



प्रधान आयुक्त का कार्यालय, सीमा शुल्क, अहमदाबाद
 "सीमा शुल्क भवन, "पहली मंजिल, पुराने हाई कोर्ट के सामने, नवरंगपुरा, अहमदाबाद – 380 009.

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DIN-20200871MN00008UB296

SHOW CAUSE NOTICE

M/s. Power Grid Corporation of India Limited, Plot Number-2, Sector-29, Gurgaon, Haryana ("the importer" for short) having IEC Code No. 0591023768 had filed Bill of Entry No. 8498420 - dated 09.02.2017 for the import of goods declared as 2500 number of '120 KN COMPOSITE LONGROD INSULATORS FOR 765 KV TRANSMISSION LINES' and 1350 number of '160 KN COMPOSITE LONGROD INSULATORS FOR 765 KV TRANSMISSION LINES'. The goods were classified under 85469090 and benefit of concessional rate of Basic Customs Duty vide Serial Number 350 of Notification No. 012/2012-Customs – Dated 17.03.2012 was claimed and the Bill of Entry self assessed to 5% Basic Customs Duty and CVD @ 12.5%.

Serial Number 350 of the Notification No. 012/2012-Customs - Dated 17.03.2012 as amended is as under:

Sr. No.	Chapter or Heading or sub-heading or tariff item	Description of goods	Standard rate
350	84 or any other Chapter	Goods specified in List 10 required for use in high voltage power transmission project	5%

List 10 (See S. No. 350 and 351 of the Table)

1. 765 KV Transformers;
2. 765 KV Reactor;
3. 765 KV Circuit Breaker;
4. 765 KV Isolators;
5. 765 KV Current Transformer;
6. 765 KV Capacity Voltage Transformer;
7. 765 KV Surge Arrestors;
8. INVAR/ACSS Conductor for high temperature application;
- 9. 765 KV Polymer Long Rod Insulators;**
10. Emergency Restoration System (ERS) for extra-high voltage transmission Line;
11. Overhead Optical Ground Wire (OPGW), including hardware and accessories such as Vibration Damper, Joint Box, Suspension and tenslon clamps;
12. High Voltage DC Divider and CT;
13. High Voltage DC Reactor;
14. High TRV Circuit Breaker for High Voltage DC application;
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17. Optical Current Transformer;
18. 400 KV Extra High Voltage Cables;
19. Gas Insulated Switchgear equipment for 220 KV and above;
20. Thermo Vision Camera;
21. On-line Puncture insulator detector;
22. Hot line Kits and Tools for transmission line live maintenance;
23. Hot line washing equipment for insulators.

Serial number 9 of list 10, exempts 765 KV Polymer Long Rod Insulators, required for use in high voltage power transmission project as specified under Serial Number 350 of Notification No. 012/2012-Cus. – Dated 17.03.2012 attracts BCD at the rate of 5%.

2. Whereas, during the course of audit, it appeared that Serial number 9 of list 10 exempts 765 KV Polymer Long Rod Insulators, required for use in high voltage power transmission project as specified under Serial Number 350 of Notification No. 012/2012-Cus. - Dated 17.03.2012 attracting BCD at the rate of 5%. However, the importer has imported goods vide Bill of Entry No. 8498420 - dated 09.02.2017 viz. 2500 number of '120 KN COMPOSITE LONGROD INSULATORS FOR 765 KV TRANSMISSIONLINES' and 1350 number of '160 KN COMPOSITE LONGROD INSULATORS FOR 765 KV TRANSMISSION LINES' which are different from Polymer insulator.

POWER INSULATOR DEFINITION: *Polymer insulator is also known as non-ceramic insulator, whose insulating body consists of at least one organic based material, such as HDPE insulators.*

COMPOSITE INSULATOR DEFINITION: *Composite insulators include a "core" and "housing". The core is usually made of resin-impregnated glass fibers. The housing can be manufactured from a variety of materials including elastomers [e.g. silicone, ethylene-propylene], resins [e.g. cycloaliphatic epoxy]; or fluorocarbons [e.g. polytetrafluoroethylene]*

3. Whereas, from the description of goods and availability of exemption notification, it appears that the imported goods "Composite Insulators" i.e. 2500 number of '120 KN COMPOSITE LONGROD INSULATORS FOR 765 KV TRANSMISSIONLINES' and 1350 number of '160 KN COMPOSITE LONGROD INSULATORS FOR 765 KV TRANSMISSIONLINES' are different from the Polymer insulator. Hence, it appears that the benefit of the said Notification vide Serial Number 350 of Notification No. 012/2012-Cus. – Dated 17.03.2012 is not available to composite insulator imported.

4. It, therefore, appears that there is a willful mis-declaration on the part of the importer and they have wrongly claimed benefit of concessional Basic Customs Duty vide Serial Number 350 of Notification No. 012/2012-Cus. – Dated 17.03.2012 and self assessed the same to 5% Basic Customs Duty and CVD @ 12.5% for the goods i.e. 2500 number of '120 KN COMPOSITE LONGROD INSULATORS FOR 765 KV TRANSMISSIONLINES' and 1350 number of '160 KN COMPOSITE LONGROD INSULATORS FOR 765 KV TRANSMISSIONLINES', imported vide Bill of entry No. 8498420 - dated 09.02.2017.

The said goods are correctly chargeable to BCD @ 7.5%, CVD @ 12.5% and SAD @ 4% and Cess as applicable. Accordingly the said importer is liable to pay the differential duty of Customs as under: