

**IN THE CUSTOMS, EXCISE & SERVICE TAX APPELLATE  
TRIBUNAL, KOLKATA**

REGIONAL BENCH – COURT NO.2

**Customs Appeal No. 75315 of 2025**

(Arising out of Order-in-Appeal Nos. KOL/CUS/AIRPORT/KS/661/2024 dated 20.11.2024 passed by Commissioner of customs (Appeals), Kolkata)

**M/s Tirumala Seven Hills Pvt. Ltd.**

(40, Strand Road, 3<sup>rd</sup> Floor, Suite-10, Kolkata-700001)

**Appellant**

*VERSUS*

**Commr. of Customs (Airport & Admin), Kolkata**

(Customs House, 15/1, Strand Road, Kolkata-700001)

**Respondent**

**APPEARANCE:**

Mr. R. N. Bandopadhyay, Advocate & Sukanya Roy, Consultant for the Appellant

Mr. A. K. Chaudhury, Authorized Representative for the Respondent

**CORAM:**

**HON'BLE MR. R. MURALIDHAR, MEMBER (JUDICIAL)**

**HON'BLE MR. K. ANPAZHAKAN, MEMBER (TECHNICAL)**

**FINAL ORDER NO.77687/2025**

Date of Hearing : 30<sup>th</sup> October 2025

Date of Decision : 12.11.2025

**ORDER [PER R. MURALIDHAR]**

The appellant imported Optical Switch Unit / Optical Line Protection (OLP) Equipment under CTH 85176290 and claimed benefit of Notification No. 57/2017-Cus, availing concessional BCD @10%. The assessing authority disputed the exemption on the ground that the impugned goods are OTN/DWDM products are ineligible for the benefit. The appellant clarified that the imported goods are switching devices that provide protection to fiber optic transmission lines by switching traffic to standby fibers in case of failure. They do not perform transmission, multiplexing, routing, regeneration, or any networking function. The adjudicating authority, relying on CBIC Circular No. 08/2023, held the goods to be "Optical Transport Equipment (OTE)" akin to OTN products, reassessed the goods under CTH 85176290 with

BCD @20%, and denied concessional rate of duty. The Commissioner (Appeals) upheld the order. Hence, this appeal before the Hon'ble CESTAT.

2. The Ld Advocate and the Ld Consultant, submit that the issue is as to whether Optical Line Protection (OLP) equipment imported by the appellant qualifies as switching apparatus eligible for concessional duty under Notification No. 57/2017-Cus?

3. Their main submissions are as under:

3.1 Classification not disputed

- Department has accepted classification under CTH 85176290 ("Other apparatus for transmission/reception including switching and routing apparatus").
- Only dispute is eligibility of exemption under Notification No. 57/2017-Cus.

3.2 Nature of Goods – Pure Switching Device

- The goods are Optical Switch Units used only for automatic protection switching between primary and standby fiber lines.
- They do not perform:
  - Transmission of data,
  - Multiplexing/de-multiplexing,
  - Routing, or
  - Signal regeneration.
- Thus, they cannot be equated with OTN / DWDM transmission equipment.

3.3 Exemption Notifications to be construed on wording

- Notification No. 57/2017-Cus specifically covers networking equipment including switches under CTH 8517.
- The appellant's product being a switching apparatus squarely fits within the notification.
- *Case law:*
  - *CC v. Cisco Commerce India Pvt. Ltd.* (2025 (392) E.L.T 441-CESTAT-MUM) – Networking switches eligible for concessional duty. (page- 111)

#### 3.4 Technical Distinction between OTN & OLP

- OTN / DWDM equipment are advanced systems capable of multiplexing multiple wavelengths and transporting data.
- OLP (Switch matrix) equipment, as per Generic Requirements Vide No. TEC/GR/TX/OTN-OOI/02/DEC- 17, published by Telecommunication Engineering Centre, Khurshidlal Bhawan, Janpath, New Delhi- 110001, India (web: [www.tec.gov.in](http://www.tec.gov.in)), is an Equipment redundancy requirements. Hence, the appellant's goods cannot be classified as OTN products. (para- 25.6, page- 93)

#### 4. In light of the above, it is prayed that :

- The denial of benefit under Notification No. 57/2002-Cus is unsustainable in law and facts.
- The orders of the lower authorities may kindly be set aside.
- The appellant be held entitled to concessional BCD @10% under Notification No. 57/2002-Cus on the imported Optical Switch Units.
- Consequential relief may be granted.

5. Based on the above submissions, the Ld Counsel prays that the present Appeal may be allowed, with a direction to the lower authorities to grant the refund of the excess paid Customs Duty.

6. The Ld A R appearing on behalf submits that the Notification No.02/2019 dated 29.01.2019, grants concessional BCD for the goods falling under CTH 8517 62 90 and 8517 69 00, to the extent of 10% subject to the exclusions given at SI No.20 (a) to (h). He submits that this Notification has to be read with the Clarification given by CBIC vide Circular No.08/2023 dated 13.03.2023, wherein it has been clarified that the products under these CTH will have to be based on the alpha numeric code / identifier as per Annexure 2 of the Circular, in terms of Bills of Entry (Electronic Integrated Declaration and Paperless Processing) Regulations 2018, with effect from 1.4.2023. The Assessment of the Bill of Entry No.3369670 dated 7.5.2024, is guided by these Regulations read with the cited Notification dated 29.01.2019 and the Board Circular dated 13.03.2023. He relies on the detailed findings of the Adjudicating authority, wherein the product catalogue of the overseas exporter has been considered and the relevant portion of the cited Notification and Board Circular has been applied to deny the benefit of the concessional BCD exemption. He also relies on the detailed findings of the Commissioner (Appeals), wherein he has concluded that the Adjudicating authority is correct in coming to the conclusion about the product's description to deny the exemption claimed by the appellant. He submits that the Optical Switch Unit imported by the appellant acts as a stopgap equipment, switching over from one mode of power to another within 50 microseconds. Thus, the presence of this switch is essential to carry on the overall functioning of data transmission, multiplexing, routing, regeneration, or any networking function, without any interruption. Therefore, the product would necessarily fall under SI No.20 (b), (c) or (d) of the Notification No.02/2019 Cus dated 29.01.2019. The Board Circular has given the details of items that would fall under the category of OTE and OTN for (b) and (d). The imported Optical Switch Unit falls under the categories given therein. In view of these submissions, the Ld A R prays that the appeal may be dismissed.

7. Heard both the sides in detail. Perused the Appeal papers, further submission made and other documents submitted by both the sides.

8. In the present there is no dispute about the basic classification of the imported goods "Optical Switch Unit Consist of OSP-1010F, OSP 1010U-POWERA,OSP 1200-EMU,OLPB" [As given in the Bill of Entry] with CTH 85716290. The only dispute is about as to whether the goods would be eligible for concessional BCD of 10% as is being claimed by the appellant, or is not eligible in terms of exclusions given under Notification No.02/2019 Cus dated 29.01.2019, as is held by the Revenue.

9. We have gone through the relevant extract of the product catalogue provided by the appellant to the Adjudicating authority, who had reproduced the same in the Assessment Order. The same reproduced below:



File#: SPEC-OSP-003	
Version: 0.3	Date: 2021-08-25

## 1. DESCRIPTION

### 1.1 Introduction

#### Product realization function

The optical switch unit is a new type of device for optical traffic protection, modular OSP subsystem developed based on advanced optical switching technology. When the working line optical fiber loss increases lead to decline in the quality of the work of line optical fiber communication or blockage, real-time system can automatically from the work of fiber optical communication system is switched to the standby fiber, so as to ensure the normal working of communication lines, can effectively prevent the cable or equipment failure, the failure recovery time from hours to milliseconds.

#### Product Application

- ◆ The fast response speed, switch time is less than 50ms
- ◆ The data transparency, optical signal transmission can support a variety of rate
- ◆ The local and remote control functions.
- ◆ The real time monitoring line optical signal data
- ◆ The off state to keep the electro-optical
- ◆ Fully compatible with the OSP platform

#### Ordering Information

Customer code	Accelink Name	Accelink code	Accelink P/N	Qty
Optical Switch unit	Subrack	OSP1010-F	1075201041	1
	Power	OSP1010-U-POWER-A	1075202007	2
	NMU	OSP1200-EMU	1075207018	1
	Card	OLP B	1075213008	1

### 1.2 Structure

#### Summary

This manual is an instruction for 19 inch 1U racks mount Optical Switch. The device is used to protect the communication lines in case of cable cut or degradation.

#### Components

The front panel of the device is shown in Fig.1.

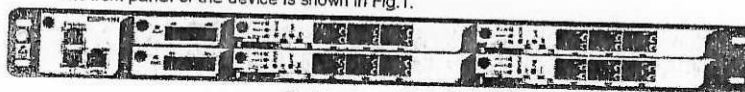


Fig.1 Front panel of 1U OSP-OLP

From left to right the components are as follows: Protection Ground, Ethernet Management Unit, FAN Unit and OLP Unit (2 pcs at most) and blank slots.

10. The relevant portion of the Notification No.02/209 Cus dated 29.01.2019 is extracted below :

(1)	(2)	(3)	(4)	(5)
"20	8517 62 90 or 8517 69 90	All goods other than the following goods, namely: - (a) Wrist wearable devices (commonly known as smart watches); <b>(b) Optical transport equipment;</b> <b>(c) Combination of one or more of Packet Optical Transport Product or Switch (POTP or POTS);</b> <b>(d) Optical Transport Network (OTN) products;</b>	10%	-" ;

	(e) IP Radios; (f) Soft switches and Voice over Internet Protocol (VoIP) equipment, namely, VoIP phones, media gateways, gateway controllers and session border controllers; (g) Carrier Ethernet Switch, Packet Transport Node (PTN) products, Multiprotocol Label Switching Transport Profile (MPLS-TP) products; (h) Multiple Input/Multiple Output (MIMO) and Long Term Evolution (LTE) products	
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11. The relevant portion of the Board Circular No.08/2023 dated 13.03.2023, is reproduced below :

## Annexure - 1

Notfn item	Notification description	Identification of products/equipment covered
(b) and (d)	Optical transport equipment and Optical Transport Network products	Machines and apparatus covered include – i. OTN equipment; ii. Dense Wavelength Division Multiplexer (DWDM); iii. Coarse Wavelength Division Multiplexer (CWDM); iv. <b>Elements of (i), (ii) or (iii) above: ROADM, Booster Amplifiers, Pre-Amplifiers, Inline Amplifiers, Raman Amplifiers, Mux- demux, Transponders, Muxponders, OADM and Regenerators, Optical Power Monitoring and Optical Line Protection equipment.</b>

## Annexure - 2

<b>B&amp;D</b>	<b>Optical Transport Equipment &amp; Optical Transport Network (OTN) Products in item (b) &amp; (d) of notification</b>
<b>TEB001</b>	<b>OTE-ROADM</b>
TEB002	OTE-Booster Amplifiers
TEB003	OTE-Pre-Amplifiers
TEB004	OTE-Inline Amplifiers
TEB005	OTE-Mux-Demux
TEB006	OTE-Transponders
TEB007	OTE-Muxponders
TEB008	OTE-Raman Amplifiers
TEB009	OTE-OADM
TEB010	OTE-Regenerators
TEB011	OTE-Optical Power Monitoring
TEB012	OTE-Optical Line Protection
TEB999	OTE-Others
<b>C</b>	<b>Combination of one or more of Packet Optical Transport Product or Switch (POTP or POTS) in item (c) of notification</b>
<b>(C1)</b>	<b>Optical Line Terminal</b>
TEC101	OLT-GPON
TEC102	OLT-EPON
TEC103	OLT-XGSPON
TEC104	OLT-10GEPON
TEC105	OLT-NG-PON2

TEC106	OLT-25GPON
TEC107	OLT-50GPON
TEC199	OLT-Others

12. Since the abbreviations are used in the Bill of Entry, it would be important to get the full details of the same.

### **OSP**

#### **Defining OSP Line**

OSP line, or “Outside Plant line,” typically refers to the infrastructure used in telecommunication and electrical networks. It encompasses the cables, fibers, and other equipment designed to support the transmission of data over long distances. The effectiveness of an OSP line is fundamental in ensuring high-quality communication and connectivity, particularly in remote locations.

#### **Key Features of OSP Lines**

Understanding the attributes of OSP lines helps users appreciate their importance. Here are some notable features:

- **Durability:** Built to withstand environmental challenges, OSP lines often feature weather-resistant coatings to ensure longevity.
- **Signal Integrity:** High-quality materials optimize signal transmission, reducing loss and interference, which is crucial for performance.
- **Installation Flexibility:** OSP cables can be installed underground, aerially, or in ducts, providing versatility in various environments.

#### **How OSP Lines Function**

The functionality of an OSP line is integral to seamless communication services. Here’s how it works:

##### **1. Data Transmission**

OSP lines utilize fiber optics or copper wires to transmit data signals. In fiber optic cables, light pulses travel through the fibers, allowing for rapid and relatively interference-free communication, making it ideal for high-bandwidth applications.

##### **2. Connectivity**

Once data travels through the OSP line, it connects various endpoints. This connectivity is essential for efficient communication, whether it's linking telephone systems, internet services, or broadcast networks.

##### **3. Network Support**

OSP lines are designed to support a variety of network configurations, whether your needs lie in broadband internet access, cellular networks, or private communications. They form the backbone of these systems, ensuring that data reaches its intended destination without disruption.

(Source : <https://www.powertoolslive.com/>)

(Emphasis supplied)

**OLPB****Optical Line Protection Board****What is OLPB in power / data transmission**

OLPB, or Optical Line Protection Board, is a device used in power and data transmission systems to ensure uninterrupted service by automatically detecting and recovering from faults at the physical layer (Layer 1). It safeguards data transmission by quickly switching traffic to backup paths when failures occur, such as fiber cuts, amplifier malfunctions, or transceiver issues. OLPB plays a crucial role in minimizing downtime, maintaining service continuity, and enhancing overall network reliability.

(Source : [glsun-int.com](http://glsun-int.com))

(Emphasis supplied)

A harmonious reading of the above detailed description of OSP clarifies that it pertains to data transmission, *if the Switch is part of OSP then it would be part of other equipment designed to support the transmission of data over long distances.* The effectiveness of an OSP line is fundamental in ensuring high-quality communication and connectivity, particularly in remote locations. *The Switch would be an essential part for this data transmission work* [Emphasis and conclusion ours]

In respect of OLPB (Optical Line Protection Board), *the protection is as important as the actual data transmission and its speed. The Switch if it pertains to OLPB, then it is definitely one of the parts towards the total system.* [Emphasis and conclusion ours]

13. We have also gone through the **Generic Requirement for Multi-Service Optical Transport Network (OTN)** issued by Telecommunication Engineering Centre, supplied by the appellant at the time of Hearing. Some of the places where we found that there is reference to Switch and Switching, are being extracted below:

## ABSTRACT

The equipment shall, therefore, consist of two parts – OTN adaptation and **switching** and DWDM transport.

## CHAPTER-1

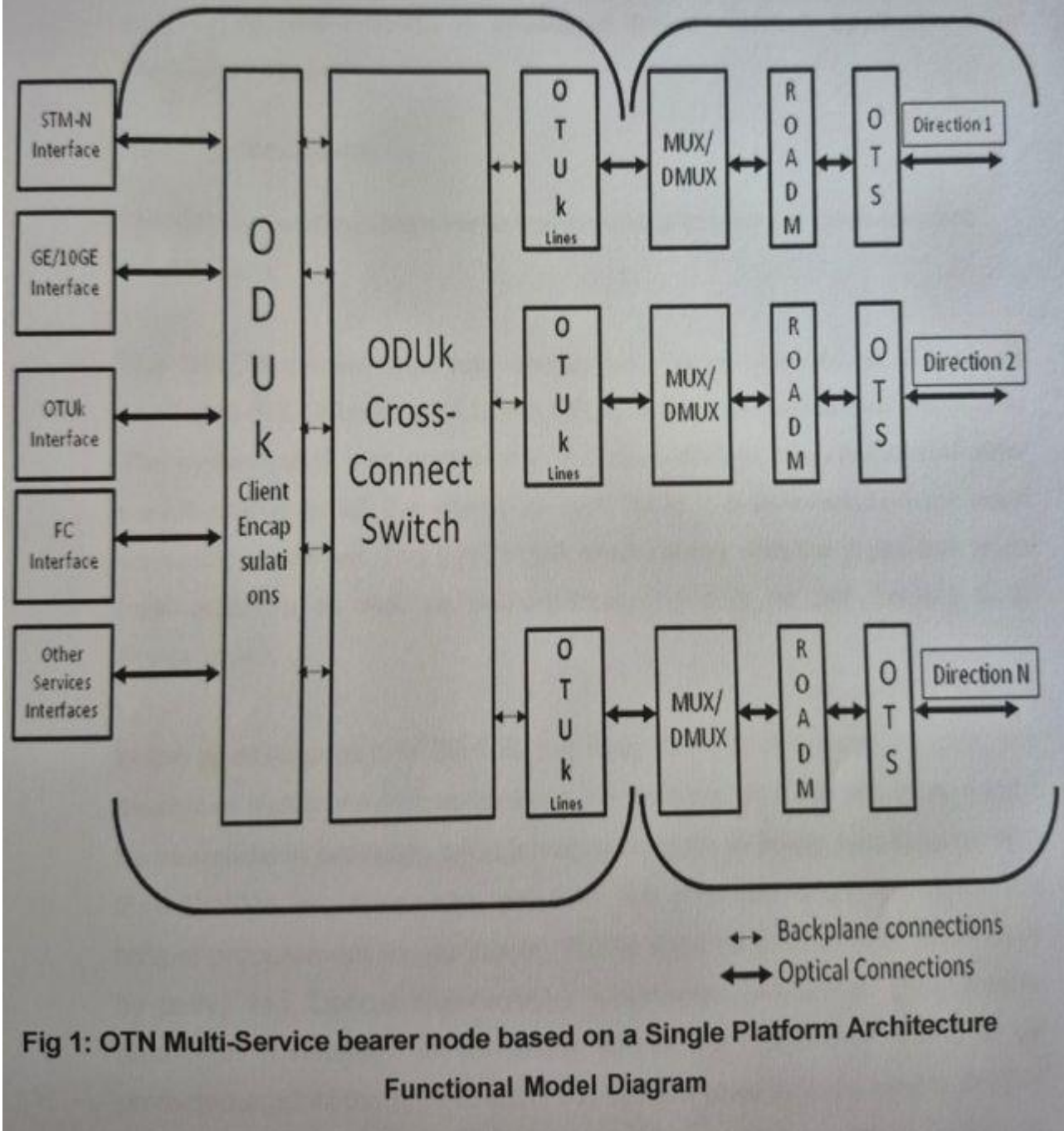
### 1.0 Introduction

This document describes the generic requirements for a Multi-Service Optical Transport Network (OTN) platform for applications in the metro as well as core domains of the Indian telecom networks. The equipment shall be able to converge all legacy as well as new client interfaces and map them to OTN based signals using **ODU-k switching**, grooming, consolidation and multiplexing. Finally, these OTN signals shall be transported through a pair of fibre using DWDM technique. The equipment shall, therefore, consist of two parts – **OTN adaptation and switching** and DWDM transport.

### 2.0 Equipment architectural model

- c. OTN cross-connect switch module consisting ODUk cross-connect **switch matrix**

A schematic diagram of OTN multi-service platform is given in Figure-1 below. It shall support Multi-service unified control plane, according to different services.



3.6 In case of **ROADM**, OCh cross-connect functional modules shall support for multi-directional **wavelength switching** with remote configurability.

**3.10** The cross-connections **within the switch matrix** shall be done at ODUk level, irrespective of nature of payloads at

the client interfaces. The control processor unit, cross connect switch matrix, timing circuitry and power supply shall be redundant. Expansion shelf, when required, shall house the IO cards and controller/power supply. **The switching fabric shall support the redundancy of N:1.**

#### 5.1 Cross Connect capacity:

**The cross connect module of the equipment shall be universal packet / OTN switch matrix type.** The equipment is divided in to five distinct categories based on cross-connect matrix size and functionality, as equivalent OTU4.

#### 12.0 Architecture of Automatically Switched Optical Network (ASON)

The architecture of **Automatically Switched Optical Network (ASON)** shall be based on ITU-T Rec. G.8080/Y.1304, which specifies **a control plane that enables the equipment to facilitate fast and efficient configuration of connections within a transport network layer, supporting switched as well as soft permanent connections**, reconfigure or modify the connections that have already been set up and perform a restoration function.

#### 12.15 ASON Implementation Guidelines

ASON is basically a software tool which is implemented either in **OTN switch or in optical switch i.e., ROADM**. In OTN ASON **switching takes place within 50 msec. and restoration within 10 sec.** On the other hand, in Optical ASON switching takes place within 50 msec but restoration takes a few seconds. Therefore, from the networking point of view, it is effective to implement OTN ASON for long haul applications and Optical ASON for Metro applications.

#### 25.5 Network Protection:

For the various topologies, namely Point to Point topology, Linear Add- Drop topology and Two fibre DWDM ring, traffic shall be protected at client layer by using 1+1 Optical Sub-Network Connection protection. Additionally, for point to point topology, in

conditions where the traffic only needs to be protected against the fibre breaks, the system shall provide simple DWDM line protection mechanism. Separate fibre-pair shall be used for protection path.

**The protection switching excluding fault detection time, fault propagation time, etc., shall be completed within 50 ms.**

14. A harmonious reading of the above details, clarifies that the OTN has the ASON provisions. The Optical Switch is plays an essential role in the entire Data Processing, Transmission and Network functioning. It is also essential to ensure that on detection of any fault, the switch acts as the connecting equipment for immediate connectivity within 50 micro seconds so as to ensure that there is no stoppage in the data transmission or its speed. Therefore, it is erroneous argument on the part of the appellant that it has no role to play in the data transmission.

15. Now we take up the provisions as given in the Notification and the relevant clarifications issued by way of Circular.

**Notification No.02/2019 Cus dt 29.1.2019 (Relevant**

**portion**

(1)	(2)	(3)	(4)	(5)
"20	8517 62 90 or 8517 69 90	All goods other than the following goods, namely: - (a) Wrist wearable devices (commonly known as smart watches); <b>(b) Optical transport equipment;</b> (c) Combination of one or more of Packet Optical Transport Product or Switch (POTP or POTS); <b>(d) Optical Transport Network (OTN) products;</b>	10%	-"

**Circular --Annexure -1**

Notfn item	Notification description	Identification of products/equipment covered
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(b) and (d)	Optical transport equipment and Optical Transport Network products	Machines and apparatus covered include – i. OTN equipment; ii. Dense Wavelength Division Multiplexer (DWDM); iii. Coarse Wavelength Division Multiplexer (CWDM); iv. <b>Elements of (i), (ii) or (iii) above: ROADM, Booster Amplifiers, Pre-Amplifiers, Inline Amplifiers, Raman Amplifiers, Mux- demux, Transponders, Mux-ponders, OADM and Regenerators, Optical Power Monitoring and Optical Line Protection equipment.</b>
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**Circular -Annexure - 2**

<b>B&amp;D</b>	<b>Optical Transport Equipment &amp; Optical Transport Network (OTN) Products in item (b) &amp; (d) of notification</b>
<b>TEB001</b>	<b>OTE-ROADM</b>

16. A harmonious reading clarifies that in the Notification, (b) and (d) are not eligible for the concessional BCD. As per Annexure 1 of the Board Circular, under the OTN heading, under (iv) it is clearly provided that ROADM would be taken as part of OTN. Again as per Annexure -2 of the Circular, OTN consists of OTE-ROADM . We have already seen clarification given by the Generic Requirement details given by Telecommunication Engg Centre. The Para 12. 15 ASON Implementation Guidelines – gives the following clarification :

ASON is basically a software tool which is implemented either in **OTN switch or in optical switch i.e., ROADM.**

17. They have specified that the Optical Switch is ROADM. Therefore, even on this count, the Optical Switch Unit clearly falls under the exclusion clause of the Notification, when read with the Board Circular Annexure -1, Annexure-2 and the clarifications of Telecommunication Engg Centre.

18. The case law of Cisco cited by the appellant is on a different issue and hence is distinguishable and we find the same not to be applicable to the facts of the present case.

19.. Even as we have come to our independent conclusion, based on the documents on record, we have also gone through the detailed Order in Assessment dated 30.05.2024, passed by the Adjudicating authority, wherein he has reproduced the Product Catalogue of the overseas exporter Accelink, provided by the appellant. After this, he has considered the Annexure -1 to Circular No.08/2023 dt 13.3.2023, the relevant portion of the Notification No.02/2019 Cus dated 29.01.2019 to come to a conclusion that the imported Optical Switch Unit / Optical Line Protection unit to be excluded from the benefit of 10% BCD. This considered decision was agitated by the appellant before the Commissioner (Appeals). He has referred to the reply filed by the appellant in response to the query raised at the time of filing of the Bill of Entry. He has also referred to Sl No.29 (c) "Combination of one or more of Pocket Optical Transport Product or Switch (POTP or POTS). After this, he has referred to the detailed Board Circular, the objections raised by the appellant towards the non-binding nature of Board Circular, their plea that the Circular cannot override the benefit conferred under the Notification. After that he has also referred to the conclusion arrived at by the Adjudicating authority and has finally held that there was no error in the Assessment Order passed and accordingly, dismissed the appeal filed by the appellant.

20. In view of the foregoing, we do not find any merit whatsoever in the issues raised by the appellant in their appeal. Hence, we dismiss the present appeal.

(Pronounced in the open court on 12.11.2025.)

**Sd/-  
(R. Muralidhar)  
Member (Judicial)**

**Sd/-  
(K. Anpazhakan)  
Member (Technical)**