CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL

NEW DELHI

PRINCIPAL BENCH- COURT NO. I

Customs Appeal No. 52091 of 2022

(Arising out of Order-in-Appeal Nos. CC(A) CUS/D-I/Import/NCH/176-191/2022-2023 dated 05.05.2022 passed by the Commissioner of Customs (Appeals), New Delhi)

Senior India Pvt. Ltd. **....Appellant**
Plot No. 89, Sector 8,
IMT Manesar, Gurgaon
Haryana-122050

Versus

Commissioner of Customs, **....Respondent**
AIR Cargo Complex (Import)
New Customs House,
Near IGI Airport,
New Delhi- 110037

APPEARANCE:

Shri B.L. Narasimhan, Ms. Kruti Parashar and Ms. Aditi Sharma advocates for the appellant

Shri Rajesh Singh, Authorized Representative for the Department

CORAM:

HON'BLE MR. JUSTICE DILIP GUPTA, PRESIDENT
HON'BLE MR. P.V. SUBBA RAO, MEMBER (TECHNICAL)

Date of Hearing: 15.07.2025
Date of Decision: 07.01.2026

FINAL ORDER NO. 50018/2026

JUSTICE DILIP GUPTA:

Senior India Pvt. Ltd.[1] has filed this appeal for setting aside that part of the order dated 05.05.2022 passed by the Commissioner of Customs (Appeals)[2] that upholds the order passed by the assessing authority in respect of the assessment of Bill of Entry No. 2433638 dated 15.03.2019 classifying the Pressure Relief Valves[3] imported by the appellant under Customs Tariff Item[4] 8409 99 41.

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1. **the appellant**
2. **the Commissioner (Appeals)**
3. **the goods**
4. **CTI**

2. The appellant is engaged in the business of manufacturing common rail and other parts for the fuel injection equipment for diesel engines used in trucks and buses. The appellant imported the goods through a Bill of Entry dated 15.03.2019 and classified the goods under Customs Tariff Heading[5] 8481 that covers "Taps, Cocks, Valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves". The eight-digit classification adopted by the appellant was CTI 8481 40 00 as 'Safety or Relief Valves'. However, the department held a view that the appropriate classification of the goods would be CTI 8409 99 41 as 'other' parts of diesel engines for motor vehicles.

3. According to the appellant, the department orally directed re-assessment of the Bills of Entry under CTI 8409 99 41 and though the appellant did not agree with the view of the department but since the goods were required urgently, the appellant filed the Bill of Entry under CTI 8409 99 41 as suggested by the department.

4. According to the appellant, the 'pressure relief valves' are used in the common rail fuel injecting system in order to prevent the common rail system from becoming over pressurized. The appellant claims that the pressure relief valves open in order to relieve pressure in the common rail when the pressure threshold increases above the normal operating injection pressures. The appellant further claims that in the common rail fuel injection system, fuel pump transfers the fluids from the tank to the common rail, which is a long metallic pipe. In the common rail, injection pressure is maintained, and fuel is ultimately

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5. CTH

supplied to the multiple fuel injectors. In normal circumstances, pressure in the common rail is controlled by the pump. However, in the event of system failure like failure of fuel injectors pressure in the common rail can surge. This extra-ordinary pressure is released with the help of pressure relief valve. The pressure relief valve has a soft metallic valve body. It is connected to the end of common rail from one side and connected to the fuel tank from the other side. In the event of surge in pressure in the common rail, the spring inside the pressure relief valve gets actuated and releases the excess pressure from the common rail into the fuel tank. The pressure relief valve is normally in closed position, and it opens only when the pressure in the common rail exceeds the normal parameters. It works on mechanical principles and has no regulating and controlling function.

5. The Commissioner (Appeals) did not accept the contention of the appellant that the goods are classifiable under CTI 8481 40 00 as 'safety or relief valves' and held that they are classifiable under CTI 8409 99 41 as 'parts' of diesel engines. The relevant findings are reproduced below:

> "**5.6 The Appellant has also contended that the impugned goods are specifically covered under CTH 8481** which covers valves including pressure-reducing valves, valves for oleohydraulic or pneumatic transmissions, check (non-return) valves and safety or relief valves. **The Appellant further contended that they claim is also supported by HSN Explanatory Notes to CTH 8481** which states that "taps, cocks, valves etc. remain classified under this heading even if specialized for use on a particular machine or apparatus, or on a vehicles or aircraft.
>
> **5.6.1** In note that heading 8481 reads as under-

'Taps, Cocks, Valves and Similar Appliances for Pipes, Boiler Shells, Tanks, Vats or the Like, including Pressure-Reducing Valves and the Rmostatically Controlled Valves.

Plain reading of this heading reveals that it covers valves etc. for pipes, boiler, shells, tanks, vats or the like. Even in terms of Rule 1 of General Rules of Interpretation, the terms of heading determine the classification read with relevant Section/Chapter Notes. Evidently impugned goods are not to be used on pipes, boilers, Shells, tanks, vats or like. Clearly they are not classifiable under CTH 8481.

5.6.2 I also note that the Appellant quoted note to 8481 under HSN partially. The complete relevant note is as under:-

> "Taps, cocks, valves, etc., remain in this heading even if specialized for use on a particular machine or apparatus, or on a vehicle or aircraft. However, certain machinery parts which incorporated a complete valve, or which regulate the flow of a fluid inside a machine although not forming a complete valve in themselves, are classified as parts of the relative machines, for example, inlet or exhaust valves for internal combustion engines (heading 84.09), slide valves for steam engines (heading 84.12), suction or pressure valves for air or other gas compressors (heading 84.14), pulsators for milking machines (heading 84.34) and non-automatic greasing nipples (heading 84.87)."

From this it is evident that machinery parts which regulate flow in a machine, though not complete valves in themselves, are to be classified as parts of that machine. From examples given in HSN, it is evident that 'pressure reducing valve' which is

part of fuel injection system will fall under 8409 only & not under 8481 as contended.

5.6.3 Even Section Note 2 to Section XVI is of no help to the Appellant xxxxxxxxxxx

From Note 2(a) it is clear that part which are included in any heading, but excluding heading 8409 only are to be classified in respective heading. Thus any part which falls under 8409 has to be classified under 8409 only. It must be noted that parts of 8409 are specifically excluded from Section Note 2(a).

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5.7 The Appellant has admitted that the pressure relief valves are part of common rail fuel injection system which is a part of the internal combustion engine used in buses and trucks. These valves are specifically designed for common rail fuel injection systems and have no independent application. They have no general use and are thus specific parts of the common rail fuel injection system which is installed on an internal combustion engine.

5.8 CTH 8409 covers parts suitable for use solely or principally with the engines of heading 8407 or 8408. CTH 8407 covers spark-ignition reciprocating or rotary internal combustion piston engines while CTH 8408 covers compression-ignition internal combustion piston engines (diesel or semi-diesel engines). **The Appellant has themselves admitted that the impugned goods are a part of the internal combustion engine used in buses and trucks. Thus, the impugned goods appear to be squarely covered under CTH 8409.**"

(emphasis supplied)

6. Shri B.L. Narasimhan, learned counsel for the appellant assisted by Ms. Kruti Parashar and Ms. Aditi Sharma made the following submissions:

(i) The goods imported by the appellant are correctly classifiable under CTH 8481 which inter alia covers valves including pressure-reducing valves, valves for oleohydraulic or pneumatic transmissions, checks (non-return) valves and safety or relief valves. These valves must be used in pipes, boiler, shells, tanks, vats or the like;

(ii) The HSN Explanatory Notes to CTH 8481 provide that the valves covered therein regulate the flow by opening or closing the aperture. They may be operated by hand or by a motor, solenoid, clock movement, **or by an automatic device such as spring**. In the present case, the goods are designed to relieve the pressure of the fluid in the common rail. The pressure relief valve opens the aperture automatically, once the pressure exceeds the prescribed limit in the common rail, by actuation of spring. Therefore, the function of the goods is identical to the function of valves enumerated in the HSN Explanatory Notes to CTH 8481;

(iii) The goods are attached at the end of common rail, which is nothing but a metallic pipe. Therefore, the goods also fulfil the criteria of being used in a pipe like structure as mentioned in the CTH 8481;

(iv) The goods are pressure relief valves covered under CTI 8481 40 00, and they do not fall under CTI 8481 10 00 as pressure-reducing valves, CTI 8481 20 00 as valves for oleohydraulic or pneumatic

transmissions or CTI 8481 30 00 as Check (non-return) valves;

(v) The Commissioner (Appeals) observed that plain reading of CTH 8481 reveals that said heading covers valves for pipes, boiler, shells, tanks, vats or the like whereas in the present case, the impugned goods are not used in conjunction with the aforesaid items. Thus, the goods are not classifiable under CTH 8481. CTH 8481 uses the term valves for 'pipes or the like'. Thus, it is clear that even where valves are used for items which are like 'pipes' they will continue to remain classified under CTH 8481. The finding in the impugned order that that the goods are not used in conjunction with 'pipes' or anything alike is, therefore, patently incorrect. The goods are, therefore, correctly classifiable under CTI 8481 4000;

(vi) The classification under CTH 8481 is further fortified by the HSN Explanatory Notes to the said heading which provides that: "....valves, etc., remain in this heading even if specialized for use on a particular machine or apparatus, or on a vehicle or aircraft". HSN Explanatory Notes to Section Note 2 of Section XVI, provides that parts which in themselves constitute an article covered by a heading Section XVI are in all cases classified in their own appropriate heading even if they are specially designed to work as part of a specific machine;

(vii) The Commissioner (Appeals) observed, that it is evident that machinery parts which regulate flow in a machine, though not complete valves in themselves, are to be classified as parts of that machine and, therefore, goods which are part of fuel injection system will fall under 8409 only and not under 8481. In the present case, the goods are not valves incorporated in any machinery part. They are safety/pressure relief valves that form part of the common rail system. The goods are not pressure reducing valves as they do not regulate/reduce. They merely relieve pressure, if so required, contrary to what the impugned order observes. The goods exist in the common rail system as a safety measure, which is only required in case of a system failure;

(viii) The Commissioner (Appeals) observed that from Section Note 2(a) it is clear that parts which are included in any heading but excluding heading 8409 are to be classified in respective heading. Thus, any 'part' which falls under 8409 has to be classified under 8409 alone. This interpretation given to Note 2(a) by the Commissioner (Appeals), is not correct. Note 2(a) cannot be read in isolation without considering the context as a whole enumerated in Note 2(a), (b) and (c);

(ix) The goods are not classifiable under CTH 8409. CTH 8409, which covers 'parts' suitable for solely or principally with the engines of heading 8407 or 8409, is a residuary entry for classification of goods which

are parts of internal combustion piston engines of CTH 8407 and CTH 8408; and

(x) CTI 8409 99 41 covers goods which are parts suitable for use solely or principally with the diesel engines for motor vehicles. Section Note 2 to Section XVI of the Tariff Act lays down provisions to classify parts of goods of Chapter 84 and 85. The present case is squarely covered under Section Note 2(a) as there is a specific heading for valves in the Tariff Act. Further, the relief valves are also specifically covered under CTI 8481 40 00.

7. Shri Rajesh Singh, learned authorized representative appearing for the department, however, supported the impugned order and made the following submissions:

(i) The goods are part of fuel injection system. In the event of surge in pressure, the spring in the pressure relief valve gets activated and releases the excess pressure from the common rail into the fuel tank. It opens only when the pressure in the common rail exceeds. Such kind of fuel injection systems are available only in automobiles. CTH 8409 covers parts suitable for use solely or principally with the engines of heading 8407 or 8408. Thus the goods, being parts of 8408, fall under CTH 8409;

(ii) Within 8409 (i) CTH 84099911 to 84099914 are Intake valves which allow air-fuel mixtures to enter the engine and Exhaust valves which allow exhaust

gases to exit the engine. The goods are not these valves. Similarly, the goods are not (ii) fuel nozzeles (iii) fuel injection equipment. Hence they come under (iv)" Other parts of diesel engine" and within that, "the parts of diesel engine for motor vehicles". Hence appropriate classification of goods is CTI 8409 99 41;

(iii) The appellant admitted that the imported pressure relief valves are part of common rail fuel injection system, which is a part of engines of buses and trucks (automobiles). The goods are specifically designed for common rail fuel injection systems, and have no independent application. They have no general use and are thus specific parts of common rail fuel injection system, which is installed in the engine of automobiles. Hence appropriate classification of the goods is CTI 8409 99 41;

(iv) The heading CTH 8481 is generic heading. It covers taps, cocks, walls and similar appliances for pipes, boilers, shells, tanks etc. These are the valves used for pressure reducing for pneumatic transmissions, check (non return) valves, safety or relief valves. Such Valves are used in many industries. Oil and gas-Valves regulate the flow of oil and gas in pipelines; Wastewater-Valves control the flow and pressure of liquids and gases in wastewater piping systems, Manufacturing-Valves regulate, direct, and control the flow of liquids, gases, vapors, and slurries, Plumbing-Valves direct flow, adjust water pressure, prevent backflow, and shut off water

access. The goods do not fall into the category of above said Industries as they are exclusively used in automobiles;

(v) The HSN explanatory Notes under CTH 8481 specifically excludes items falling under CTH 8409; and

(vi) As per Note 2 to Section XVI, parts of engines of heading 8407 or 8408 are to be classified in heading 8409.

8. The submissions advanced by the learned counsel for the appellant and the learned authorised representative appearing for the department have been considered.

9. According to the appellant, the pressure relief valves imported by the appellant are classifiable under CTI 8481 40 00, while according to the department they are classifiable under CTI 8409 99 41.

10. It will, therefore, be appropriate to reproduce the two competing Customs Tariff Items:

Appellant

Tariff Item		**Description of goods**
8481		**Taps, Cocks, Valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves**
8481 1000	-	Pressure-reducing valves
8481 2000	-	Valves for oleohydraulic or pneumatic transmissions
8481 3000	-	Check (non-return) valves
8481 4000	**-**	**Safety or relief valves**

(emphasis supplied)

Department

Tariff Item		**Description of goods**
8409		**Parts suitable for use solely or principally with the engines of heading 8407 or 8408**
8409 10 00	**-**	For aircraft engines
8409 91	**--**	Other:
…..	**...**	…….
8409 99	**--**	Other:
	---	Valves, inlet and exhaust, piston, piston rings, piston assemblies:
8409 99 11	**----**	Valve, inlet and exhaust
…..	**...**	…….
	---	Other parts of diesel engine:
8409 99 41	**----**	**Of diesel engines for motor vehicles**
8409 99 42	**----**	Of outboard engine
8409 99 49	**----**	Other
8409 99 90	**---**	Other

(emphasis supplied)

11. Section Note 2 to Section XVI of the Customs Tariff is reproduced below:

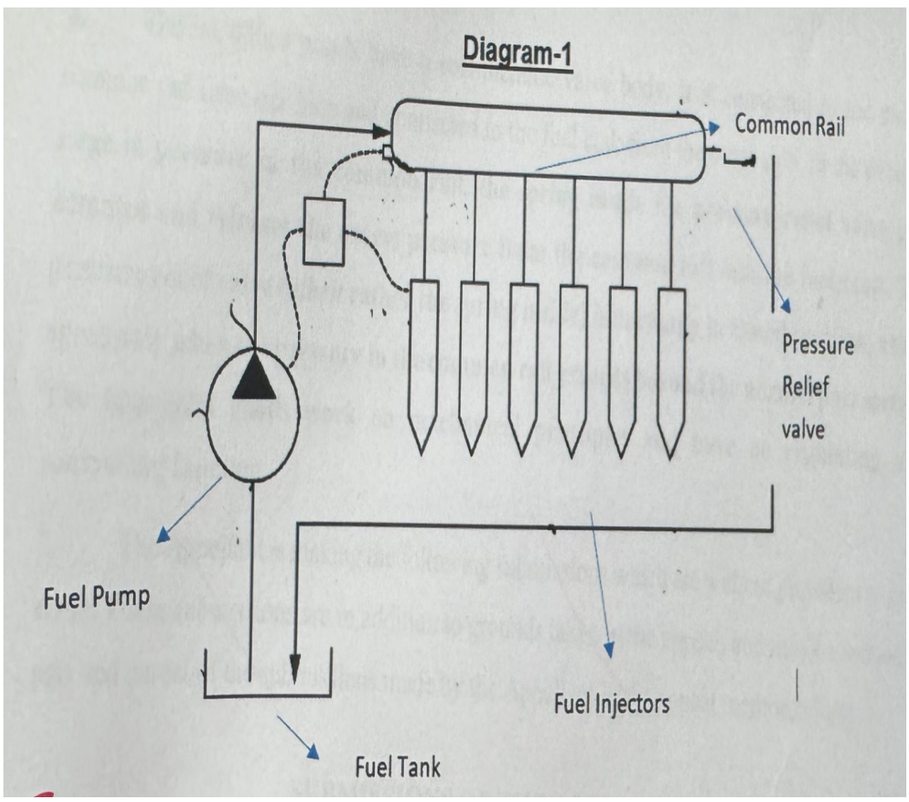
> "**2.** Subject to Note 1 to this Section, Note 1 to Chapter 84 and to Note 1 to Chapter 85, Parts of machines (not being parts of the articles of heading 8484, 8544, 8545, 8546 or 8547) are to be classified according to the following rules:
>
> **(a)** parts which are goods included in any of the heading of Chapter 84 or 85 (other than heading 8409, 8431, 8448, 8466, 8473, 8487, 8503, 8522, 8529, 8538 and 8548) are in all cases to be classified in their respective headings;
>
> **(b)** other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 8479 or 8543) are to be classified with the machines of that kind or in heading 8409, 8431, 8448, 8466, 8473, 8503, 8522, 8529 or 8538 as appropriate. However, parts which are equally suitable for use

principally with the goods of headings 8517 and 8525 to 8528 are to be classified in heading 8517;

(c) all other parts are to be classified in heading 8409, 8431, 8448, 8466, 8473, 8503, 8522, 8529 or 8538 as appropriate or, failing that, in heading 8487 or 8548.

12. The appellant claims that the goods are pressure relief valves and they are used in the common rail fuel injecting system. The purpose is to prevent the common rail system from becoming over pressurized, in which the case the pressure relief valves open in order to relieve the pressure in the common rail when the pressure threshold increases above the normal operating injection pressure.

13. A picture of the common rail fuel injection system, as provided by the appellant, is reproduced below:



14. According to the appellant, fuel pump in the common rail fuel injection system transfers the fluids from the tank to the common rail which is a long metallic pipe. The injection pressure is maintained in the common rail and fuel is ultimately supplied to the multiple fuel injectors. Normally, the pressure in the common rail is controlled by the pump but in the event of system failure, the pressure in the common rail can surge. It is this pressure that is released with the help of pressure relief valve, which has a soft metallic valve body. It is connected to the end of the common rail from one side and connected to the fuel tank from the other side. When the pressure surges in the common rail, the spring inside the pressure relief valve gets actuated and releases the excess pressure from the common rail into the fuel tank. The pressure relief valves work on mechanical principles and have no regulating and controlling function.

15. It is keeping in mind the aforesaid function of the pressure relief valves that the two competing items have to be examined.

16. CTH 8481 inter alia covers valves including pressure-reducing valves, valves for oleohydraulic or pneumatic transmissions, check (non-return) valves and safety or relief valves. The HSN Explanatory Notes to CTH 8481 provide that the valves covered therein regulate the flow by opening or closing the aperture and they may be operated by hand or automatic device such as spring. The relevant portion of HSN 84.81 is reproduced below:

> "This heading covers taps, cocks, valves and similar appliances, used on or in pipes, tanks, vats or the like to regulate the flow (for supply, discharge, etc.), of fluids (liquid, viscous or gaseous), or, in certain cases, of solids (e.g., sand). **The heading includes such**

devices designed to regulate the pressure or the flow velocity of a liquid or a gas.

The appliances regulate the flow by opening or closing an aperture (e.g., gate, disc, ball, plug, needle or diaphragm). **They may be operated by** hand (by means of a key, wheel, press button, etc.), or by a motor, solenoid, clock movement, etc., **or by an automatic device such as a spring,** counterweight, float lever, thermostatic element or pressure capsule.

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Taps, cocks, valves, etc., remain in this heading even if specialized for use on a particular machine or apparatus, or on a vehicle or aircraft. However, certain machinery parts which incorporate a complete valve, or which regulate the flow of a fluid inside a machine although not forming a complete valve in themselves, **are classified as parts of the relative machines**, for example, inlet or exhaust valves for internal combustion engines **(heading 84.09)**, slide valves for steam engines **(heading 84.12)**, suction or pressure valves for air or other gas compressors **(heading 84.14)**, pulsators for milking machines **(heading 84.34)** and non-automatic greasing nipples **(heading 84.87)**."

(emphasis supplied)

17. The function of the goods in the present case is similar to the function of valves described in the aforesaid HSN Explanatory Notes. The goods relieve the pressure of the fluid in the common rail by opening the aperture automatically by use of the spring, once the pressure of the fluid in the common rail exceeds the prescribed limit. The pressure relief valves are attached at the end of common rail which is a metallic pipe and, therefore, the goods also fulful that the criteria of being used in a pipe like structure. The goods, therefore, being pressure relief valves are covered under CTI 8481 40 00.

18. The Commissioner (Appeals) has observed that the heading covers valves for pipes, boiler, shells, tanks, vats or the like but the goods imported by the appellant are not used in conjunction with the said items and, therefore, would not be classifiable under CTH 8481.

19. It needs to be noted that heading CTH 8481 uses the terms valves for 'pipes or the like'. Thus, even if valves are used for items which are like 'pipes' they will be classified under CTH 8481.

20. It can also be seen from the diagram reproduced above that the goods are used in the common rail, which is in the form of cylindrical pipe. The HSN Explanatory Notes to heading CTH 8481 provide that valves remain in this heading even if specialized for use on a particular machine or apparatus. The HSN Explanatory Notes to Section Note 2 of Section XVI provide that parts which in themselves constitute an article covered by a heading of Section XVI are in all cases classified in their own appropriate heading even if they are specially designed to work as part of a specific machine.

21. In this connection, it would be pertinent to refer to the decision of the Tribunal in **Commissioner of Central Excise, Aurangabad** vs. **Motor Industries Company Ltd**[6]. The Tribunal held that the goods were pressure reducing valves specially covered under CET sub-heading 8481.80. The relevant portion of the decision is reproduced below:

> **"3.** Heading 84.81 covers "Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves", while heading 84.13 covers "Pumps for liquids, whether or not fitted with a measuring device……. and parts thereof." **There is no dispute that the delivery valves in question are**

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6. (2005) 190 E.L.T. 110

> **necessary in diesel pumps to regulate diesel at very high pressure and are therefore pressure reducing valves. Therefore, Note 2(a) to Section XVI of the Central Excise Tariff, which states that parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.85 and 85.48) are in all cases to be classified in their respective headings, would lead to classification of these goods under heading 84.81.** Reliance by learned Counsel for the respondents on note 4 to Section XVI of the Tariff does not advance their case in view of the clear language of Note 2(a) to Section XVI which we have interpreted above."
>
> **(emphasis supplied)**

22. Reliance can also be placed on the decision of the Tribunal in **Kirloskar Pneumatic Co. Ltd.** vs. **Collector of Customs, Bombay**[7] and the relevant portion of the decision is reproduced below:

> "**5.** We have heard ld. DR and perused the records of the case. **HSN Notes under Chapter Heading 84.81 categorically indicate that taps, cocks, valves etc. remain in this heading even if specialised for use on a particular machine or apparatus or on a vehicle or air craft. In view of this, we do not find any merit in the plea of the appellants that because these impugned goods are specifically designed for compressors, these would be classified under 84.14. The Notes also indicate that certain valves like Safety valves, Control cocks, Pressure reducing valves etc. remain only under Heading 84.81.** The Notes however indicate that certain machinery parts which incorporate a complete valve, or which regulate the flow of a fluid inside a machine although not forming a complete valve in themselves, are classified as parts of the relative machines. The Notes specifically indicate that Suction or pressure valves for air or other gas compressors would be classified under 84.14.

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7. 1997 (91) E.L.T. 333 (Tribunal)

> **6. The appellants themselves in the appeal memo have admitted that the impugned valve do not regulate the flow but only cut the flow of oil when the compressor is stopped.** Ld. DR placed considerable emphasis on a technical opinion which does not indicate that the impugned valves are suction or discharge valves such as would be excluded from the scope of CTH 84.81 and would find placement under 84.14 in terms of HSN Notes.
>
> **7. In view of this, since these valves do not come under the category of valves such as are indicated in HSN Notes, and HSN Notes clearly indicate that valves would remain under Heading 84.81 even if specialised for use for a particular machine or apparatus, we hold that the impugned goods have been correctly held to be classifiable under 84.81.** Since CTH 84.81 is specifically excluded from the scope of CTH 98.06 by virtue of Notification 132/87, their claim for assessment under CTH 98.06 has been correctly rejected."
>
> **(emphasis supplied)**

23. The Commissioner (Appeals) also observed that machinery parts which regulate flow in a machine, though not complete valves in themselves, are to be classified as parts of that machine and, therefore, the goods, being part of fuel injection system, will fall under CTH 8409.

24. What is seen is that the goods are not valves incorporated in any machinery part. They are pressure relief valves that form part of the common rail system. The goods are not pressure reducing valves as they do not regulate the pressure, for they only relieve the pressure, if required.

25. The Commissioner (Appeals) also observed that from Section Note 2(a) it is clear that parts which are included in any heading of Chapter

84 (other than heading 8409) are to be classified in their respective headings.

26. If certain goods which are in the nature of parts are specifically covered under any of the headings of Chapters 84 and 85, they would have to be classified under such respective headings. Goods which are in the nature of parts and not covered by any specific headings of Chapters 84 and 85, by virtue of Note 2(b) would be classified along with the machines and apparatus in which they are used and incorporated. This is also clear from the HSN Explanatory Notes to Section Note 2, the relevant portion of which is extracted below:

> "**(II) PARTS**
> **(Section Note 2)**
>
> In general, parts which are suitable for use solely or principally with particular machines or apparatus (including those of heading 84.79 or heading 85.43), or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus subject, of course, to the exclusions mentioned in Part (I) above. Separate headings are, however, provided for:
>
> (A) Parts of the engines of heading 84.07 or 84.08 (heading 84.09).
>
> (B) Parts of the machinery of headings 84.25 to 84.30 (heading 84.31).
>
> (C) Parts of the textile machines of headings 84.44 to 84.47 (heading 84.48).
>
> (D) Parts of the machines of headings 84.56 to 84.65 (heading 84.66).
>
> (E) Parts of the office machines of headings 84.70 to 84.72 (heading 84.73).
>
> (F) Parts of the machines of heading 85.01 or 85.02 (heading 85.03).

(G) Parts of apparatus of headings 85.19 or 85.21 (heading 85.22).

(H) Parts of apparatus of headings 85.25 to 85.28 (heading 85.29).

(IJ) Parts of apparatus of heading 85.35, 85.36 or 85.37 (heading 85.38).

The above rules do not apply to parts which in themselves constitute an article covered by a heading of this Section (other than headings 84.87 and 85.48); these are in all cases classified in their own appropriate heading even if specially designed to work as part of a specific machine. This applies in particular to:

(1) Pumps and compressors (headings 84.13 and 84.14).

(2) Filtering machinery and apparatus of heading 84.21.

(3) Lifting and handling machinery (heading 84.25, 84.26, 84.28 or 84.86).

(4) Taps, cocks, valves, etc. (heading 84.81).

(5) Ball or roller bearings, and polished steel balls of a tolerance not exceeding 1% or 0.05 mm, whichever is less (heading 84.82).

(6) Transmission shafts, cranks, bearing housings, plain shaft bearings, gears and gearing (including friction gears and gear-boxes and other speed changers), flywheels, pulleys and pulley blocks, clutches and shaft couplings (heading 84.83).

(7) Gaskets and similar joints of heading 84.84.

(8) Electric motors of heading 85.01.

(9) Electrical transformers and other machines and apparatus of heading 85.04.

(10) Electric accumulators assembles into battery packs (heading 85.07).

(11) Electric heating resistors (heading 85.16).

(12) Electrical capacitors (heading 85.32).

(13) Electrical apparatus for switching, protecting, etc., electrical circuits (switches, fuses, junction boxes, etc.) (headings 85.35 and 85.36).

(14) Boards, panels, consoles, desks, cabinets and other apparatus for electric control or the distribution of electricity (heading 85.37).

(15) Lamps of heading 85.39.

(16) Valves and tubes of heading 85.40 and diodes, transistors, etc., of heading 85.41.

(17) Electrical carbons (e.g., arc lamp carbons, carbon electrodes and carbon brushes)(heading 85..45).

(18) Insulators of any material (heading R5. 46).

(19) Insulating fittings for electrical machines, etc., of heading 85.47.

Other parts which are recognizable as such, but are not suitable for use solely or principally with a particular machine or class of machine (i.e., which may be common to a number of machines falling in different headings), are classified in heading 84.87 (if not electrical) or in heading 85.48 (if electrical), unless they are excluded by the provisions set out above.

The above provisions for the classification of parts do not apply to parts of the goods falling in heading 84.84 (gaskets, etc.), 85.44 (insulated wire), 85.45 (electrical carbons), 85.46 (insulators) or 85.47 (conduit tubing); in general, such parts are classified in the appropriate materials Chapter.

Machinery parts remain classified in this Section whether or not finished ready for use. However, rough forgings of iron or steel are classified in heading 72.07."

(emphasis supplied)

27. It would be relevant to examine Section Note 2 to Section XVI. It provides that though the general rule for classification of goods which are parts is that such parts which are suitable for use solely or

principally with particular machines or apparatus or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus, but this rule does not apply to parts which in themselves constitute an article covered by a heading of Section XVI. Such parts are in all cases classified in their own appropriate heading even if specially designed to work as part of a specific machine. This rule would apply to valves.

28. Thus, the reasoning adopted by the Commissioner (Appeals) for holding that the pressure relief valves are not classifiable under CTI 8481 40 00 cannot be sustained.

29. It will now be appropriate to examine whether the goods are classifiable under CTI 8409 99 41.

30. It is seen that CTH 8409 covers parts suitable for use solely or principally with the engines of heading 8407 or 8408. CTI 8409 99 41 covers goods which are parts suitable for use solely or principally with the diesel engines for motor vehicles. Section Note 2 to Section XVI can be taken note of as it lays down provisions to classify parts of goods of Chapter 84 and 85. In the present case, the goods are covered under Section Note 2(a) as there is a specific heading for valves, which are specifically covered under CTI 8481 40 00.

31. The Commissioner (Appeals) has recorded a finding that CTH 8409 is excluded from the purview of Section Note 2(a). To examine this, it will be necessary to examine HSN Explanatory Note to Part-II for Section Note 2 of Section XVI. It clearly provides that parts which constitute a part are to be classified in their own respective heading even if it is specifically designed to work as part of a specific machine.

The HSN Explanatory Notes to Section XVI explain the scope of Section Note 2 and provide that valves are classifiable under CTH 8481 even if it is a 'part'.

32. Only if parts cannot be classified as per Section Note 2(a), recourse has to be made to Section Note 2(b) which states that parts other than those covered by Section Note 2(a), if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 8479 or 8543) are to be classified with the machines of that kind or in CTH 8409, 8431, 8448, 8466, 8473, 8503, 8522, 8529 or 8538 as appropriate.

33. The Commissioner (Appeals) has also held that the appellant had only quoted partial HSN Explanatory Notes to CTH 8481 and if the complete Note is read, machinery parts which regulate flow in a machine, though not complete valves in themselves are to be classified as part of a machine.

34. The relevant portions of HSN Explanatory Notes to CTH have been reproduced above. It follows that two categories are excluded:

> "(i) Machinery parts which incorporate a complete valve; and
>
> (ii) Certain machinery parts, which regulate the flow of a fluid inside a machine, thus performing the function of a valve, but are not a complete valve in themselves."

35. It would be seen that machinery parts which are complete valves in themselves are not excluded from the scope of CTH 8481. The goods involved in the present appeal are complete valves and are not machinery parts incorporating a valve. The goods are also not

machinery parts performing the function of valve. It also needs to be noted that they do not regulate the flow of any fluid, since they only relieve excess pressure, when required.

36. Thus, the pressure relief valves imported by the appellant cannot not be classified under CTI 8409 99 41.

37. In view of the aforesaid discussion, the pressure relief valves imported by the appellant were correctly classified by the appellant under CTI 8481 40 00. The Commissioner (Appeals) committed an error in classifying them under CTI 8409 99 41.

38. The impugned order dated 05.05.2022 passed by the Commissioner (Appeals), therefore, cannot be sustained and is set aside. The appeal is, accordingly, allowed.

(Order Pronounced on **07.01.2026**)

(JUSTICE DILIP GUPTA)
PRESIDENT

(P.V. SUBBA RAO)
MEMBER (TECHNICAL)

Jyoti