

CUSTOMS EXCISE & SERVICE TAX APPELLATE TRIBUNAL
1st Floor, WTC Building, FKCCI Complex, K. G. Road,
BANGLORE-560009

COURT-2

Customs Appeal No.1347 of 2011

*[Arising out of the Order-in-Appeal No.10/2011 dated
16.2.2011 passed by the Commissioner of Customs
(Appeals), Cochin.]*

M/s. Asianet Satellite Communication Ltd Applicants
2A, 2nd Floor, Leela Infopark,
Technopark, Kazhakuttom,
Trivandrum – 695 581.

Vs.

The Commissioner of Customs (Appeals) Respondents
Custom House
Cochin – 682 009.

Appearance:

Mr. Hari Radhakrishnan,
Advocate

**....For
Applicants**

Vs.

Mr. K. A. Jathin,
Dy. Commissioner (AR)

**.... For
Respondents**

CORAM:

HON'BLE MR. P. A. AUGUSTIAN, MEMBER (JUDICIAL)
HON'BLE MRS R. BHAGYA DEVI, MEMBER (TECHNICAL)

Date of Hearing: 07.07.2023

Date of Decision: 14.07.2023

FINAL ORDER No. 20691 of 2023

Per R. BHAGYA DEVI:

The appellant, M/s. Asianet Satellite Communication Ltd.,
imported splitters, tap, power inserter, directional coupler and line
extenders vide Bill of Entry No.215093 dated 10.1.2008. All the

above items were classifiable under Chapter heading 8517 7090 except for the item 'Line Extender'. Based on Wikipedia Reference, the Commissioner (Appeals) had held that these 'Line Extenders' are amplifiers and its function is to amplify the signals when the signals become weak so as to extend the reach of the transmission of the signals. Accordingly, the item is classifiable under Chapter Heading 8543 7069 as Broadcast Signal Amplifier. The appellant, aggrieved by this classification is in appeal before us.

2. shri Hari Radhakrishnan, learned advocate appearing on behalf of the appellant relying upon the Webster's New World Telecom Dictionary stated that the definition of 'Line Extender' as *"Also known as line doubler. A device that extends, and more or less doubles, the maximum physical reach of a digital subscriber line (DSL) service. A line extender essentially is a DSL repeater."*

2.1 He also submitted that as per the information available in the website www.computer.yourdictionary.com *"A Line Extender essentially is a Digital Subscriber Line. The repeater essentially guesses the binary value of the attenuated (weak) incoming signals including any accumulated noise based on its relative voltage level aid the relative time and regenerates a stronger signal of the same value without the noise. The repeater re-shapes and re-times the signal essentially redefining the distinct big values and restoring the bit pace. In combination, these processes considerably enhance the signal quality as compared to*

the simple amplification process performed by an amplifier. It is claimed that the transmission and regeneration of voice/images being essential functions of the goods imported, it has to be necessarily classifiable under Chapter Heading 8517 62 instead of Chapter Heading 8543 as claimed by the Revenue.

2.2 He also relied on the Advance Ruling Authority's decision rendered in the case of Alcatel India Ltd. as reported in 2006 (193) ELT 163 wherein it has been held that apparatus was having transmission of digital signals and therefore, a telecommunication apparatus for digital line systems is rightly classifiable under the Heading 8517.

2.3 He also relied on the ruling rendered in the case of United States International Trade Commission Rulings and Harmonized Tariff Schedule-NY 801025 wherein it has been held that the telephone line extender is classifiable under Chapter Heading 8517 4000.

3. Learned Authorised Representative for the Revenue reiterating the findings of the Commissioner (A) has stated that the item 'Line Extender' is rightly classifiable under 8543 7069.

4. The issue in dispute is whether the item 'Line Extender' is classifiable under Chapter Heading 8517 or 8543.

4.1 From the literature produced by the appellant, 'Line Extender' essentially is a Digital Subscriber Line (DSL) repeater.

The 'Line Extender' is no doubt a transmission system which enhances the transmission whenever the signals become weak. The Advance Ruling Authority has held that the repeater is classifiable under Chapter Heading 8517 and according to technical literature, 'Line Extender' is nothing but a Digital Subscriber Line Repeater.

4.2 For ready reference, both the Chapter Headings are reproduced below:

8517	Telephone sets, including telephones for cellular networks or for other wireless networks: Other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 8443, 8525, 8527 or 8528
8517 62	Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing.
8517 62 40	High bit rate digital subscriber line system (HDSL)
8517 70	Parts
8517 70 90	Other
	Amplifier
8543 70 61	Broadcast amplifier
8543 70 62	Limiting amplifier, video distribution amplifier and stablising amplifiers
8543 70 69	Other

4.3 As seen from the above chapter headings it is seen that the amplifier that falls under Chapter Heading 8543 has to be an independent functional unit but the 'Line Extender' cannot function independently as it forms part of the Digital Subscriber Line systems. The Original Authority had categorically found that 'Line Extender' was only a part of the machine digital line system and not the whole machine and once it is accepted as a part of the

digital line system, the item is rightly to be classified as parts of Digital Subscriber Line system under Chapter Heading 8517. Moreover, the technical literature placed on record by the appellant clearly establishes that it is nothing but a part of the digital line system. The Explanatory Notes to Chapter Heading 8517 at Paragraph (G) states as follows:

“(G) Other communication apparatus.

This group includes apparatus which allows for the connection to a wired or wireless communication network or the transmission or reception of speech or other sounds, images or other data within such a network.

Communication networks include, inter alia, carrier-current line systems, **digital-line systems and combinations thereof**. They may be configured, for example, as public switched telephone networks, Local Area Networks (LAN), Metropolitan Area Networks (MAN) and Wide Area Networks (WAN), whether proprietary or open architecture.” Emphasis supplied.

The item ‘Line Extender’ being a part of digital line system, even as per the HSN Notes falls under Chapter Heading 8517. As per the Chapter Notes of Chapter 8543, ‘Electrical appliances and apparatus of this heading must have individual functions. It is an admitted fact that ‘Line Extender’ cannot function in isolation but except as a part of digital line system. Hence, the classification under Chapter Heading 8543 is ruled out. Accordingly, the ‘Line Extender’ is rightly classifiable under Chapter Heading 8517 as claimed by the appellant.

5. In the result, the impugned order is set aside and the appeal is allowed.

*(Order pronounced in open court **14.07.2023.**)*

(P. A. AUGUSTIAN)
MEMBER (JUDICIAL)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

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