



C.M.A.No.2553 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 10.09.2025

CORAM :

**THE HONOURABLE MR.JUSTICE S.M.SUBRAMANIAM**  
and  
**THE HONOURABLE MR.JUSTICE C.SARAVANAN**

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and

C.M.P.No.21527 of 2025

M/s.Inalfa Gabriel Sunroof Systems Pvt. Ltd.  
230/1&2, 249/2C, Survey Nos.209/1,2,3,4,5,6 – Unit No. B200 A,  
Kunnam Village, Sriperumbudur (Taluk), Kanchipuram (Dt),  
Chennai – 631 604. ... Appellant

Vs.

1. Customs Authority for Advance Ruling, Mumbai,  
New Custom House, Ballard Estate  
Mumbai – 400 001.
2. The Commissioner of Customs,  
Chennai – II (Import)  
No.60, Rajaji Salai  
Chennai – 600 001. ... Respondents

Prayer: Civil Miscellaneous Appeal filed under Section 28KA of the Customs Act, 1962 against the Impugned Ruling No.CAAR/Mum/ARC/170/2024 dated 26.11.2024 passed by the 1<sup>st</sup> respondent in Application No.CAAR/CUS/APPL/79/2024 - O/o Commr-CAAR-MUMBAI.



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For Appellant : Mr.S.Ganesh Aravindh

For Respondents : Mr.Rajendran Raghavan  
Senior Standing Counsel

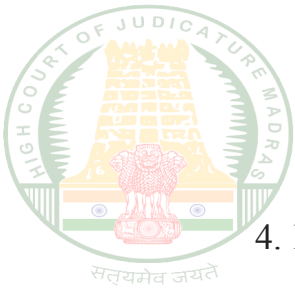
### **JUDGMENT**

(Judgment of the Court was delivered by **C.SARAVANAN, J.**)

We have considered the arguments advanced by the learned counsel for the appellant and learned counsel for the respondents.

2. This appeal has been filed by the appellant under Section 28KA of the Customs Act, 1962 against the Ruling dated 26.11.2024 of the 1st respondent Customs Authority for Advance Ruling (hereinafter referred to as the Authority) Mumbai in Ruling No.CAAR/Mum/ARC/170/2024 in Application No.CAAR/CUS/APPL/79/2024 - O/o Commr-CAAR-MUMBAI.

3. Before the said Authority, the appellant had sought for an advance ruling thus **"Assy Guide Rails"** imported/proposed to be imported by the appellant was classifiable under **Customs Tariff Heading 8708 9900** of the **First Schedule of Customs Tariff Act, 1975** as **“parts of motor vehicles or otherwise”**?.



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4. Before the said Authority, the alternate plea of the appellant was that the same was classifiable under **Customs Tariff Heading 7610 9020** as “**parts of structure, not specified elsewhere**”.

5. The appellant submitted that the subject goods i.e. a **Assy Guide Rails** will be used in the manufacture of the sunroof system of an automobile. The subject goods in a sunroof assembly is a long, narrow track that provides support and guidance for the sunroof panel as it slides open and closed. It was submitted that the Guide Rail also helps to keep the sunroof panel in place and prevent it from rattling or vibrating during operation. Guide Rail ensures safe, controlled movement, prevents damage and contributes to a pleasant sunroof experience.

6. By the impugned order, the said Authority has held that the “**Assy Guide Rails**” was classifiable under Heading under **Customs Tariff Heading 8708 2900** of the **Customs Tariff Act, 1975**. Relevant portion of the impugned order of the said Authority holding **Assy Guide Rails** classifiable under **Customs Tariff Heading 8708 2900** is reproduced below:

“ I find that Assy Guide Rail does not fall under the exclusion of "parts of general use" as elaborated herein above.

7.7.4Further. Section Note 3 of Section XVII read as follows:



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“References in Chapters 86 to 88 to "parts" or accessories" do not apply to parts or accessories which are not suitable for use solely or principally with the articles of those Chapters. A part or accessory which answers to a description in two or more of the headings of those Chapters is to be classified under that heading which corresponds to the principal use of that part of accessory"

7.7.5 The HSN Explanatory Notes to Section XVII further amplifies the scope and ambit of the Section Notes. Part III deals with Parts and accessories. The same is reproduced below for case of reference.

### (III) PARTS AND ACCESSORIES

The other Chapters of this Section each provide for the classification of parts and accessories of the vehicles, aircraft or equipment concerned. It should however be noted that these headings apply only to those parts or accessories which comply with all three of the following conditions:

- (a) They must not be excluded by the terms of Note 2 to this Section 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 specifically included elsewhere in the Nomenclature

The above provisions show that for any item to be classified as a part and accessories in Chapter 87, all the three conditions as at (a), (b) and (c) above have to be fulfilled cumulatively.



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7.7.6 I find that as per the explanatory notes to the heading 8708, which puts three conditions to satisfy for becoming parts and accessories of the motor vehicles of heading 87.01 to 87.05.1 have gone through the list of 'parts and accessories' excluded as per the provisions of the Explanatory Notes 2 to Section XVII and found that "Assy Guide Rail does not find mention in the same. Therefore, the first condition is satisfied. Further, on the basis of the submission given by the applicant it is further seen that 'Assy Guide Rail' as per its configuration, specific functions and uses, is a part, which can be used solely or principally in the sunroof assembly of the motor vehicle. The presence of the model number and part number on the subject goods i.e. Assy Guide Rail to a sunroof assembly confirms that this part is specifically designed to perform a function within that subsystem of the car's body. Motor vehicles are covered under headings 87.01 to 87.05 of Chapter 87 of the First Schedule to the Customs Tariff Act, 1975, Thus the second condition is satisfied. Further, the product is not specified particularly anywhere else in the Tariff, therefore, the third condition, ie, they must not be specifically included elsewhere in the Nomenclature is also satisfied. Since all the three conditions have been satisfied, it can be concluded that the Assy Guide Rail' is covered under the heading 8708 only and is in accordance with classification in terms of Rule 1 of GIR, Section XVII and Chapter Notes of Customs Tariff Act, 1975.

7.7.7 One thing which I would like to discuss here is that explanatory notes to the heading 8708 which contains only an illustrative list of the parts and accessories covered under that heading and not an exhaustive list. Further, just because this illustrative list may or may not contain any entry relating to any specific item (in the instant case Assy Guide Rail) or its parts or accessories, it does not necessarily mean that the parts or accessories, which are not simply mentioned in the ambit of this list, cannot be or should not be classified under the



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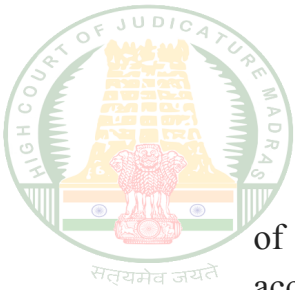
said heading. From a bare reading of the Chapter Heading 8708, it can be derived that it covers parts and accessories designed for motor vehicles or are integral to their structure and this chapter heading is wide enough in its scope so as to cover all parts and accessories of motor vehicles and is not limited to only the specific entries given in the Chapter Heading 8708.

It is pertinent to mentioned that CTH 8708 includes parts and accessories that form part of the vehicle's body structure. This is significant because parts that are directly related to the construction or functionality of the vehicle's bodywork (such as the framework, panels, roof, doors, and related components) are classified under this heading. I find that **CT 8708 2900** under heading 8708 is used for other parts and accessories that are components of the vehicle's body but are not specifically categorized elsewhere in the heading.

The Assy Guide Rail is an essential component of the vehicle's body structure, specifically related to the sunroof system. Since it is a vital part of the roof assembly contributing to the integrity and functionality of the bodywork, it will come under the scope of "**other parts and accessories of the body of motor vehicles**" and accordingly merit classification under **CT1 8708 2900** of the First Schedule of Customs Tariff Act, 1975.

7.7.8 The applicant has contended that the product i.e. Assy Guide Rail is a part of the body of the motor vehicle and same is classifiable under CTI 87089900 of the First Schedule of Customs Tariff Act, 1975.

In this regard, it is pertinent to mentioned that as per the arrangement



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of entries under Chapter Heading 8708, which covers parts and accessories for motor vehicles of headings 8701 to 8705, there are eight single dash (-) entries. The first single dash (-) entry pertains to bumpers and parts thereof, while the second single dash (-) entry pertains to other parts and accessories of the bodies of motor vehicles. This second single dash (-) entry is further sub-classified into three double dash (--) entry Viz. first -Safety seat belts, second-Front windscreen (windshields), rear window and other window specified in sub-heading Note I to this Chapter and third-Other. The subsequent last single dash (-) entry, 87089900 as claimed by the applicant, pertains to other parts and accessories of motor vehicles.

It is clear that the subject goods are integral part of the body of a motor vehicle of heading **8703**, and as such, should be classified under **CT1 87082900** as the preceding heading specifically covers parts that are directly associated with the motor vehicle's body. Therefore, it is not appropriate to classify the product under the broader category of **CT1 87089900**, which covers 'other types of parts and accessories of motor vehicle other than parts and accessories of motor vehicle's body.

7.7.9 I note that the Assy Guide Rail is used in the sunroof system of a vehicle. The sunroof is a specialized part of a car's bodywork that allows light and air to enter the vehicle, and the guide rail is an essential component for the movement and secure positioning of the glass panel Further, a part number that specifically identifies the Assy Guide Rail as a motor vehicle part suggests that it is designed specifically for use in motor vehicles,

In this regard, I observed that that Hon'ble Supreme Court in the case of Commissioner of Central Excise Vs. Wockhardt Life Sciences Ltd



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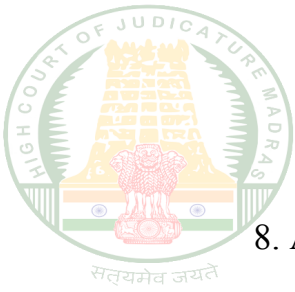
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reported in 2012 (277) ELT 299 (SC) had held that the functional utility and predominant usage of the commodity must be taken into account apart from the understanding in common parlance to determine the correct classification of the product. The Hon'ble Supreme Court in the case of Collector of Customs Vs. Kumudam Publications [1997 (96) ELT 226 (SC)] has held that "it is not entirely correct to say that the end use or function of the goods is irrelevant to decide the question of classification". A three Judge Bench of the Hon'ble Supreme Court had also relied upon the function and end use in determining the classification in the case of Indian Tool Manufactures Vx. Asst. Collector of Central Excise, Nasik & Others reported in 1994 (74) ELT 12 (SC). The applicant itself has submitted that the said product is used in the manufacturing of sunroof system of automobiles.

**Thus, considering the ratio of the above judgements and function of the product, provisions of Note 2 and Note 3 of Section XVII of Customs Tariff, General HSN Note to Section XVII, the Assy Guide Rail as a part of the automobile's sunroof mechanism is rightly classifiable under CTI 8708 2900 (Other Parts and accessories of bodies of motor vehicles of headings 8701 to 8705).**

7. Thus, the Authority has observed that **Assy Guide Rails** used in the Sunroof system of a vehicle and that Sunroof is a specialised part of a car's body which allows light and air to enter the vehicle, and the guide rail is an essential component for the movement of a glass panel and is designed specifically for use in motor vehicles.





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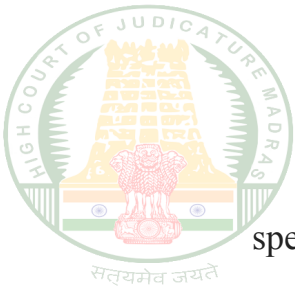
8. Alternate plea of the appellant was that Assy Guide Rail which are in the nature of parts of windows and frames would alternatively classifiable under CTI 7610 90 20 (Parts of structures, not elsewhere specified). This has also been held against the Appellant in its finding wherein its findings were held as follows:-

“The Assy Guide Rail is not a frame or structure used to enclose or support a window or door in the traditional sense. Instead, it serves as a guiding mechanism in the sunroof system, specifically to hold and move the glass panel of the sunroof. The product is thus more of a mechanical or functional part of the sunroof assembly, rather than a structural frame.

The product in question does not perform the function of enclosing or providing structural support for windows or doors. It is part of a specific vehicle feature (the sunroof) and does not fit the conventional description of a frame for windows, doors, or other structures classified under **Heading 7610** as claimed by the Applicant.”

9. The alternate plea of the appellant before the Authority which is captured in the impugned order is reproduced below:-

“7.8 The Applicant has also contended that the subject goods ie. Assy Guide Rail described as Aluminium Guide Rail which are in the nature of parts of windows and frames, would alternatively merit classification under CT1 76109020 (Parts of structures, not elsewhere



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specified).

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In this regard, it is pertinent to mention that the Assy Guide Rail in a motor vehicle sunroof system is an assembly component designed specifically to support and guide the movement of the glass panel in a sunroof system. It provides structural integrity and helps in ensuring the smooth operation of the sunroof mechanism. While the product is made from aluminium, its function is specialized for a particular part of the vehicle's roof system, not as a general structural or enclosure component like windows or doors.

Chapter Heading 7610 under Chapter 76 covers "Aluminium structures (excluding prefabricated buildings)", including a variety of aluminium frames, panels, and structural components for various uses. This typically includes products such as aluminium frames for windows, doors, and even sections used in construction or other general applications. The items classified here are generally structural components (ice, frames or supports) for buildings, windows, doors, or other enclosures, and are typically designed for enclosing or framing purposes.”

10. The conclusion of the Authority on this aspect is reproduced below:-

“The Assy Guide Rail is not a frame or structure used to enclose or support a window or door in the traditional sense. Instead, it serves as a guiding mechanism in the sunroof system. specifically to hold and move the glass panel of the sunroof. The product is thus more of a mechanical or functional part of the sunroof assembly, rather than a structural frame.



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The product in question does not perform the function of enclosing or providing structural support for windows or doors. It is part of a specific vehicle feature (the sunroof) and does not fit the conventional description of a frame for windows, doors, or other structures classified under Heading 7610 as claimed by the Applicant.

As per Note 1(g) of Section XV of the Harmonized System (IS) Nomenclature. Section XV (which covers "Base metals and articles of base metal" excludes articles that are classified under Section XVII, which pertains to "Vehicles, aircraft, vessels, and associated transport equipment." Since the Assy Guide Rail is a component specifically designed as a part of a motor vehicle's sunroof system, it falls under the scope of Section XVII, which covers parts and accessories of vehicles.

**Therefore, the Assy Guide Rail is not a frame for windows or doors and being an automotive part, is excluded from classification under Section XV as per Note 1(g) of Section XV. As a result, it cannot be classified under Chapter 76 (which deals with aluminum articles, including frames and structural components) under Heading 7610 as that heading pertains to aluminum structures generally used in building of window and door frames, not automotive parts."**

11. The appellant has contended that **"Assy Guide Rail"** is not classifiable under **Customs Tariff Heading 8302**. The conclusion of the Authority reads as under:-

7.9 The applicant has contended that the Assy Guide Rail is not

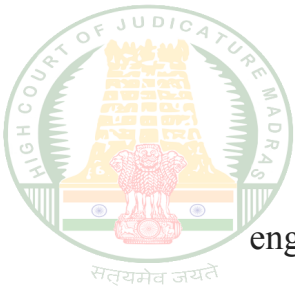


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classifiable under heading 8302 in this regard. I find that as per Explanatory Notes to heading 8302, this heading covers general purpose classes of base metal accessory fittings and mountings. such as are used largely on furniture, doors, windows, coachwork etc. However, the heading does not extend to goods forming an essential part of the structure of the article, such as window frames or swivel devices for revolving chairs. The heading 8302 also covers mountings. fittings and similar articles suitable for motor vehicles (eg, motor cars, lorries or motor coaches), not being parts or accessories of Section XVII, For example: footrests, grip bars, window opening mechanisms etc.

From the above, it is clear that Heading 8302 covers "base metal fittings, mountings. and accessories that are used for general purposes. These items are typically employed on furniture, doors, windows, coachwork, etc. The Explanatory Notes specifically mention that the goods covered by this heading are accessory fittings that serve as part of a larger structure or article, but not the essential parts of the structure itself. The heading does include accessories for motor vehicles (e.g., footrests, grip bars, window-opening mechanisms). However, these are also accessories rather than parts of the essential structure of the vehicle.

In the case of the Assy Guide Rail, it is described as a component of the sunroof system in cars. A sunroof system is integral to the vehicle's body structure and the Assy Guide Rail plays a critical role in its function and installation. Thus. Assy Guide Rail forms an essential part of the vehicle's body or structure (such as the sunroof) and it is considered a part of the vehicle, not merely an accessory fitting. Section XVII covers goods such as parts for motor vehicles (including cars, trucks, and motor coaches). It includes components that are integral to the vehicle's structure and functionality, like chassis,



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engines, and parts of the bodywork

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The Assy Guide Rail, as a component of the sunroof system in motor vehicles, does not fit the definition of a "general-purpose accessory as described in the Explanatory Notes to heading 8302. Since it is a functional part of the vehicle, it should be classified under Section XVII, which deals with parts and accessories of motor vehicles.

Thus, the Assy Guide Rail cannot be classified under CTH 8302 as it is clearly an integral part of the sunroof system of the vehicle, which is part of the vehicle's structure and falls under the relevant sections for vehicle parts and accessories.

12. The ultimate conclusion of the Authority is reproduced below:-

“8. On the basis of foregoing discussions and findings. I reach to conclusion that the product i.e **Assy Guide Rail** described as **Aluminium Guide Rail** merit classification under **CTH 8708 (Parts and accessories of motor vehicles of headings 8701 10 8705), more specifically under CTI 87082900 (Order parts and accessories of bodies)** of the First Schedule of Customs Tariff Act 1975.”

13. The appellant has challenged the above Ruling of the Authority by raising various grounds, which reads as under:

*“F. The Appellant submits that the 1st Respondent ought to have afforded an opportunity to the Appellant to make submissions on whether the subject goods are classifiable under CTI 8708 2900. This*



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*is especially so when the aforesaid classification of CTI 8708 2900 was neither the case of the Appellant nor that of the 2nd Respondent. This arbitrary act of the 1 Respondent has resulted in gross injustice to the Appellant inasmuch as the Impugned Ruling is binding on the Appellant and the Department, insofar as the future import of subject goods are concerned.*

*G. It is settled legal position that the parties to a case should be given a reasonable opportunity of being heard and that a decision should be arrived at only upon the basis of the same. If a decision is arrived at without providing an opportunity of hearing to the aggrieved party, it becomes violative of the principles of natural justice. Thus, the Impugned Ruling passed on a completely new ground without affording an opportunity to the Appellant must be set aside as illegal. Reliance in this regard is placed on the decision of the Hon'ble Apex Court in Swadeshi Cotton Mills v. Union of India, (1981) 1 SCC 664, wherein, the Court held that the person affected must have reasonable opportunity of being heard and the hearing must be a genuine hearing and not an empty public relations exercise. Relevant portion is extracted below:*

*"... But there are two fundamental maxims of natural justice viz. (1) audi alteram partem and (ii) nemo judex in re sua. The audi alteram partem rule has many facets, two of them being (a) notice of the case to be met; and (b) opportunity to explain. This rule cannot be sacrificed at the altar of administrative convenience or celerity...*

*But, the core of it must, however, remain, namely, that the person affected must have reasonable opportunity of being heard and the hearing must be a genuine hearing and not an empty public relations exercise."*



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*H. It is also settled legal position that the opportunity of hearing so granted shall not be an empty formality. Reliance in this regard is also placed on M/s. Richmark Shipping & Logistics Pvt. Ltd. v. The Commissioner of Customs. Visakhapatnam [2023 (7) TMI 74-ANDHRA PRADESH HIGH COURT) wherein the Hon'ble Andhra Pradesh High Court held that, it is a settled principle of law that adequate opportunity of being heard i.e., "audi alteram partem" forms a cornerstone in the doctrine of principles of natural justice. The opportunity must be real, reasonable, and effective and not a mere empty formality as laid down by the Hon'ble Supreme Court in Maneka Gandhi v. Union of India [1978 (1) TMI 161 - SUPREME COURT]..*

*I. Reliance in this regard is also placed on the following decisions:*

*a. Sawai Singh vs. State of Rajasthan [(1986) 3 SCC 454]*

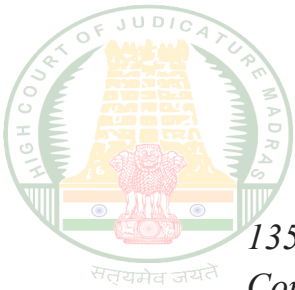
*b. M/s. Shapoorji Pallonji Infrastructure Capital Co. Ltd. v. Union of India & Ors. [2018 (4) TMI 980 - MADRAS HIGH COURT]*

*c. Minerals Pvt. Ltd. v. Deputy Commissioner of Customs, Orissa [2022 (9) TMI 1133 - ORISSA HIGH COURT]*

*d. M/s. HK Enterprises v. Union of Tarini India & Anr. [2017 (10) TMI 1140 - PUNJAB AND HARYANA HIGH COURT]*

*J. In KBL SPML 25JV v. Authority for Advance Ruling [2023 (8) TMI*





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1354-KARNATAKA HIGH COURT], the Hon'ble Karnataka High Court held that opportunity of hearing cannot be an empty formality and the assessee must be informed of the reasons for rejection before personal hearing is granted.

K. In *JSW Energy Limited v. Union of India* [2019 (6) TMI 717 - BOMBAY HIGH COURT], the Hon'ble Bombay High Court has set aside decision of Appellate Authority for Advance Ruling on the ground that the decision was based on new grounds which were not communicated to the assessee and that the assessee did not have the opportunity to meet and address the new grounds.

L. A similar view was taken by this Hon'ble Court in *Sree Annapoorna Sree Gowrishankar Hotels (P) Ltd. v. Assistant Commissioner* [2016 (8) TMI 524 - MADRAS HIGH COURT].

M. In *Pioneer Bakers v. Union of India* [2024 (1) TMI 1247 - ORISSA HIGH COURT], the Hon'ble Orissa High Court set aside the order of the Appellate Authority for Advance Ruling on the ground that the order was passed on the basis of a report containing adverse material against the assessee without affording the assessee an opportunity to confront the same.

N. The Appellant submits that the principles of natural justice, in the context of advance rulings, is also contained in Section 28-I(5) of the Customs Act. The said provision mandates the 1st Respondent to grant opportunity of personal hearing to the Appellant on the latter's request. The objective of the said provision is to ensure that the applicant is duly given an opportunity to present its case so that the 1st Respondent can decide the matter.





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*Q. In the present case, the 1st Respondent granted two personal hearings on 05.09.2024 and 21.11.2024. However, it is submitted that the arbitrary act of the 1st Respondent in holding that the subject goods are classifiable under CTI 8708 2900, which was neither the case of the Appellant nor that of the Department, without granting an opportunity to present its case regarding the same has rendered the opportunities of personal hearings on 05.09.2024 and 21.11.2024 an empty exercise.*

*P. In view of the above, the Appellant humbly submits that the Impugned Ruling, being passed in gross violation of principles of natural justice must be set aside as illegal.*

*The subject goods merit classification under CTI 8708 9900:*

*Q. The Appellant submits that the goods merits classification under CTI 8708 9900 as 'other parts and accessories of motor vehicles' and not under CTI 8708 2900 as 'other parts and accessories of bodies of motor vehicles'. Detailed submissions in this regard are made hereinbelow.*

*R. The Appellant submits that it is a settled legal position that goods must be classified in the form in which they are imported. Reliance in this regard is placed on CC v. Sony India Ltd. [2008 (231) E.L.T. 385 (S.C.)] wherein the Hon'ble Supreme Court has held that goods would have to be assessed in the form in which they are imported and presented to the customs and not on the basis of the finished goods manufactured after subjecting them to some process after the import is made.*



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*S. Therefore, the classification of imported goods must be determined under the First Schedule to the Customs Tariff Act, 1975 ('Customs Tariff Act') on the basis of the condition in which the products are presented for clearance.*

*General Rules for Interpretation of the Customs Tariff:*

*T. The process of classification of goods under the Customs Tariff must be done as per the General Rules for Interpretation ("GRI") of the Customs Tariff. The GRI is a set of 6 rules that aid in the classification of the goods under Customs Tariff. It is a settled law that the GRI must be applied sequentially to arrive at a proper classification of the imported goods.*

*U. Classification of goods is done in accordance with GRI 1 i.e., through the primacy of terms of headings and Section Notes and Chapter notes. When the nature and description of goods match the terms of headings in a chapter and further the goods fall within the scope of Section notes and Chapter Notes of the Customs Tariff, such goods are classifiable as per Rule 1 of GRI.*

*V. Thus, it becomes necessary to refer to relevant Section notes, Chapter notes and Heading notes to decide the classification of the subject goods under consideration.*

*HSN Explanatory Notes:*



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*W. The Customs Tariff is aligned up to the 6-digit level with the Harmonized System of Nomenclature ('HSN') issued by the World Customs Organization ('WCO'). For uniform interpretation of the HSN, the WCO has published detailed Explanatory Notes to the HSN which have long been recognised as a safe guide to interpret the Schedules to the Customs Tariff.*

*X In O.K. Play (India) Ltd v CCE, 2005 (180) E.L.T. 300 (S.C.) the Hon'ble Supreme Court, inter alia, observed that HSN along with the explanatory notes provide a safe guide for interpretation of an Entry.”*

14. The appellant has also raised several other grounds to assail the impugned ruling in the grounds of appeal.

15. The appellant has contended that **Assy Guide Rail** is classifiable under **Customs Tariff Heading 8708 99 00** of the First Schedule of Customs Tariff Act, 1975 as “**parts of motor vehicles or otherwise**”. On the other hand, the Authority has concluded that it is classifiable under CTI 8708 (*Parts and accessories of motor vehicles of headings 8701 to 8705*), more specifically under **Customs Tariff Heading 8708 29 00** as **other parts and accessories of bodies of motor vehicles** to the First Schedule of Customs Tariff Act, 1975, as it is specifically designed for use in motor vehicles.

16. The Authority has further referred to Note 1(g) of Section XV of the



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Harmonized System (HS) Nomenclature, Section XV, which covers “Base metals and articles of base metal”, excludes articles that are classified under Section XVII, which pertains to Vehicles, Aircraft, Vessels and Associated Transport Equipment. Thus, the Authority has concluded that Assy Guide Rail is a component specifically designed as a part of a motor vehicle's sunroof system, it falls under the scope of Section XVII, which covers parts and accessories of vehicles.

17. The provision for Advance Ruling in the Customs Act, 1962 was introduced in the year 1999. During the period since its introduction in 1999, few amendments have been made to Chapter V-B of the Customs Act, 1962. An applicant desirous of obtaining an Advance Ruling under Chapter V-B of the Customs Act, 1962, can make an application in terms of Section 28H of the Customs Act, 1962.

18. As per Section 28H(2) of the Customs Act, 1962, the Advance Ruling Authority is competent to give its ruling on the following:

*“(a) classification of goods under the Customs Tariff Act, 1975 (51 of 1975);*

*(b) applicability of a notification issued under sub-section (1) of section 25, having a bearing on the rate of duty;*



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*(c) the principles to be adopted for the purposes of determination of value of the goods under the provisions of this Act;*

*(d) applicability of notifications issued in respect of tax or duties under this Act or the Customs Tariff Act, 1975 (51 of 1975) or any tax or duty chargeable under any other law for the time being in force in the same manner as duty of customs leviable under this Act or the Customs Tariff Act;]*

*(e) determination of origin of the goods in terms of the rules notified under the Customs Tariff Act, 1975 (51 of 1975) and matters relating thereto;]*

*(f) any other matter as the Central Government may, by notification, specify.]”*

19. As per Section 28J(1) of the Customs Act, 1962, an Advance Ruling pronounced is binding :-

*“(a) on the applicant who had sought it;*

*(b) in respect of any matter referred to in sub-section (2) of section 28-H;*

*(c) on the [Principal Commissioner of Customs or Commissioner of Customs], and the customs authorities subordinate to him, in respect of the*



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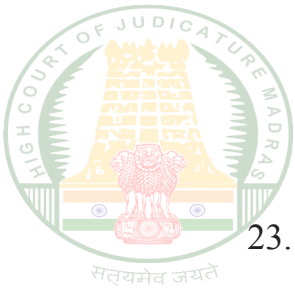
*applicant.”*

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20. As per sub-section (2) of Section 28J of the Customs Act, 1962, the Advance Ruling referred to above in sub-section (1) has to remain in force for a period of three years. If there is a change in law or facts on the basis of which the Advance Ruling was given, such Advance Ruling will cease to be in force before expiry of aforesaid period of three years.

21. The scope of appeal under Section 28KA of the Customs Act, 1962 is limited, as the ruling obtained is binding on the persons mentioned above in Section 28J of the Customs Act, 1962. Unless the ruling of the Authority is palpably arbitrary or irrational or without any proper reasoning, they cannot be interfered by this Court under Section 28KA of the Customs Act, 1962.

22. The purpose of incorporating such a provision into the Customs Act in the year 1999 was only to give certainty in the matter specified in Section 28H(2) for the purpose specified in Section 28J(2). It is intended to provide clarity, certainty and transparency to importers, exporters and other stock dealers as a measure of trade facilitation and to reduce the scope for litigation.



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23. The appellant having invited a ruling, cannot challenge the Ruling under

Section 28KA merely because the Ruling has been given against the appellant.

24. Relying upon the decision of the House of Lords in **Chief Constable of North Wales Police v. Evans [1982] 1 WLR 1155 (HL)**, the hon'ble Supreme Court in **R. B. Shreeram Durga Prasad and Fatehchand Nursing Das v. Settlement Commission [1989] 176 ITR 169 (SC)** equated the appellate power under article 136 with the power of judicial review. It observed as under :-

*“The scope of enquiry, whether by the High Court under article 226 or by this court under article 136 is also the same whether the order of the Commission is contrary to any of the provisions of the Act and if so, apart from ground of bias, fraud and malice which, of course, constitute a separate and independent category, has it prejudiced the petitioner/appellant. Reference in this behalf may be had to the decision of this court in R. B. Shreeram Durga Prasad and Fatehchand Nursing Das v. Settlement Commission [1989] 176 ITR 169 (SC), which too was an appeal against the orders of the Settlement Commission. Sabyasachi Mukharji J., speaking for the Bench comprising himself and S. R. Pandian J., observed that, in such a case, this court is ‘concerned with the legality of the procedure followed and not with the validity of the order’. The learned judge added ‘judicial review is concerned not with the decision but with the decisionmaking process’. For all the above reasons, we are of the opinion that the only ground upon which this court can interfere in these appeals is that the order of the Commission is contrary to the provisions of the Act and that such contravention has prejudiced the appellant. The main controversy in these appeals relates to the interpretation of the settlement deeds though it is true, some contentions of law are also raised. The Commission has interpreted*



*the trust deeds in a particular manner. Even if the interpretation placed by the Commission on the said deeds is not correct, it would not be a ground for interference in these appeals, since a wrong interpretation of a deed of trust cannot be said to be a violation of the provisions of the Income-tax Act. It is equally clear that the interpretation placed upon the said deeds by the Commission does not bind the authorities under the Act in proceedings relating to other assessment years.”*

25. Under similar circumstances, in **Anurag Jain v. Authority for Advance Rulings and Another, 2008 SCC OnLine Mad 1087**, this Court held that the petitioner who had voluntarily invited the ruling from the first respondent therein was certainly bound by the ruling unless it is shown that the procedure followed by the authority while passing the said ruling was not in accordance with law and the same is basically opposed to law or against the principles of natural justice.(emphasis added)

26. In our view also, the challenge can be made only where there is a violation of principles of natural justice or patent illegality or where irrelevant considerations are made while giving an advance ruling.

27. The appellant cannot expect the said Authority to accept the contention merely because an application has been made for such Advance Ruling. The purpose of Advance Ruling is only to ensure that the clarification issued is binding





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for a period of three years or for a lesser period, where there is a change in law or facts on the basis of which such Advance Ruling was pronounced by the said Authority.

28. Since, the 1st respondent / Customs Authority for Advance Ruling, Mumbai, has discussed the issues threadbare and since the impugned order also does not suffer from any procedural irregularity, it is not therefore open to the appellant to seek interference in the present appeal under Section 28KA of the Customs Act, 1962.

29. That apart, in the matters of classification, the jurisdiction of the High Court stands eclipsed in terms of Section 130E(b) of the Customs Act, 1962. Therefore, on this count also, this appeal is liable to be dismissed.

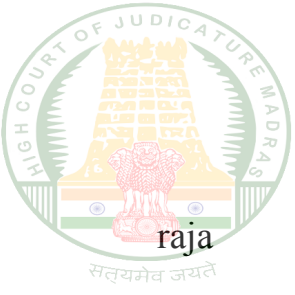
30. Accordingly, this Civil Miscellaneous Appeal is dismissed. Consequently, connected miscellaneous petition is closed. No costs.

[S.M.S., J.]

[C.S.N., J.]

10.09.2025

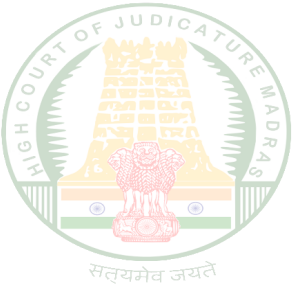
Neutral Citation : Yes / No



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WEB To COPY

1. The Customs Authority for Advance Ruling, Mumbai,  
New Custom House, Ballard Estate  
Mumbai – 400 001.
2. The Commissioner of Customs,  
Chennai – II (Import)  
No.60, Rajaji Salai  
Chennai – 600 001.



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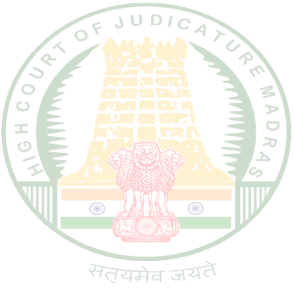


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**S.M.SUBRAMANIAM, J.**  
**and**  
**C.SARAVANAN, J.**

raja

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