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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24-09-2026

CORAM

THE HON'BLE MR.JUSTICE N.SENTHILKUMAR

W.P.Nos.19253 & 19258 of 2024
and W.M.P.Nos.21116, 21117, 21120 & 21122 of 2024

CNR: {HCMA011197092024}

CNR: {HCMA011197212024}

Hyoseong Electric India Private Limited
No.49, Sengadu,
Chennai- 602 105.

..Petitioner(s)
in both cases

Vs

Deputy Commissioner (ST) -II
Large Taxpayers Unit,
Chennai- 35.

..Respondent(s)
in both cases

Common Prayer: Writ Petitions filed under Article 226 of the Constitution of India, praying to issue a Writ of Certiorarified Manadamus, calling for the records in the Impugned Order Ref No. ZD330224179404K dated 28.02.2024 and Ref No. ZD330224189082M dated 29.02.2024, issued by the Respondent and quash the same and consequentially direct the Respondent to consider the response submitted by the Petitioner and decide in accordance with law.

For Petitioner(s) in both cases: Mr.K.Senguttuvan

For Respondent(s) in both cases: Mr.I.Dinesh, Additional Government Pleader (Taxes)

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COMMON ORDER

The present writ petitions have been filed challenging the orders passed by the respondent dated 28.02.2024 and 29.02.2024.

2.Learned counsel appearing for the petitioner submitted that the petitioner is a registered taxable person under the Goods and Services Tax (GST) regime, bearing GSTIN No.33AABCH7885E1Z1. The respondent issued intimations in Form GST DRC-01A dated 30.11.2023 and 27.11.2023, alleging certain discrepancies noticed upon scrutiny of the monthly returns in Form GSTR-1 filed by the petitioner for the months of February to March 2023 and April to October 2023. The petitioner disputed the proposed classification and contended that the DC motor used in the steering column of motor vehicles is classifiable under Chapter 87 and, accordingly, discharged GST at the rate of 28%.

2.1.Learned counsel for the petitioner further submitted that the impugned orders are non-speaking orders, as the respondent has merely relied upon the judgment of the Hon'ble Supreme Court in *Westinghouse Saxby Farmer Ltd. vs. Commissioner of Central Excise, Calcutta, Civil Appeal No.37 of 2009, decided on 08.03.2021*, without independently considering the petitioner's contentions. According to the learned counsel, the respondent ought to have examined the

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applicability of the three conditions prescribed under the relevant Section and Chapter Notes for determining the classification of the goods in question. Without undertaking such an examination, the respondent has proceeded to rely upon the aforesaid judgment of the Hon'ble Supreme Court. It was, therefore, contended that the impugned orders do not contain any meaningful discussion of the petitioner's objections or the legal grounds raised in support of the claimed classification and, consequently, cannot be sustained.

2.2.In support of the above contention, learned counsel for the petitioner placed reliance upon the order passed by this Court in *M/s. Inzi Controls India Limited v. The Joint Commissioner (ST) Appeals and Another*, in *W.P.Nos.31862, 31868, 31874, 31974, 31976 and 31987 of 2026, dated 08.09.2026.* The learned counsel submitted that the observations made by this Court in paragraph 9 of the said order are directly relevant to the issue arising for consideration in the present writ petitions. The said paragraph is extracted hereunder:

> *"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*

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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."

2.3.On a perusal of the aforesaid judgment, it is seen that the Learned Single Judge of this Court had found that the relevant considerations arising out of the judgment of the Hon'ble Supreme Court in *Westinghouse Saxby Farmer Ltd. v. Commissioner of Central Excise* and the relevant instructions had not been duly considered by the Authority concerned. Accordingly, the matter was remitted to the original Authority for fresh consideration. The learned counsel for the petitioner submitted that, in the present cases also, the three tests, relevant for determining the classification of the goods in question have not been considered by the respondent and, therefore, the matters may be remitted to the original Authority for fresh consideration. The learned counsel also placed reliance upon Instruction No.01/2022 Customs [F.No.524/02/202/STO (TO)] dated 05.01.2022 and Instruction No.25/2022-Customs dated 03.10.2022, issued by the Government of India, Ministry of Finance, Department of

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Revenue, Central Board of Indirect Taxes and Customs, through the Deputy Secretary (Customs). The relevant portions of the said instructions are extracted hereunder:

> *"8.Thus, the classification of various parts of Section XVII is to be decided taking into account all facts, details of individual cases, all the decisions on the subject, and arrive at the appropriate classification.*
>
> *9.It is also informed that taking cognizance of inter alia the above aspects, including those related to various Hon'ble Supreme Court's judgements in case of parts and accessories and on the grounds of interpretation of Section Notes and the HS Explanatory notes, the Department has filed a review petition against the judgement in case of M/s Westinghouse Saxby.*
>
> *10.In light of the above, opinion from Ld. Additional Solicitor General was solicited. In terms of the opinion received, it is advised that, in general, the practice of assessment of such 'parts' or any change in it may holistically keep in view and in a speaking manner, all relevant aspects including HS Explanatory Notes, the relevant sanction and chapter notes and the various decisions of Hon'ble Supreme Court, such as those illustrated above."*

3.Per contra, learned Additional Government Pleader appearing for the respondent submitted that the impugned orders have duly considered the

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contentions raised by the petitioner. In support of the said submission, learned Additional Government Pleader drew the attention of this Court to paragraph 4 of the impugned orders, which reads as follows:

> *"4.Further, the product (DC Motor) manufactured by Tvl.Hyoseong Electric India Private Limited with HSN code 8501 as they claimed, is supplied directly to its customer's place of business only, i.e., Tvl.HL MANDO ANAND INDIA PRIVATE LIMITED and Tvl.Mobis India Pvt Ltd. They neither supply/sell in wholesale nor retail markets. The product (DC Motor) manufactured by Tvl.Hyoseong Electric India Private Limited could not be availed and bought in the Local market, which means that you have supplied the product solely to Tvl.HL MANDO ANAND INDIA PRIVATE LIMITED and Tvl.Mobis India Pvt Ltd. It is clearly seen that the "principal use or sole use" of the product (DC Motor) supplied by you Tvl.Hyoseong Electric India Private Limited is for automotive vehicles. Therefore, the HSN code 8501 as the taxpayer claimed is wrong classification. Since the predominant type of customized DC Motor manufactured by you Tvl.Hyoseong Electric India Private Limited is only for a particular model of four-wheeler, the HSN code should be 8708 with a description of automobile accessories at a rate of 28%."*

3.1.Learned Additional Government Pleader further referred to the relevant portion of the impugned orders dealing with the principal use or sole use of the goods in question, which is extracted hereunder:

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"5.It is pertinent to note here that even though CBIC itself issued a circular in January 2022, clarifying that the Hon'ble Supreme Courts ruling in Westinghouse Saxby case should not be extended to broader matters, this clarification also has been quashed in Apex Court. Moreover it is very appropriate to point out here that although one of the key principles in indirect taxes is that a specific entry like their "DC Motor" takes precedence over a general, (ie) broad categorization of "parts and accessories of Motor Vehicles" is overridden by the specific classification of auto motive parts such as their electrical lights, the Hon'ble Supreme Courts order in Westinghouse Saxby Farmer Ltd., vs Commissioner of Central Excise, Calcutta in Civil Appeal No 37/2009, dt:08.03.2021 supersedes the all principles and classification provided by the CBIC until now."

3.2.Learned Additional Government Pleader, therefore, contended that the respondent had duly dealt with the contentions raised by the petitioner. However, on a perusal of the impugned orders, it is evident that the three tests, relevant for determining the classification of the goods in question have not been specifically examined by the respondent. Admittedly, an appeal remedy is available to the petitioner. The apprehension of the petitioner is that, since the impugned orders do not contain adequate reasons addressing the relevant tests and the applicability of the judgment of the Hon'ble Supreme Court in Westinghouse Saxby Farmer Ltd., the Appellate Authority may not independently examine the said issue. It was further submitted that the

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petitioner had already made the requisite pre-deposit of 10% while instituting the present writ petitions.

4.In view of the above, this Court is of the considered view that the petitioner may be permitted to avail the statutory appellate remedy. It is made clear that, in the appeals to be preferred by the petitioner, the Appellate Authority shall independently examine the contention regarding the applicability of the three tests for determining whether the goods in question fall under the specific tariff classification claimed by the petitioner. The said issue shall be considered on its own merits, uninfluenced by the findings recorded by the original Authority in the impugned orders. The petitioner is at liberty to raise all relevant grounds in this regard before the Appellate Authority. It is evident that the impugned orders do not contain any specific discussion or finding on the applicability of the aforesaid three tests in the light of the judgment of the Hon'ble Supreme Court in *Westinghouse Saxby Farmer Ltd.* case. Since the petitioner has already made the requisite pre-deposit of 10% at the time of instituting the present writ petitions, any delay in preferring the statutory appeals shall stand condoned, subject to the petitioner complying with the directions issued herein.

5.The petitioner is directed to prefer the statutory appeals within a period of 30 days from the date of receipt of a copy of this order. Upon receipt of the

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appeals, the Appellate Authority shall consider the same on merits and in accordance with law, taking into account the observations made herein, and pass final orders within a period of three months from the date of receipt of the appeals.

6.With the above observations and directions, the writ petitions are disposed of. There shall be no order as to costs. Consequently, the connected Writ Miscellaneous Petitions are closed.

24-09-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

PAM

To

The Deputy Commissioner (ST) -II,
Large Taxpayers Unit,
Chennai- 35.

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N.SENTHILKUMAR, J.

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