

**CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
CHENNAI**

REGIONAL BENCH – COURT No. III

Customs Appeal No. 42457 of 2015

(Arising out of Order-in-Appeal C.Cus.II.No. 710/2015 dated 30.08.2015 passed by Commissioner of Customs (Appeals-II), No. 60, Custom House, Rajaji Salai, Chennai – 600 001)

Commissioner of Customs

Chennai II Commissionerate,
No. 60, Custom House,
Rajaji Salai,
Chennai – 600 001.

...Appellant

Versus

M/s. Karma Health Care Ltd.

GD-347, Sector – III,
Salt Lake City,
Kolkata – 700 106.

...Respondent

APPEARANCE:

For the Appellant : Ms. Anandalakshmi Ganeshram, Authorised Representative
For the Respondent : None

CORAM:

HON'BLE MR. P. DINESHA, MEMBER (JUDICIAL)

HON'BLE MR. VASA SESHAGIRI RAO, MEMBER (TECHNICAL)

FINAL ORDER No. 40482 / 2026

DATE OF HEARING : 09.01.2026

DATE OF DECISION : 10.04.2026

Per Mr. VASA SESHAGIRI RAO

The present appeal has been filed by the Revenue against the Order-in-Appeal No. 710/2015 dated 30.08.2015 passed by the Commissioner of Customs (Appeals-II), Chennai, whereby the benefit of Notification No. 12/2012-Cus. was extended to the respondent and the Order-in-Original confirming demand of duty amounting to

Rs.1,74,639/- was set aside. The facts, in brief, are that the respondent imported goods described as "wheel chair for use by physically disabled/handicapped persons (for toileting) with spare parts" and classified the same under CTH 87139090, availing exemption under Notification No. 12/2012-Cus.

1.2 Subsequently, based on audit objection, proceedings were initiated on the ground that the goods were in the nature of commode chairs with wheels and not wheelchairs, and therefore classifiable under CTH 9402, making them ineligible for exemption. The adjudicating authority confirmed the demand and denied the exemption. On appeal, the Commissioner (Appeals) held that the essential character of the goods remained that of a wheelchair used for mobility and that the toileting facility was only an additional feature, thereby allowing the benefit of exemption.

2. Aggrieved by such order, the Department has preferred the present appeal contending that the primary function of the goods is that of a commode chair and not a wheelchair.

3. The Ld. Authorized Representative Ms. Anandalakshmi Ganeshram, appeared for the Revenue. None appeared on behalf of the Respondent.

4.1 The Learned Authorised Departmental Representative for the Revenue supported the findings in the OIO and submitted that the impugned goods are essentially commode chairs and not wheelchairs, and that the presence of wheels is only incidental to facilitate movement. It was contended that the catalogue and product description indicate that the primary purpose of the product is toileting and not mobility, and therefore the goods merit classification under CTH 9402. It was further argued that the exemption notification applies strictly to wheelchairs and cannot be extended to products which are primarily commode chairs with incidental mobility features.

4.2 The Revenue further submitted that the Commissioner (Appeals) erred in placing undue emphasis on the mobility aspect while ignoring the dominant function of the product. It was contended that classification should be determined based on the principal function of the goods and not on ancillary features, and therefore the order of the Commissioner (Appeals) is liable to be set aside.

5.1 *Per Contra*, none appeared on behalf of the respondent on the final date of hearing despite notice. However, since the Order-in-Appeal is in favour of the respondent, the findings and reasoning contained therein are taken as representing the submissions of the respondent.

5.2 The respondent's case, as reflected from the records, is that the impugned goods are essentially wheelchairs meant for mobility of physically disabled persons and that the toileting facility is only an additional feature provided for convenience. It is contended that classification cannot be altered merely because an additional facility is provided and that the essential character of the product continues to remain that of a wheelchair. It is further contended that the exemption notification covers wheelchairs for disabled persons and the impugned goods squarely fall within its scope.

6. Upon consideration of the submissions made by the Revenue/appellant and on perusal of the records of the case, including the findings recorded in the impugned Order-in-Appeal, which are taken as representing the position of the respondent, the following issues arise for determination in the present appeal: -

- i. Whether the impugned goods are classifiable under CTH 87139090 as wheelchairs or under CTH 9402 as commode chairs?
 - ii. Whether the impugned goods are eligible for exemption under Notification No. 12/2012-Cus.?
7. We now proceed to examine the above issues one by one sequentially.

ISSUE NO. (i): CLASSIFICATION OF GOODS

8.1 The core issue in the present case relates to the correct classification of the impugned goods, namely, wheelchairs with toileting facility, and whether the same are classifiable under CTH 8713 as wheelchairs or under CTH 9402 as medical furniture. The classification is required to be determined in terms of the General Rules for Interpretation of the Customs Tariff.

8.2 In this regard, it is relevant to note that classification is governed by Rule 1 and Rule 3(b) of the General Rules for Interpretation, which provide that goods are to be classified according to the terms of the headings and, in the case of composite or multifunctional goods, according to their essential character. The HSN Explanatory Notes to Heading 8713 indicate that the heading covers carriages for disabled persons, including wheelchairs,

designed for mobility of such persons, and the presence of additional features does not alter classification so long as the essential function remains that of transport or mobility. In contrast, heading 9402 covers medical, surgical or dental furniture such as examination tables and specialized chairs having distinct medical functions. Thus, applying Rule 3(b), the classification is to be determined based on the essential character of the impugned goods.

8.3 Chapter 87 falls under Section XVII of the Customs Tariff, which deals with vehicles and transport equipment, including carriages for disabled persons. The impugned goods, being mobility aids designed for physically disabled persons, are appropriately classifiable within this functional category. We note that Section XVII excludes only those articles which are not suitable for use solely or principally with vehicles of this Section, and the impugned goods, being specifically designed as mobility aids for disabled persons, squarely fall within the scope of Heading 8713.

8.4 The description of the goods as "wheel chair for use by physically disabled persons (for toileting)" itself indicates that the primary identity of the product is that of a wheelchair. The addition of a toileting facility does not alter

the fundamental nature of the product. The Commissioner (Appeals) has also recorded a categorical finding that the goods resemble a wheelchair and facilitate movement, thereby establishing mobility as the essential function.

8.5 It is well settled that classification is guided by the principles of common parlance and essential character. In the present case, the product is commercially understood as a wheelchair with an additional facility and not as a commode chair. The design, presence of wheels, and intended use for movement by disabled persons clearly establish its essential character.

8.6 The adjudicating authority has relied upon internet descriptions to conclude that the product is a commode chair; however, such reliance cannot prevail over the intrinsic characteristics and functional attributes of the goods. Even the adjudicating authority has acknowledged that the goods resemble a wheelchair, yet has concluded that the primary function is toileting, which is not borne out from the overall functional attributes.

8.7 Heading 9402 covers specialized medical furniture having features such as reclining, rotating or elevating mechanisms. The impugned goods do not possess

such characteristics and are not intended to perform any medical or surgical function. They are primarily designed for mobility and therefore cannot be classified under Heading 9402. Nor do the impugned goods perform any therapeutic or medical procedure so as to fall within the scope of medical furniture.

8.8 It is also a settled principle that an ancillary or additional feature cannot determine classification when the primary function and essential character of the goods are clearly identifiable. The toileting facility, in the present case, is only an added convenience for severely disabled persons and does not change the essential nature of the product.

8.9 We find that the issue of classification of multifunctional goods is no longer *res integra*. The Hon'ble Supreme Court in *CCE vs Wood Craft Products Ltd* [1995 (77) E.L.T. 23 (S.C.)] and *CCE vs Acer India Ltd* [2004 (172) E.L.T. 289 (S.C.)] has held that classification must be determined based on the essential character and principal function of the goods. Further, in *Collector of Central Excise vs Connaught Plaza Restaurant Pvt Ltd* [2012 (286) E.L.T. 321 (S.C.)], it has been held that classification must be based on common parlance understanding. Applying these settled principles, the impugned goods are understood in

trade as wheelchairs and their essential character is mobility, with the toileting facility being merely incidental and additional.

8.10 In view of the above analysis, we hold that the impugned goods are classifiable under CTH 87139090 as wheelchairs and not under CTH 9402.

ISSUE NO. (ii): ELIGIBILITY TO EXEMPTION

9.1 Once the classification of the impugned goods is determined under CTH 8713, the next issue is their eligibility to exemption under Notification No. 12/2012-Cus. This notification grants exemption to wheelchairs for physically disabled persons.

9.2 The scope of exemption under Notification No. 12/2012-Cus. requires closer examination. The relevant entry covers "wheelchairs and other carriages for disabled persons" and does not prescribe any restriction regarding design, configuration or additional features of the product. The language employed in the notification is broad and inclusive, intended to extend the benefit to all forms of mobility aids designed for disabled persons. In the absence of any restrictive condition excluding products with additional functionalities, it is not permissible to deny the benefit on the ground that the impugned goods are equipped with a

toileting facility. Once the goods are found to be classifiable under Heading 8713 as wheelchairs or carriages for disabled persons, the exemption follows as a natural consequence. The interpretation adopted by the adjudicating authority, seeking to read limitations into the notification which are not expressly provided, is contrary to settled principles governing interpretation of exemption notifications. The exemption entry is thus clearly aligned with the scope of Heading 8713 of the Customs Tariff.

9.3 The contention of the Revenue that the goods are commode chairs cannot be accepted in view of the finding that the impugned goods are wheelchairs with an additional facility. The notification cannot be interpreted in a manner so as to exclude goods that otherwise squarely fall within its scope.

9.4 It is a settled principle of law, as laid down by the Hon'ble Supreme Court, that exemption notifications are to be interpreted strictly with regard to eligibility, but once the goods fall within the description, the benefit cannot be denied by importing conditions not specified in the notification.

9.5 The Commissioner (Appeals) has correctly appreciated the facts and held that the impugned goods are wheelchairs used for mobility and that the additional feature does not alter their eligibility for exemption. The said finding is well reasoned and does not call for any interference.

9.6 The approach of the adjudicating authority in denying exemption based on perceived dominant function is not sustainable in law in view of the settled principles governing classification and interpretation of exemption notifications.

9.7 Accordingly, we hold that the impugned goods are eligible for exemption under Notification No. 12/2012-Cus.

10.1 In view of the foregoing findings, we hold that the impugned goods are correctly classifiable under CTH 87139090 as wheelchairs and are eligible for exemption under Notification No. 12/2012-Cus. The order passed by the Commissioner (Appeals) is legally sound and does not suffer from any infirmity.

10.2 Accordingly, the appeal filed by the Revenue is dismissed and the Order-in-Appeal C.Cus.II.No. 710/2015 dated 30.08.2015 is upheld. The relief granted to the respondent stands confirmed.

(Order pronounced in open court on 10.04.2026)

Sd/-
(VASA SESHAGIRI RAO)
MEMBER (TECHNICAL)

MK

Sd/-
(P. DINESHA)
MEMBER (JUDICIAL)