insertion of a layer of gravel, sand, charcoal, etc.

In general, filtering machinery and plant of this heading is of two distinct types according to whether it is intended for liquids or gases.

(A) Filtering and purifying machinery etc., for liquids, including water softeners.

The liquid filters of this group separate solid, fatty, colloidal, etc., particles from a liquid, for example, by passing it through a sheet, membrane or mass of porous material (e.g., cloth, felt, wire - cloth, skin, stoneware, porcelain, kieselguhr, sintered metallic powders, asbestos, paper pulp, cellulose, charcoal, animal black, sand). In the treatment of drinking water, some of these materials (e.g., porcelain and charcoal) remove bacteria, etc., in the process of filtration; filters using these materials are therefore sometimes called "water purifiers". Filters are also used to eliminate liquids from materials in the form of a slurry (e.g., from ceramic materials or ore concentrates). The heading covers liquid filters whether of the gravity, suction (or vacuum) or pressure types.

It includes, inter alia:
(1)
(2)
(3) Oil filters for Internal Combustion engines, machine -tools, etc.. They are of two main types:

(i) Those containing a filtering element, usually of superimposed layers of felt, metallic gauze, steel wool, etc.,

(ii) Those containing permanent magnets or electromagnets for the extraction of ferrous particles from

the oil.

(B) Filtering or purifying machinery, etc., for gases. These gas filters and purifiers are used to separate solid or liquid particles from gases, either to recover products of value (e.g., coal dust, metallic particles, etc., recovered from furnace flue gases), or to eliminate harmful materials (e.g., dust extraction, removal of tar, etc., from gases or smoke fumes, removal of oil from steam engine vapours).

They include:

(1) Filters and purifiers acting solely by mechanical or physical means; these are of two types. In the first type, as in liquid filters, the separating elements consists of a porous surface or mass (felt, cloth, metallic sponge, glass wool, etc.,).In the second type, separation is achieved by suddenly reducing the speed of the particles drawn along with the gas, so that they can then be collected by gravity, trapped on an oiled surface, etc. Filters of these types often incorporate fans or water sprays.

Filters of first type include:

(i) Intake air filters for internal combustion engines. These often combine the two systems described above.

2.7 It may be observed from the above that the "Air filters/Oil filters" manufactured and supplied by us, which are specifically covered under heading 8421 cannot at all be classified under heading 8708, for the reason that, out of the three conditions prescribed above, to classify any goods as Parts under Section XVII, two conditions are not satisfied, as explained below, (i) As per Note 2 (e) of

Section XVII, machines and apparatus of heading 8401 to 8479 are excluded from the coverage of Section XVII, under which chapter 87 also comes, (ii) Further, the subject goods are specifically covered under heading 8421. Thus, out of the three conditions mentioned in HSN Explanatory Note, two conditions, viz., (a) and (c) are not satisfied and hence, the classification of the disputed goods by the department under tariff heading 8708 is not at all sustainable in law.

7. In support of these submissions, several judgments were relied upon. These judgments include the judgment of the Supreme Court in *Uni Products* with regard to the triple test for classification of goods under Section XVII. In addition, the petitioner relied upon *Instruction No.1*. In relevant part, it is stated in said instruction as under:

'3. In the context of the divergent practices arisen, it is noted that the classification of 'parts' of goods falling under Section XVII of the Customs or Central Excise Tariff is a complex issue. Further, apparently, the Section notes have been suitably applied in relevant judgments of the Hon'ble Supreme Court on issues of classification of parts and accessories. Thus , the collective wisdom of these judgments indicates the manner in which such classification issues are to be approached. Few of such judgments are illustrated in succeeding paragraphs:

3.1 Intel Design Systems (India) Pvt. Ltd. v. Commissioner of Customs and C.Ex [2008 (223) E.L.T. 134 (S.C.)]

(A) Apart from the reliance on the Section Notes and the Chapter Notes, the Court in this judgment, also considered the HSN Explanatory notes, wherein the three conditions that need to be fulfilled for the goods to be classified under the chapters of Section XVII are mentioned, namely-

(a) They must not be excluded by the terms of Note 2 to section XVII; and

(b)They must be suitable for use solely or principally with the articles of chapters 86 to 88; and

(c)They must not be more specifically included elsewhere in the Nomenclature.

(B) While relying on these conditions, the Hon'ble Supreme Court held-

"The items therefore, manufactured by the appellants are identifiable or are in the nature of goods falling under Chapter heading 8536. Since these fall under the category of excluded goods under chapter notes, even though they are used specifically solely or principally with the armoured vehicles of Chapter Heading 8710, they are classifiable under chapter heading 853690 only as held by the adjudicating authority."

(V)By taking cognizance of the conditions mentioned in the HSN explanatory notes, the exclusionary clause under Note 2 has been given precedence over the sole or principal use of the items. It was recognized that since one of the conditions i.e. of the exclusion mentioned in Note 2 (Condition (a)) was not met, the said goods could not be classified under chapter 87.

3.2 CCE, Delhi v. Uni Products Ltd - 2020 (372) E.L.T. 465(SC)

(A) In this judgment, the Hon'ble Supreme Court has once again taken cognizance of the reference to 'parts and accessories' under the main heading 'General', in Section XVII of the HSN Explanatory Notes thus -

> *"Under the Sub-Heading "(iii) Parts and Accessories", a three layer test has been postulated. It is on satisfying all of these conditions that a particular item would come under that chapter head."*

(B)Recognizing the significance of the Explanatory Notes in guiding the classification of goods, the Supreme Court has placed reliance on all the three conditions that need to be fulfilled for the goods to be classified under the chapters of Section XVII.

4.However, in the current case of Westinghouse Saxby, the Judgments referred above have not come up for consideration and the Hon'ble Supreme Court has applied the 'sole or principal use' test of Section Note 3 to the exclusion in the embargo in Note 2 and therefore, the judgment of the Hon'ble Supreme Court appears to be at variance with the stand taken by the Supreme Court in classifying other parts of goods falling under Section XVII.

5.In this regard, it may be considered that the judgment in case of M/s.Westinghouse Saxby has decided *the classification of the commodity 'relays' used in railway signalling equipment of Chapter 86 and not parts of goods falling under Chapter 87. The judgment itself does not refer to its wider applicability to any other case or issue of a similar nature. Also this judgment, pertains to a matter under the Central Excise Tariff Act in the year 1994 when the Central Excise Tariff and the Customs Tariff were not aligned.'*

8. Against this backdrop, I turn to the impugned orders. The appellate authority took note of the nature of goods designed and supplied by the petitioner and thereafter framed the principal issue as under:

'The principal issue requiring determination is whether the impugned Air/Oil filters are to be classified merely based on the textual entry under Heading 8421 or whether the "sole or principal use" test applicable to motor vehicle parts under Section XVII is required to be applied.'

9. Thus, it is noticeable that the principal issue was framed as 'Whether the classification should be merely based on the textual entry under Heading 8421 or whether the 'sole or principal use test' should be applied?'. It is pertinent to recall that the primary contention of the petitioner was that the relevant HSN Note to Chapter 87/Section XVII lays down three conditions to be cumulatively satisfied for classification of goods or parts under Chapter 87. This contention was not engaged with in

the impugned orders. Instead, after framing the principal issue in the manner discussed above, the appellate authority recorded a finding that existence of a specific entry is not sufficient to accept the petitioner's classification. In reaching such conclusion, strong reliance was placed on *Westinghouse Saxby* and *Hanon*. Neither the judgments cited by the petitioner nor *Instruction No.1* were taken into consideration while drawing such conclusion. Therefore, I conclude that there was a flaw in the decision making process and that reconsideration is justified on this account.

10. Hence, the impugned appellate orders are set aside and these matters are remanded for reconsideration by the appellate authority. After providing a reasonable opportunity to the petitioner and after duly taking note of the observations contained in this order, fresh orders shall be issued within six months from the date of receipt of a copy of this order.

11. The writ petitions are disposed of on the above terms. Consequently, connected miscellaneous petitions are closed. There shall be no order as to costs.

08.09.2026

Index: Yes
Neutral Citation: Yes
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To

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Department Buildings, (South Tower)
7th Floor Nandanam, Chennai-600 035

2.The Deputy Commissioner (ST) - IV
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SENTHILKUMAR RAMAMOORTHY, J.

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