

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE**

REGIONAL BENCH - COURT NO. 2

Central Excise Appeal No. 21582 of 2016

(Arising out of Order-in-Original No. BLR-EXCUS-001-Pr.COM MVK-18-16-17
dated 26.07.2016 passed by the Commissioner of Customs, Cochin.)

M/s. Eureka Forbes Ltd

(Formerly known as M/s. Aquamall Water Solutions Ltd.)
No. 143, C-4, Bommasandra, Industrial Area,
Bengaluru – 560099.

....Appellant(s)

VERSUS

**Commissioner of Central Tax,
South Commissionerate**

C.R. Building, Queens Road,
Bengaluru – 560001.

....Respondent(s)

WITH

(i) Central Excise Appeal No. 20251 of 2019

(Arising out of Order-in-Original No. 24-25/CE/COMMR/2018 dated 27.11.2018
passed by the Commissioner of Central Tax, Bengaluru.)

(ii) Central Excise Appeal No. 20252 of 2019

(Arising out of Order-in-Original No. 24-25/CE/COMMR/2018 dated 27.11.2018
passed by the Commissioner of Central Tax, Bengaluru.)

(iii) Central Excise Appeal No. 20802 of 2023

(Arising out of Order-in-Appeal No. 302/2023 dated 12.06.2023 passed by the
Commissioner of Central Tax (Appeals-1), Bengaluru.)

APPEARANCE:

Shri. Anil Kumar. B, Advocate for the Appellant

Mr. Rajashekar. B. N. N, Authorized Representative for the Respondent

CORAM:

HON'BLE MR. P.A. AUGUSTIAN, MEMBER (JUDICIAL)

HON'BLE MR. PULLELA NAGESWARA RAO, MEMBER (TECHNICAL)

Final Order Nos. 21023-21026 /2026

Date of Hearing: 13.10.2025
Date of Decision: 10.04.2026

PER: P. A. AUGUSTIAN

The issues in the present appeals are:

- a. whether the goods manufactured by the Appellant are 'House hold water filters' or 'water purifiers' ;
- b. whether the goods are classifiable under Central Excise Tariff Item (CETI) 8421 21 90 under 'others' with exemption from duty under Sl. No. 239 of Notification No. 12/2012-CE as claimed by the appellant or under Central Excise Tariff Item (CETI) 8421 2120 as "Household type filters" as confirmed by Revenue.

2. The brief facts are the Appellant is the manufacturer of excisable goods 'water filters cum purifiers'. Prior to 2014, Appellant had classified the goods under Central Excise Tariff Item (CETI) 8421 21 20 and paid duty as per Sl. No. 240 of Notification No. 12/2012-CE dated 01.03.2012. However, from October, 2014, Appellant reclassified the goods under Central Excise Tariff Item (CETI) 8421 2190 claimed exemption from duty under Sl. No. 239 of Notification No. 12/2012-CE. Alleging non-payment of the duty from October, 2014 to November, 2014 proceedings were initiated and show cause notice dated 09.06.2015 was issued. Thereafter, Adjudication authority vide Order-in-Original dated 20.05.2016 reclassified the goods under Central Excise Tariff Item (CETI) 8421 21 20 as "Household type filters" and not under residual category under Central Excise Tariff Item (CETI) 8421 2190 as "others" as claimed by the appellant. Further Adjudicating authority denied the benefit of the Exemption at Sl. No. 239 of Notification No. 12/2012-CE dated 01.03.2012 and confirmed the demand of duty with interest and also imposed penalty. An appeal was filed before the Commissioner (Appeals) and Commissioner (Appeals) as per the impugned Order-in-Appeal dated 12.06.2023 confirmed the demand along with interest and also upheld the penalty. In the meantime when

the appeal is pending before the Commissioner (Appeals), 3(three) Show Causes Notices /SOD for the periods December 2014 to September 2015, October 2015 to November 2015 and December 2015 to June 2017, respectively were issued. Thereafter, Adjudication Authority, Commissioner, vide Orders-in-Original dated 28.07.2016, 27.11.2018 dated 27.11.2018 adjudicated the demands and reclassified the goods under Central Excise Tariff Item (CETI) 8421 2120 as "Household type filters" and not under residual category under Central Excise Tariff Item (CETI) 84212190 as "others" as claimed by the appellant; denied the benefit of the Exemption at Sl. No. 239 of Notification No. 12/2012-CE dated 01.03.2012 and confirmed duty demands along with interest and imposed penalties under the provisions of the Central Excise Act, 1944. Aggrieved by above said impugned orders of Commissioner /Commissioner (Appeal) present appeals are filed.

3. The details of the appeals filed are as under;

Appeal No.	Period	Show Cause Notice/ SOD Date	Order-in-Original /Order-in-Appeal Date	Duty Demanded (in Rs.)	Penalty Imposed (in Rs.)
E/21582/2016	12/2014 to 09/2015,	04.12.2015	28.07.2016	2,03,53,910	20,35,391
E/20251/2019	10/2015 to 11/2015	01.11.2017	27.11.2018	38,67,148	55,31,467
E/20252/2019	12/2015 to 06/2017	26.12.2017	27.11.2018	5,14,47,519	
E/20802/2023	10/2014 to 11/2014.	09.06.2015	12.06.2023	15,03,757	1,45,996

4. When the appeals came up for hearing, the Learned Counsel for the Appellant submits that the difference between filtration and purification is that filtration is a basic process that mainly remove larger particles or suspended matter. However, purification involves, more comprehensive method of eliminating wide range of impurities including dissolved contaminants, micro-organisms and viruses. Appellant has also drawn our attention to the following chart:-

	Filtration	Purification
What it does	Removes physical particles and larger contaminants from water	Makes water safe for consumption by removing or killing microscopic and dissolved contaminants
How it works	Uses physical barriers like sediment and carbon filters to block impurities	Uses combination of methods, including filtration, but also can include reverse osmosis, distillation, UV light or ion exchange.
Contaminants removed	Dust, silt, sediment, clay and some microorganism like bacteria	Includes everything filtered out, plus viruses, heavy metals, pesticides, excess TDS (Total Dissolved Solids) and other harmful chemicals.
Best for	Improving the clarity and taste of water that is already safe to drink but may have suspended particles	Treating water that may contain harmful pathogens, chemical pollutants or a wide range of dissolved impurities.

5. As regards difference between Filtration and Purification, Learned Counsel draws our attention to the following chart:-

	Filtration	Purification
Definition	Filtration is a process of separating solids or suspended particles from a fluid or gas by passing it through a porous medium	Purification is the process of removing impurities or contaminants from a substance or system, typically to improve its quality, safety, or usability

Mechanism	Filtration relies on a physical barrier, such as a filter medium or membrane, to trap and retain solid particles or larger contaminants while allowing the fluid or gas to pass through.	Purification uses various techniques beyond filtration, including separation, extraction, or chemical processes, to selectively remove impurities or convert them into less harmful or undesirable forms.
Scope	Filtration is often used as a preliminary step in purification processes to remove coarse impurities before further purification steps. It is primarily concerned with the removal of visible or suspended solids.	Purification encompasses a broader range of methods and may include filtration as one of the steps. It addresses the overall removal of impurities, which can be in various forms, such as solids, liquids, gases, dissolved substances, or chemical compounds
Medium used	Filtration is made through a filter or screen, while the liquid flows through it	Purification removes unwanted impurities from the water by absorption, distillation, UV radiation or ion exchange

6. Learned Counsel further submits that only water filters simplicitor was eligible for the benefit of Notification No. 12/2012 dated 01.03.2012 at Sl. No.240 and not apparatus/ equipment which combine filtration with other methods of purification of water since both are different processes. Learned Counsel further submits that the issue is no more *res integra* and in Appellant's own case, while the Appellant was named as **M/s. AP Industrial Components Ltd**, and reported in **-[1993 (68) E.L.T 357 (Tribunal)]** the very same issue was considered wherein it held that:-

"36. The issue before us as to be seen in the context of the Phraseology and language used in Heading 84.21 and the exemption Notification No. 155/86-C.E. and to that extent the learned DR is correct in pointing out that what we have to see is as to whether these entries cover simply filtering or purifying devices or also cover a combined apparatus.

37. To resolve this problem, we have to take the help of the principles of interpretation and in particular the one relating to interpretation of the words.

38. Since both the words filtering and purifying have been used in Heading 84.21 therefore they cannot be treated as synonymous. But while distinguishing them, we also cannot fail to take into account the fact that filtering is only one of the methods of purification.

39. We must also remember that the word 'or' which is generally used in a disjunctive sense can also be used in conjunctive sense if the context so requires, and in the above perspective, it could be taken to mean and /or for that would make sense and the phrase in the entry could be understood in the sense of filtering and /or purifying machinery and /or apparatus for liquids or gases".

7. The above decision was upheld by the Hon'ble Supreme Court reported in **2000 (115) E.L.T. 33 (S.C.)** wherein it is held that -

"2. In our view, the conclusion and the reasoning of the Tribunal is correct. The said entry speaks of filtering and purifying apparatus but the said exemption notification speaks only of filtering apparatus and that too of a limited capacity. Clearly, the said exemption notification cannot be made applicable to a device that both filters and purifies.

3. Our attention was invited to an order of the Tribunal wherefrom special leave to appeal was refused. That order related to a product called "Zero-B" which had been found as a fact to be a water filter. Clearly, to a water filter, provided it satisfied the requirement of quantity, the said exemption applied."

8. Learned Counsel also draws our attention to the definition of goods falling under Chapter Heading 8421 which relates to Centrifuges, including centrifugal dryers, filtering or purifying machinery and

apparatus, for liquids or gases. Further the classification adopted by the Revenue is under Chapter Heading 8421 21 20 which is related to "house hold type filters". Chapter Heading 8421 21 relates to "for filtering or purifying water" the classification adopted by the Appellant is under Chapter sub-heading 8421 21 90 as "others" under the said Chapter Heading 8421 21.

9. Learned Counsel submits that as and when Appellant manufactured goods falling under "household type filters", they were classified under Chapter Heading 8421 2120 and paid duty. However, only those goods which are not classifiable under said Chapter Heading, it was classified under Chapter sub-Heading 8421 21 90 as "others". Thus, the impugned order adopting the classification under Chapter Heading 8421 21 20 is unsustainable since it is related to "house hold type filters". Learned Counsel further submits that as per the Notification No. 12/2014-CE dated 11.07.2014 (Sl. No. 239) rate of duty is 'Nil' for goods under Chapter Heading 8421 21 except Chapter Heading 8421 21 20. The Sl. Nos. 239 and 239A of the Notification No. 12/2012-CE dated 01.03.2012 provides exemption from whole of duty to water purification equipment based on technologies like reverse osmosis, arsenic removal, etc, excluding "household type filters" classified under Chapter sub-Heading 8421 21 20 of the Central Excise Tariff Act, 1985. The water purifiers manufactured by Appellant purify the water apart from filtration using reverse osmosis technology. Under Chapter sub-heading 84212120 of the Central Excise Tariff Act, 1985, only those apparatus which undertake filtration are classifiable. Further submits that Sl. No. 239 of the Notification No. 12/2012-CE dated 01.03.2012 deals with water purification equipment based on technologies like reverse osmosis, arsenic removal etc. Therefore, the water purifiers manufactured by the Appellant based on reverse osmosis technology would fall under Sl. No.239 of the Notification No. 12/2012-CE dated 01.03.2012 and they are eligible for exemption from whole of duty; what is excluded at Sl.No.239 is "household type filters". Therefore, the water purifiers manufactured by the Appellant cannot be classified as "household type filters" under Chapter sub-Heading

84212120, but merits classification under Chapter sub-heading 84212190 under 'others' of the Central Excise Tariff Act. 1985.

10. Learned Counsel further submits that the decision relied by adjudication authority in the matter of **M/s. Whirlpool of India Ltd. Vs. Commissioner of Customs (Import), Nhava Sheva-2014 (300) E.L.T 83 (Tri. Mumbai)** is per *in curium* as the decision of the Hon'ble Apex Court in the Appellant's own case as reported in **A.P Industrial Components Ltd. Vs. Collector of Central Excise**, reported in **2000 (115) E.L.T 33 (SC)** has neither been discussed nor has any finding been given.

11. Learned Counsel further submits that issue was also considered as per the Budget Speech for 2007-2008, it is proposed that:-

"146. To provide access to pure drinking water for household and communities, I propose to fully exempt from excise duty water purification devices operating on specified membrane based technologies as well as domestic water filters not using electricity".

12. As regards reliance on the speech of Finance Minister, Learned Counsel draws our attention to the judgment of Hon'ble Supreme Court in the matter of **Union of India Vs. M/s. Martin Lottery Agencies Ltd.** reported in - **[2009 (14) S.T.R 593 (SC)]** wherein it is held that:

"28. There cannot be any doubt whatsoever that the speech of the Hon'ble Finance Minister in the House of Parliament may be taken to be a valid tool for interpretation of a statute. It was so held in K.P Varghese Vs. Commissioner of Income Tax, Ernakulam & Anr. (1981) 4 SCC 173 at 184) in the following terms:-

"Now it is true that the speeches made by the Members of the Legislature on the floor of the House when a Bill for enacting a statutory provision is being debated are inadmissible for the purpose of interpreting the statutory provision but the speech made by the Mover of the Bill explain the reason for the

introduction of the Bill can certainly be referred to for the purpose of ascertaining the mischief sought to be remedied by the legislation and the object and purpose for which the legislation is enacted. This is in accord with the recent trend in juristic thought not only in western countries but also in India that interpretation of a statute being an exercise in the ascertainment of meaning, everything which is logically relevant should be admissible”.

13. Learned Authorized Representative (AR) reiterated the finding in the impugned order and submits that in the latest decision of **Whirlpool of India Ltd., (supra)** the Tribunal has dismissed the party's appeal while holding that Purifiers /Filters - Water Purifier Pura Fresh Delux and RO 6.5L Mineral Enrichment System - Four different types of filters are used to achieve various types of purification of water, nevertheless all of them undertake filtration of different kinds of contaminants present in the water, merely because different types of technology are used, it does not cease to be a filter. Impugned goods are nothing but water filters and as they are commonly used in households, they qualify to be classified under Central Excise Tariff Item 8421 21 20 of Central Excise Tariff Act, 1985 dealing with "household type filters" and not under residual category under Central Excise Tariff Item 8421 21 90, ibid as 'Other'. Hence, this case is squarely applicable to the present case.

14. Heard both sides and perused the records.

15. We find that the issue in the present appeal is regarding classification of the products manufactured by the Appellant and also the eligibility of the Appellant to claim the benefit of Sl. No. 239 of Notification No. 12/2012-CE dated 01.03.2012 as amended. In this regard the relevant extracts of the Central Excise Tariff Heading 8421 and the Notification No. 12/2012-CE dated 01.03.2012 are extracted below.

Central Excise Tariff Heading 8421:

Tariff Item	Description of Goods	Unit	Rate
8421	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases	kg.	12.5%
	- Centrifuges, including centrifugal dryers :		
8421 11 00	-- Cream separators	u	12.5%
8421 12 00	-- Clothes-dryers	u	12.5%
8421 19	-- Other :		
8421 19 10	--- Bowl centrifuges	u	12.5%
8421 19 20	--- Basket centrifuges	u	12.5%
8421 19 30	--- Continuous automatic centrifuges	u	12.5%
8421 19 40	--- Self cleaning centrifuges	u	12.5%
8421 19 50	--- Decanter centrifuges horizontal bowl	u	12.5%
8421 19 60	--- Screw conveyor centrifuges	u	12.5%
	--- Other :		
8421 19 91	---- For chemical industries	u	12.5%
8421 19 99	---- Other	u	12.5%
	- Filtering or purifying machinery and apparatus for liquids :		
8421 21	-- For filtering or purifying water :		
8421 21 10	--- Ion exchanger plant or apparatus	u	12.5%
8421 21 20	--- Household type filters	u	12.5%
8421 21 90	--- Other	u	12.5%

Notification No. 12/2012-CE dated 01.03.2012 as amended;

Sl. No.	CTH / Heading / Sub-heading / Tariff Item	Description of Excisable Goods	Rate	Condition No.
239	8421 21 (except 8421 21 20)	Water purification equipment, based on following technologies :— (a) Ultra-filtration technology using polyacrylonitrile membranes or polysulphone membranes or (b) Arsenic removal technology using ceramic micro-filtration membrane; or (c) Reverse osmosis technology using thin film composite membrane (TFC); or (d) Candle-less terracotta water filtration	Nil	-
239A	Any Chapter	Reverse Osmosis (RO) membrane element for water filtration or purification equipment (other than household type filters) based on reverse osmosis technology using thin film composite membrane (TFC)	Nil	-
240	8421 21	Water filtration or purification equipment	6%	-

15. After considering the processes carried out by the product manufactured by the Appellant, it is evident that filtration is a step in the process of purification. We find that the Adjudication authority distinguished the decision of the Hon'ble Supreme Court in the Appellants' own case in **M/s. AP Industrial Components Ltd** (supra) on the ground that said judgment is with respect to eligibility of Notification No.155/1986-CE dated 01.03.1986, whereas the in the

present case it is in respect of eligibility of Notification No. 12/2012-CE dated 01.03.2012. However, while considering the issue, irrespective of the Notification, the finding given by the Hon'ble Supreme Court is that the entry under Chapter sub-Heading 8421 2120 is regarding filtering and purifying apparatus. However, the said exemption notification speaks only of filtering apparatus and that of a limited capacity. Following the ratio of above, to bring the goods under Chapter sub-Heading 8421 21 20 as held by adjudication authority, it is only for filtration and also if the capacity is not exceeding 40 liters. However, in the present case, there is no finding that the capacity is not exceeding 40 Liters and it is not limited only to filtration process. Further. we find that the impugned goods purify the water based on the technologies listed at Sl. No. 239 of Notification No. 12/2012 dated 01.03.2012. Furthermore in the Budget Speech for 2007-2008 it is stated that;

"To provide access to pure drinking water for household and communities, I propose to fully exempt from excise duty water purification devices operating on specified membrane based technologies as well as domestic water filters not using electricity".

15.1 Therefore, we find that the intention of the legislature is to give exemption to the water purifying equipment based on membrane technologies and to household filters not using electricity. Further with the technological advancement most of the household water purifiers are based on reverse osmosis and other technologies as listed at Sl. No. 49 of Notification No. 12/2012-- dated 01.03.2012. The Revenue has not adduced any evidence to the contrary that the impugned goods are not based on the technologies enlisted at Sl. No. 249 Notification No. 12/2012-- dated 01.03.2012.

16. In view of the above discussion the impugned goods are classifiable under Chapter sub-Heading 8421 2190 under 'others' and the Appellant is eligible for the benefit at Sl. No. 239 of Notification No.

12/2012-CE dated 01.03.2012. Hence the impugned orders are unsustainable and are liable to be set aside.

17. Accordingly, the impugned orders are set aside, and the appeals are allowed with consequential relief, if any, in accordance with law.

(Order was pronounced in open court on 10.04.2026)

(P. A. AUGUSTIAN)
MEMBER (JUDICIAL)

(PULLELA NAGESWARA RAO)
MEMBER (TECHNICAL)

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