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DIN-20260571MO0000424674

SHOW CAUSE NOTICE**(Issued under Section 28(4) read with Section 124 of the Customs Act, 1962)****WHEREAS IT APPEARS THAT-**

M/s. Adani New Industries Limited (hereinafter referred to as “M/s Adani” or “Importer”) (IEC: AAOCM6584A) is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S G Highway, Khodiyar, Ahmedabad – 382 421.

2. Upon detailed analysis and examination of the import declarations of M/s Adani, it has come to light that Converters for Wind Turbine Systems (hereinafter referred to as “Converters”) are being imported from China under CTI 8502 4000 by paying BCD @ 7.5% and IGST @ 18% (till September – 2024) and BCD @ 7.5% & IGST @ 12% (Since October – 2024, by claiming benefit under Notification No. 8/2021-Integrated Tax dated 30.09.2021). Further it is also noticed that the bulk of the imports are from the supplier M/s. Shenzhen Hope Wind Energy Co. Ltd, China.

3. The respective heading and subheadings under which M/s. Adani had imported the goods in question are reproduced hereunder:

8502	ELECTRIC GENERATING SETS AND ROTARY CONVERTERS			
	- <i>Generating sets with compression-ignition internal combustion piston engines (diesel or semi-diesel engines):</i>			
8502 11 00	-- Of an output not exceeding 75 kVA	u	10%	-
8502 12 00	-- Of an output exceeding 75 kVA but not exceeding 375 kVA	u	*7.5%	-
8502 13	-- <i>Of an output exceeding 375 kVA :</i>			
8502 13 10	--- Of an output exceeding 375 kVA but not exceeding 1,000 kVA	u	*7.5%	-
8502 13 20	--- Of an output exceeding 1,000 kVA but not exceeding 1,500 kVA	u	*7.5%	-
8502 13 30	--- Of an output exceeding 1,500 kVA but not exceeding 2,000 kVA	u	*7.5%	-
8502 13 40	--- Of an output exceeding 2,000 kVA but not exceeding 5,000 kVA	u	*7.5%	-
8502 13 50	--- Of an output exceeding 5,000 kVA but not exceeding 10,000 kVA	u	*7.5%	-
8502 13 60	--- Of an output exceeding 10,000 kVA	u	*7.5%	-
8502 20	- <i>Generating sets with spark-ignition internal combustion piston engines:</i>			
8502 20 10	--- Electric portable generators of an output not exceeding 3.5 kVA	u	10%	-
8502 20 90	--- Other	u	*7.5%	-
	- <i>Other generating sets :</i>			
8502 31 00	-- Wind-powered	u	*7.5%	-
8502 39	-- <i>Other :</i>			
8502 39 10	--- Powered by steam engine	u	*7.5%	-
8502 39 20	--- Powered by water turbine	u	*7.5%	-
8502 39 90	--- Other	u	*7.5%	-
8502 40 00	- Electric rotary converters	u	7.5%	-

4. From the above it is noticed that, the importer, M/s Adani, has classified the imported goods i.e., 'Converters' under the CTI 8502 4000, which pertains to "**Electric Rotary Converters**". However, preliminary information gathered from the website of M/s Shenzhen Hopewind Electric Co Ltd, indicates that the imported items are likely "**Static Converters**" as these types of converters are inherently static in nature, relying on semiconductor devices for power conversion without any rotating parts, unlike electric rotary converters which achieve conversion through electromagnetic induction in rotating machinery.

5. This discrepancy suggests a prima facie reason to believe that the imported goods "Converters" might be more accurately classified under sub-heading CTI 8504 4090 – "Static Converters: Other." The respective heading and subheadings are reproduced hereunder:

8504	ELECTRICAL TRANSFORMERS, STATIC CONVERTERS (FOR EXAMPLE, RECTIFIERS) AND INDUCTORS			
8504 10	- Ballasts for discharge lamps or tubes :			
8504 10 10	--- Conventional type	u	*7.5%	-
8504 10 20	--- For compact fluorescent lamps	u	*7.5%	-
8504 10 90	--- Other	u	*7.5%	-
	- Liquid dielectric transformers:			
8504 21 00	-- Having a power handling capacity not exceeding 650 kVA	u	10%	-
8504 22 00	-- Having a power handling capacity exceeding 650 kVA but not exceeding 10,000 kVA	u	10%	-
8504 23	-- Having a power handling capacity exceeding 10,000 kVA:			
8504 23 10	--- Having a power handling capacity exceeding 10,000 kVA but not exceeding 50,000 kVA	u	10%	-
8504 23 20	--- Having a power handling capacity exceeding 50,000 kVA but not exceeding 1,00,000 kVA	u	10%	-
8504 23 30	--- Having a power handling capacity exceeding 1,00,000 kVA but not exceeding 2,50,000 kVA	u	10%	-
8504 23 40	--- Having a power handling capacity exceeding 2,50,000 kVA	u	10%	-
	- Other transformers:			
8504 31 00	-- Having a power handling capacity not exceeding 1 kVA	u	10%	-
8504 32 00	-- Having a power handling capacity exceeding 1 kVA but not exceeding 16 kVA	u	10%	-
8504 33 00	-- Having a power handling capacity exceeding 16 kVA but not exceeding 500 kVA	u	10%	-
8504 34 00	-- Having a power handling capacity exceeding 500 kVA	u	10%	-
8504 40	- Static converters:			
8504 40 10	--- Electric inverter	u	20%	-
	--- Rectifier :			
8504 40 21	---- Dip bridge rectifier	u	20%	-
8504 40 29	---- Other	u	20%	-
8504 40 30	--- Battery chargers	u	20%	-
8504 40 40	--- Voltage regulator and stabilizers (other than automatic)	u	20%	-
8504 40 90	--- Other	u	20%	-
8504 50	- Other inductors:			

6. However, to ascertain the correct classification, a comprehensive examination of the functional characteristics and constituent components of the 'Converters' imported by M/s Adani is essential, thus necessitating further investigation.

7. Hence, a formal letter, dated 27.09.2024 (**Annexure-A**), was issued to the importer, M/s Adani, seeking justification for the classification of 'Converters' under Customs Tariff Heading 8502 4000 – Rotary Converters. In response, the importer vide letter dated 07.10.2024 (**Annexure-B**) submitted technical write up about the 'Converters' along with the product catalogue and reasoning for their classification under 8502 4000. Upon review of the submitted documentation, the following observations were noticed:

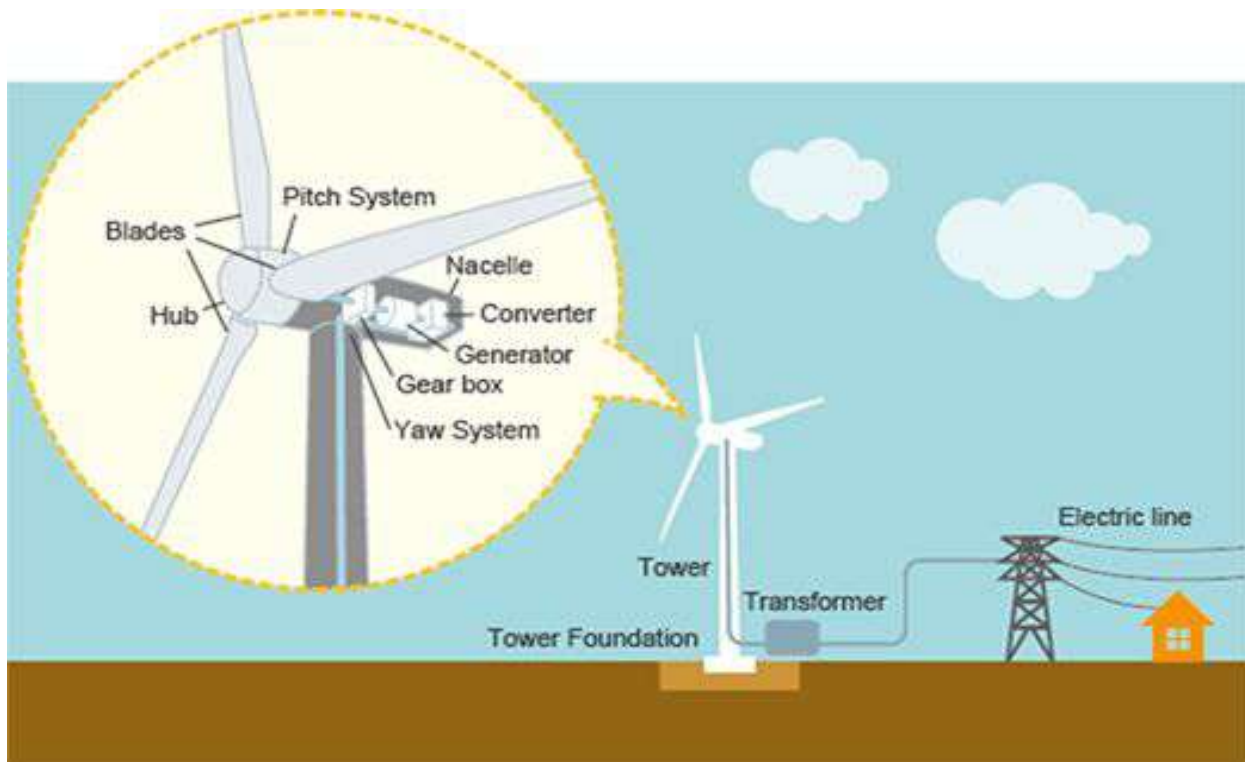
- i. The purpose of the 'Converters' is to convert variable frequency output of an induction generator, driven by a variable speed wind turbine, to a fixed frequency appropriate for the grid or a load.
- ii. Their Wind Turbine Technology is based on the doubly-fed wind turbine converter, also known as a doubly-fed induction generator (DFIG) converter system. This technology allows for variable speed operation while utilizing a smaller and more cost-effective power converter that operates solely on the rotor side.
- iii. A DFIG consists of a wound rotor three-phase induction machine. Unlike traditional induction generators, the rotor of a DFIG is not short-circuited; rather it is connected to the grid through an electric converter, referred to as a rotor-side (rotary) converter.
- iv. The electric rotary converters imported by M/s Adani are specifically designed for the Wind Turbine Model MWL – 160 – 5.2 MW. The rotor current handling of this converter is custom designed and tailored exclusively for above said model of wind turbine, making it unsuitable for use with any other wind turbine systems.

v. In view of the above, the converters being imported by M/s Adani are rotary converters and fall under tariff item 8502 4000 but not under 8504 4090.

vi. In summary, the converters imported by M/s Adani operates by controlling the rotor of the generator, enabling variable speed operation, independent control of active and reactive power and enhanced efficiency and grid performance.

8. Before delving into the detailed analysis of the importer's explanation submitted vide letter dated 07.10.2024, let's discuss about the key components of the Wind Turbine System.

9. A wind turbine system is a complex setup that converts the kinetic energy of wind into electrical energy. The major parts of the wind turbine system include blades, hub, generator, converter, yaw system, nacelle, tower, and control systems. The pictorial representation of the wind turbine system is reproduced hereunder:



10. The nacelle is the housing at the top of a wind turbine tower. It contains the most important components of the wind turbine system, including:

- The gearbox
- The generator
- The converter
- The control systems
- The brake
- Other electrical and mechanical equipment etc

Essentially, the nacelle protects these components from the weather and houses the machinery that converts the rotational energy of the rotor into electricity.

11. Of the many components housed by the nacelle, the relevant components for the discussion are the generator and the converter. Let's discuss in detail about the functioning of these components and the parts of these components.

12. Generator:

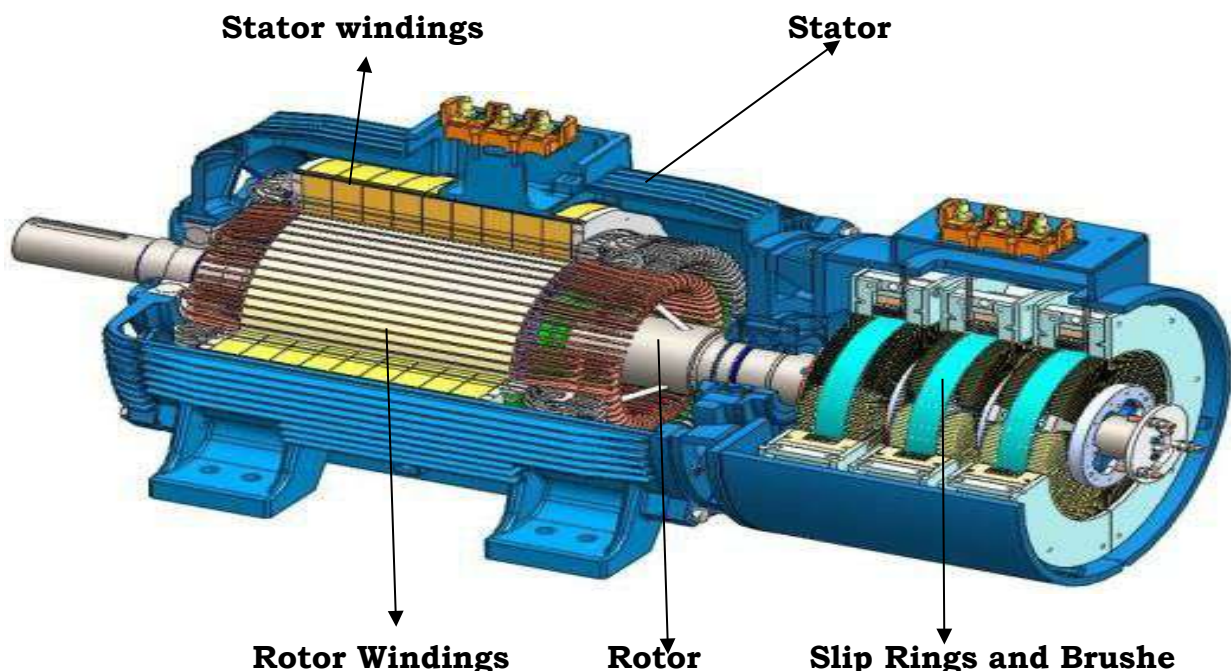
12.1. As per the submissions made by the importer the generator housed in the nacelle is a Doubly Fed Induction Generator (DFIG) and consists of a wound rotor three-phase induction machine.

12.2. A wound rotor three-phase induction machine, also known as a slip-ring induction motor, is a specialized type of three-phase AC induction motor that features a rotor winding connected to slip rings. These slip rings allow for the connection of an external resistance to the rotor circuit, enabling the motor to provide high starting torque and adjustable speed control.

12.3. Functioning of DFIG:

- The DFIG's stator windings are directly connected to the electrical grid, which operates at a fixed frequency (e.g., 50 or 60 Hz).
- The rotor windings, unlike those in a standard induction generator, are connected to a power electronic converter.
- This converter allows for controlled electrical power to be injected into or extracted from the rotor circuit.
- By manipulating the frequency, voltage, and phase of the power in the rotor circuit, the DFIG can operate efficiently across a range of rotational speeds, both below and above the synchronous speed determined by the grid frequency and the generator's design.
- This variable speed operation is crucial for optimizing the capture of energy from fluctuating wind speeds and for providing dynamic control over the active and reactive power delivered to the grid.

12.4. Parts of the DFIG:



- **Stator:** The stationary outer part of the generator containing windings connected to the grid. In the image, the greyish black outer casing and

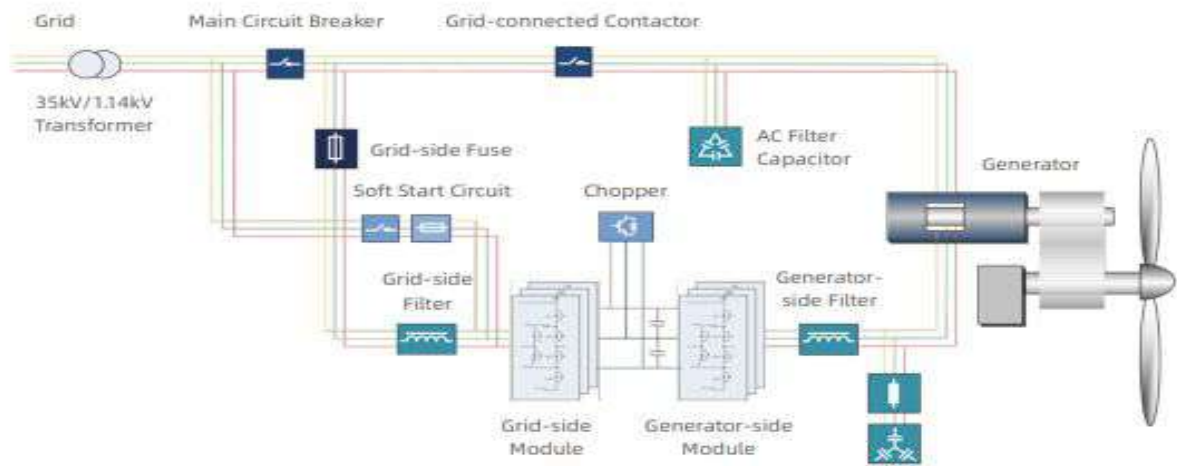
the greyish white core with windings visible inside the casing represent the stator.

- **Rotor:** The rotor is the rotating inner part of the generator. It contains windings connected to the converter via slip rings.
- **Slip Rings and Brushes:** Components that provide a continuous electrical connection between the rotating rotor windings and the stationary power electronic converter. In the image, these are located on the right end of the rotor shaft.

12.5. In summary a Doubly Fed Induction Generator (DFIG) is commonly used in wind turbine systems. It's based on an induction generator but has windings on both the stator and the rotor. The key feature is that the rotor windings are connected to a power electronic converter, which allows for controlled power exchange with the electrical grid. This enables the DFIG to operate at variable speeds while its stator is directly connected to the fixed-frequency grid, optimizing energy capture from varying wind speeds and providing grid support.

13. Converter:

13.1. As per the import data of M/s Adani, it appears that most of the converters imported by M/s Adani are from M/s Shenzhen Hopewind Electric Co Ltd (M/s Hopewind), China. The topology of converter as per the brochure downloaded from the website of M/s Hopewind is reproduced hereunder:



13.2. As seen from the above, the major components of the converter include Filters, Capacitors, Circuit breakers, Fuse, Switches, Generator side module and Grid side module (consisting of IGBTs (Insulated-Gate Bipolar Transistors), Diodes, Circuits & Sensors).

13.3. Based on the above-mentioned components, it appears that the power conversion system i.e., converters, predominantly utilize solid-state devices and electrical components. Unlike traditional mechanical systems, this configuration suggests the absence of significant moving parts within the core converter functionalities. The reliance on semiconductor devices like IGBTs and Diodes for power processing, along with passive electrical components such as capacitors and filters, points towards a highly efficient and electronically controlled system, designed for rapid and precise power management without the need for mechanical motion in its primary operation.

13.4. As per the broucher downloaded from website of M/s Hopewind, the wind power system uses power converters to achieve variable-speed constant-frequency (VSCF) control of wind turbines. These converters transform the variable frequency and amplitude of the turbine's electrical energy into a constant voltage and constant frequency (CVCF) through AC-DC-AC conversion.

14. From the above discussion on generators and converters, it appears that, in a wind turbine system, the generator's role is to produce electricity,

while the converter's role is to **condition** (but not generation) that electricity for seamless grid integration. Further, the generator relies on the mechanical motion of its rotor to produce electricity, while the converter uses electrical and semiconductor components like IGBTs and Diodes for electronic power manipulation, notably lacking significant mechanical moving parts.

15. Upon careful examination of the importer's letter dated 07.10.2024 (**Annexure-B**) it is noticed that in paragraph 4, the converter imported by them is termed as **"electric converter"** whereas in paragraph 5, the converter imported by them is termed as **"electric rotary converter"**. Further it also stated in the paragraph 4 of the same letter dated 07.10.2024 that as the rotor of the generator is connected to the grid through an electric converter, the converter is referred as **"rotor-side (rotary) converter"**.

16. The importer's attempt to classify the converter as a "rotor-side (rotary) converter" or "electric rotary converter" appears to be prima facie inconsistent with the technical characteristics of the converter as explained above. Further, the technical opinion sought from the IIT Hyderabad on the goods in question and a preliminary comparison with the Explanatory Notes to Customs Tariff Heading 8502 suggests that the imported item does not meet the definition of an "Electric Rotary Converter".

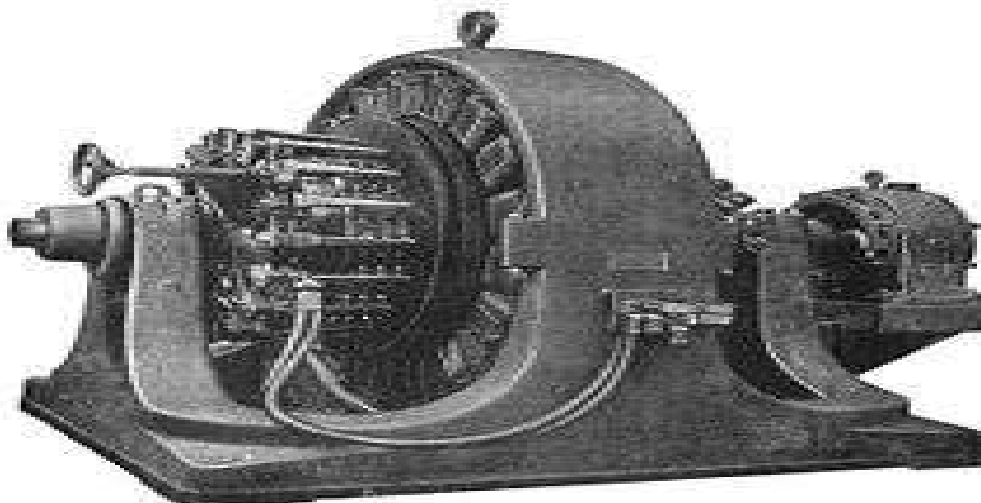
16.1. Vide office letter dated 15.07.2025, a technical opinion was sought from IIT Hyderabad regarding the nature of the imported goods. In response, IIT Hyderabad, through its letter dated 03.09.2025, has categorically opined that the "Doubly Fed Converters" under examination transform electrical energy using non-rotary components. The opinion further clarifies that the said converters convert the variable voltage and frequency output of a wind turbine into a constant voltage and constant frequency (CVCF) supply through an AC-DC-AC conversion process using electrical components.

16.2. The relevant portion of the Explanatory Notes to heading 8502 is extracted hereunder for reference:

“ELECTRIC ROTARY CONVERTERS

These consist essentially of a combination of an electric generator and a prime mover consisting of an electric motor permanently mounted on a common base, though in certain cases the two functions are combined in one unit with certain windings in common. They are used to transform the nature of the current (to convert from AC to DC or vice versa) or to change certain characteristics such as the voltage, frequency or phase of alternating current (to convert, for example, the frequency of 50 to 200 cycles or to transform single phase to three phase current). Another type of rotary converter (sometimes known as a rotary transformer) is used to convert DC from one voltage to another.”

16.3. The image of the sample electric rotary converter is reproduced hereunder for ready reference:



16.4. From the above it appears that the rotary converters rely on rotary motion to transform the nature of current or alter its characteristics. Hence, rotary converters are mechanically driven devices, where rotation is indispensable to the conversion process.

16.5. Further as per the HSN Explanatory Notes to Heading 8502, the term "electric rotary converter" is specifically defined as the combination of an electric generator and a prime mover consisting of an electric motor. In light

of the importer's own submissions, vide letter dated 05.12.2024, it appears that the imported "Converters" do not possess a generator or a prime mover, hence the imported converters are not aligned with the definition of "electric rotary converter" as mentioned in the explanatory notes to heading 8502. The lack of generator or prime mover or any mechanical parts within the imported goods, legally precludes their classification as "electric rotary converter" under CTH 8502, irrespective of their integral role within the overall wind turbine system.

17. However, from the technical submissions made by the importer and upon examination of the specifications, it appears that the imported converters do not employ any rotating machinery for the conversion. The conversion is performed entirely through semiconductors and static electrical components. The use of semiconductor components like IGBTs and Diodes suggests that the imported items do not conform to the definition of rotary converters outlined under heading 8502. Furthermore, the importer's use of varying terminology, such as "electric converter" and "electric rotary converter", suggests a need for further clarification regarding their classification.

18. In view of the above, and to facilitate a proper understanding of the technical specifications of the imported converters and their classification, a summons dated 08.11.2024 (**Annexure-C**) was issued to M/s Adani, calling upon them to furnish relevant documentation in support of their classification claim. To this the importer sought adjournment until mid-December 2024.

19. Considering the adjournment request, another summons dated 26.11.2024 (**Annexure-D**) was issued requiring M/s Adani to appear before the investigating authority on 09.12.2024 and furnish additional information.

20. In response, M/s Adani vide their letter dated 05.12.2024 (**Annexure-E**) have inter alia claimed that the correct classification of the imported converters falls under CTI 8503 0010, i.e., parts suitable for use solely or

principally with generators. This classification is stated to be based on Note 2 of Section XVI of the Customs Tariff and CBEC (now CBIC) Circular No. 1008/15/2015-CX dated 21.10.2015. The note 2 (a) is reproduced hereunder:

i. Note – 2(a) of section XVI:

The note-2(a) of section XVI is reproduced hereunder:

2.- Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules:

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48.

21. Vide the letter dated 05.12.2024, the importer also submitted the technical description of the converters and the same is reproduced hereunder:

1. Converter of Wind Turbine Generator

The doubly-fed wind turbine converter, also known as a doubly-fed induction generator (DFIG) converter system, is a type of wind turbine system that enables variable speed operation while using a smaller and more cost-effective power converter.

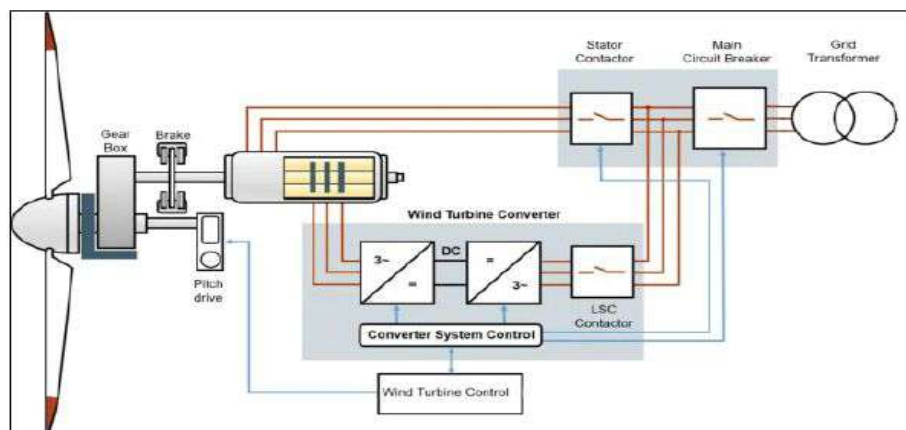
2. Functioning of Converter of Wind Turbine Generator

The converter comprises two parts:

- One part is connected to the rotor windings and controls the rotor current.
- The other part is connected to the grid and maintains a constant voltage at the point of common coupling (PCC).

Control of Active and Reactive Power: By controlling both line side converter and rotor side converter, the active and reactive power of the wind turbine system can be controlled independently. This allows the DFIG to:

- Generate or consume reactive power to support grid voltage and improve power factor.
- Mitigate the impact of wind speed variations on the grid by controlling the power output.



Variable Speed Operation: The DFIG can operate at speeds above or below the synchronous speed of the generator, as well as at the synchronous speed itself. This is achieved by controlling the rotor frequency through the rotor-side converter part, which allows the turbine to capture the maximum energy from the wind over a wider range of wind speeds.

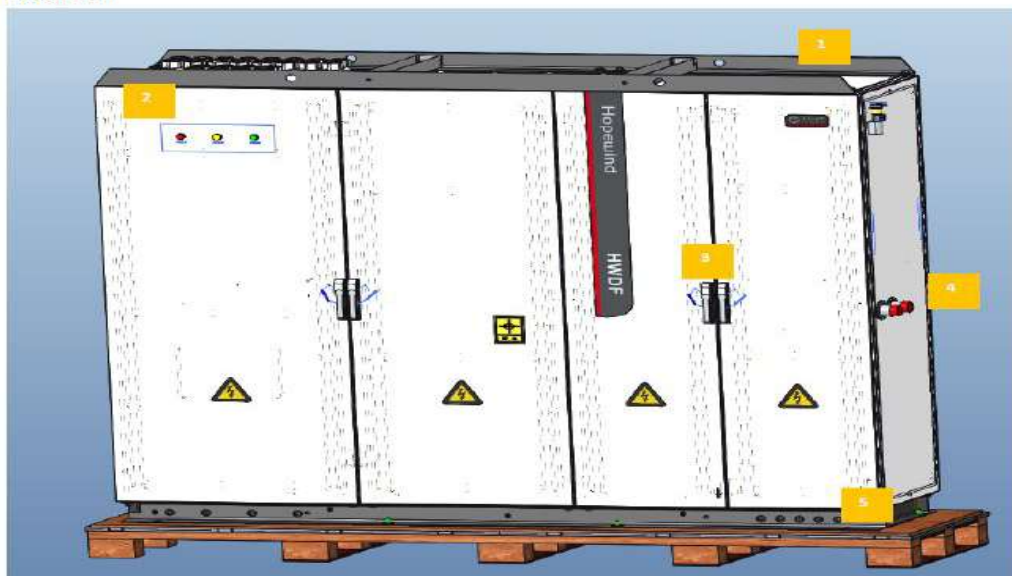
Grid Connection: The stator windings of the DFIG are directly connected to the grid with Main circuit breaker, and the generator operates as a grid-following device. The grid side converter part ensures that the grid voltage remains stable and that any imbalance between the power generated by the stator and the power consumed by the rotor is handled.

Power Flow: Under normal operation, the mechanical power from the wind turbine drives the rotor, which in turn generates electrical power in the stator. The rotor side converter part then controls the power flow between the rotor and the grid by adjusting the rotor current which is approx. 25 to 30 % of the nominal power capacity of the Wind Turbine Generator.

Efficiency and Reliability: The DFIG system is more efficient than fixed-speed generators because it can operate at the optimal speed for the prevailing wind conditions. Additionally, the smaller size of the converters reduces the overall system cost and increases reliability.

In summary, the doubly-fed wind turbine converter operates by controlling the rotor current, which allows for variable speed operation, independent control of active and reactive power, and improved efficiency and grid performance.

3. Components of Converter of Wind Turbine Generator External



1	Top Beam	4	Main Pipe
2	Indicator Lights	5	Base
3	Door Handle		

Internal:



1	Grid Section
2	Control Section
3	Rotor Circuit

22. From the change in classification from CTH 8502 to CTH 8503 proposed by the importer, it appears that the importer has tacitly acknowledged that the goods may not be appropriately classifiable under CTH 8502. Although the letter dated 05.12.2024 does not explicitly state the unsuitability of 8502, the act of proposing a new classification lends weight to the view that the earlier classification may not have been correct. This inference is supported by the technical characteristics of the converters, which, as previously detailed, are solid-state electronic devices with no significant mechanical moving parts, thereby contradicting the definition of "rotary converters" under CTH 8502.

23. Further, it is pertinent to mention that the importer vide another letter dated 24.02.2025 (**Annexure-F**) submitted an opinion taken by them from Hon'ble Justice C K Thakker (retd judge of Hon'ble Supreme Court) wherein

it is opined that the converters imported by M/s Adani falls under CTI – 8503 0010 : Parts of generator (AC and DC).

24. In light of the rejection of classification under CTH 8502, it becomes necessary to assess the correctness of classification under CTH 8503 as now proposed by the importer.

25. Discussion on the re-classification adopted by the importer under CTH - 8503, which pertains to “Parts suitable for use solely or principally with the machines of heading 8501 Or 8502”:

25.1. It appears that the importer’s argument is primarily rooted in Section Note 2 to Section XVI of the Customs Tariff. Specifically, they cite Section Note 2(b), which stipulates that "other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading are to be classified with the machines of that kind or in heading 8409, 8431, 8448, 8466, 8473, 8522, 8529 or 8538 as appropriate". It appears that the importer is of the opinion that as the converter is an integral component of the DFIG system within a wind turbine system, and is specifically designed to be used along with the DFIG, the converters merits classification under 8503 0010 as parts of generator (AC and DC).

25.2. In addition to Note 2 to Section XVI, the importer has also relied on the circular issued by the Central Board of Excise and Customs (now Central Board of Indirect Tax & Customs) vide Circular No. 1008/15/2015-CX dated 20.10.2015 (**Annexure-G**). This circular, cited by the Ministry of New and Renewable Energy, clarifies that certain components, such as the Nacelle, which consists of the gearbox, generator, yaw components, and other elements, are considered parts of Wind Operated Electricity Generators (WOEG). By extension, as the converter is an essential component enabling the advanced functionality of the DFIG within the overall wind turbine system, the importer's contention is that it should similarly be classified as a part suitable solely or principally for a generator or a wind electric generating set under CTH 8503.

26. Detailed Analysis of Importer's Reliance on Note 2 to Section XVI of the First Schedule to the Customs Tariff Act, 1975:

26.1. Before assessing the correctness of the importer's proposed re-classification of the converters under Customs Tariff Heading (CTH) 8503, it is imperative to conduct a thorough analysis of Note 2 to Section XVI of the First Schedule to the Customs Tariff Act, 1975. The same is reproduced hereunder for better understanding:

2.- Subject to Note 1 to this Section, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules:

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;

(b) Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;

(c) All other parts are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48.

26.2. The aforementioned Note establishes the hierarchical framework for the classification of "**parts**" of machinery. While the importer has invoked

this Note to advocate for the classification of the converters under CTH 8503 as parts of a generating set (without prejudice to their primary classification under CTI 8502 3100), it is crucial to recognize that the application of this Note is contingent upon the initial determination that the article in question is, in fact, a **"part."** The fundamental principle of classification mandates that an article's primary function dictates its classification. Therefore, if an article possesses a distinct and specific function that is explicitly described by a particular heading in the Customs Tariff, it shall be classified under that specific heading. Only in the absence of such a specific functional heading, or if the article's characteristics align solely with being a component of another machine, may classification as a "part" under a residual heading, such as CTH 8503, be considered. In the instant case, the primary and inherent function of the imported converters is power conversion and conditioning, achieved through the utilization of power electronic components. If there exist a specific heading within the Customs Tariff Act that precisely describes or encompasses the functional characteristics of these converters, then classification under that specific heading shall prevail. The fact that these converters operate in conjunction with a generator does not automatically render them classifiable as a part of the generator if a more specific functional heading exists for the imported article.

26.3. From the submissions of the importer, it appears that they had directly relied on Note 2(b) of Section XVI for classification of the imported converters, without first considering the provisions of Note 2(a). This approach may not be in accordance with the established principles of the Harmonized System and the explicit hierarchy set forth in the notes to Section XVI. Note 2 to Section XVI is to be read sequentially. A plain reading of Note 2 suggests that classification must first be attempted under Note 2(a). Only in the event that goods cannot be classified under 2(a) it is appropriate to then consider Note 2(b), and subsequently Note 2(c) if 2(b) also proves inapplicable. Importer's action of directly classifying the goods

under Note 2(b) appears to be a clear deviation from this mandated sequential process.

26.4. Further, the importer's understanding on the Note to Section XVI appears to be legally in-correct. The importer's argument that parts of machine are to be classified in their respective headings unless they are covered by, *inter alia*, heading 8503 is a gross misinterpretation of said Note. A plain reading of Note 2(a) states that if a part of a machine is, in itself, a complete good that falls under a specific heading within Chapter 84 or 85, then that should be classified under that heading of chapter 84 or 85 but not under the headings of "**parts**" as mentioned herein - 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48. This rule prioritizes the independent classification of machine parts that are complete goods in their own right, rather than automatically classifying them as mere components of a larger machine. This rule ensures that "**parts**" are classified based on their own inherent nature as goods within Chapters 84 and 85. However, if the imported item cannot be classified as a complete good under any of these specific headings, then it's classified as a part of a larger machine and falls under one of the aforementioned "parts" headings (84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38, or 85.48) in terms of Note 2(b).

26.5. The imported converters under question cannot be treated as a part of the generator. The generator (CTH 8502) and the converter (CTH 8504) perform distinct and independent functions — the former generates electricity from mechanical energy, while the latter conditions and regulates this power to make it grid-compatible. The generator is complete without the converter, and the converter is a complete static converter in its own right. As per Note 2(b) to Section XVI, such goods must be classified in their specific heading (8504) and cannot be brought under CTH 8503 as parts. Both the generator and converter may be components of the larger wind turbine system, but one cannot be deemed as a part of the other.

26.6. The importer's contention that the subject "Converters" are classifiable under Customs Tariff Heading (CTH) 8503, based on their assertion of being "specifically designed for use with Doubly Fed Induction Generators (DFIG)" and "not standalone devices," appears to represent a fundamental misinterpretation of the General Interpretative Rules (GIRs) governing classification under the First Schedule to the Customs Tariff Act, 1975.

It is a well-established principle of tariff classification that the determination of the appropriate heading is not solely predicated on an article's dedicated end-use or its integration within a larger system. Instead, the classification process mandates strict adherence to the sequential application of the GIRs.

Specifically, General Interpretative Rule – 1, dictates that classification shall, for legal purposes, be determined according to the terms of the headings and any relative Section or Chapter Notes. Recourse to subsequent GIRs (such as those pertaining to "parts" or composite goods) is permissible only if GIR 1 does not provide a clear and complete classification.

In the instant case, the imported goods perform explicit and inherent functions of "power conversion and conditioning." This precise functional characteristic appears to align directly with the Customs Tariff Heading 8504, which encompasses "Electrical transformers, static converters (for example, rectifiers) and inductors; parts thereof." The fact that these converters are designed to operate in conjunction with a DFIG does not appear to diminish or alter their fundamental character as static converters. An article that, by its inherent nature and function, falls within the specific description of a tariff heading under GIR 1 cannot be reclassified as a mere "part" of another machine, even if it is specialized for that machine.

26.7. Based on the foregoing analysis, particularly the principles enshrined in General Interpretative Rule – 1 and Note 2(a) to Section XVI of the Customs Tariff Act, 1975, the importer's alternative classification of the subject "Converters" under CTH 8503 as "**parts**" appears to be incorrect and

unsustainable. The imported goods possess an inherent and distinct functional identity as static converters, performing sophisticated power conversion and conditioning, a function precisely described by Customs Tariff Heading 8504. The legal framework of classification prioritizes such specific functional descriptions over residual "parts" headings, even when an article is designed for specific integration. Consequently, the contention that these converters should be classified as mere "parts" of machines of heading 8502 appears to be incorrect and cannot be classifiable under CTH 8503.

27. Detailed Analysis of Importer's Reliance on Note 2 and CBIC Circular:

27.1. Further the importer's reliance on CBEC (now CBIC) Circular No. 1008/15/2015-CX dated 20.10.2015 to support their classification under CTH 8503 appears to be incorrect. A review of this circular suggests that it pertains specifically to Central Excise duty exemption for components of Wind Operated Electricity Generators (WOEG). It is crucial to understand that this circular exclusively facilitates notification benefits for the payment of Central Excise duty if the goods are intended as parts of WOEG; it does not, and cannot, alter the Customs classification of goods or the Customs duty applicable to that classification. The Customs Tariff classification under the Harmonized System of Nomenclature (HSN), is governed solely by the General Rules for the Interpretation of the Harmonized System, along with the specific Section Notes and Chapter Notes of the Customs Tariff.

27.2. The circular referred to by the importer (CBEC Circular No. 1008/15/2015-CX dated 20.10.2015) would only have been relevant for obtaining Central Excise duty exemption during its applicability. It does not, and cannot, alter the classification of the goods under the Customs Tariff or the Customs duty applicable for that particular classification. The goods must always be classified as per the Harmonized System Nomenclature (HSN) rules, irrespective of any circulars related to excise benefits.

27.3. Consequently, the importer's contention that all components of the nacelle are to be broadly considered parts of Wind Operated Electricity

Generators for Customs classification purposes also, based on the aforementioned circular, cannot be sustained.

27.4. Furthermore, and critically, a close examination of Paragraph 3(ii) of the very circular relied upon by the importer, which enumerates the typical components of a nacelle (e.g., gearbox, generator, yaw components, flexible couplings, brake hydraulics, brake calipers, sensors, nacelle plate, nacelle cover, and other smaller components), conspicuously omits 'converters' from its detailed list. This omission within the circular itself, coupled with its distinct regulatory scope (Central Excise vs. Customs Tariff classification), demonstrates that classifying the imported converters under CTH 8503 appears to be not correct.

28. Conclusion and Proposed Classification:

28.1. The investigation reveals that M/s. Adani New Industries Limited initially imported "Converters for Wind Turbine Generators" under Customs Tariff Item (CTI) 8502 4000, which pertains to "Electric Rotary Converters." This classification appears to be incorrect as the imported items are solid-state devices, relying on semiconductor components such as Insulated Gate Bipolar Transistors (IGBTs) and Diodes for power conversion, and lack any rotating parts. This stands in contradiction to the definition of "Electric Rotary Converters" as provided in the Explanatory Notes to Heading 8502, which describes them as achieving conversion through electromagnetic induction in rotating machinery or consisting of an electric generator and an electric motor permanently mounted on a common base.

28.2. Subsequently, M/s Adani proposed an alternative classification under CTI 8503 0010, arguing that these converters constitute "parts suitable for use solely or principally with generators," based on Note 2(b) of Section XVI and reference to CBEC Circular No. 1008/15/2015-CX dated 20.10.2015. However, this reclassification attempt, also, appears to be incorrect. The hierarchy of classification notes, specifically Note 2 to Section XVI of the Customs Tariff, mandates that Note 2(a) must be considered first. Note 2(a) stipulates that parts which are themselves complete goods classifiable under

any heading of Chapter 84 or 85 (with specific exceptions not applicable here) are in all cases to be classified in their respective headings. The direct reliance on Note 2(b) by neglecting the primacy of Note 2(a) represents a deviation from the established sequential process of classification. Furthermore, the reliance on CBEC Circular No. 1008/15/2015-CX is misplaced in the context of Customs classification. This circular primarily addresses Central Excise duty exemptions for components of Wind Operated Electricity Generators and does not govern Customs classification, which is based on the Harmonized System Nomenclature (HSN) and its interpretive rules.

28.3. In view of the aforementioned rejections under CTI 8502 4000 and 8503 0010 and based on a thorough review of the technical specifications, functional characteristics, and the application of the Harmonized System Nomenclature (HSN) Explanatory Notes and Customs Tariff Rules, the imported "Converters for Wind Turbine Generators" merits classification under CTI 8504 4090 ("Static Converters: Other"). The reasons for this classification are detailed as follows:

28.4. The imported converters align technically with the definition of static converters as provided in the explanatory notes to heading 8504:

28.4.1. Vide office letter dated 15.07.2025 (Annexure-I), a technical opinion was sought from the Indian Institute of Technology (IIT), Hyderabad regarding the goods in question. In response, IIT, Hyderabad, through its letter dated 03.09.2025 (Annexure-J), has categorically opined that the "Doubly Fed Converters" under examination transform electrical energy using non-rotary components. The opinion further clarifies the said converters convert the variable voltage and frequency output of a wind turbine into a constant voltage and constant frequency (CVCF) supply through an AC-DC-AC conversion process using electrical components

28.4.2. The explanatory notes pertaining to the electrical static converters is reproduced hereunder for ready reference:

(II) ELECTRICAL STATIC CONVERTERS

The apparatus of this group are used to convert electrical energy in order to adapt it for further use. They incorporate converting elements (e.g., valves) of different types. They may also incorporate various auxiliary devices (e.g., transformers, induction coils, resistors, command regulators, etc.). Their operation is based on the principle that the converting elements act alternately as conductors and non-conductors.

The fact that these apparatuses often incorporate auxiliary circuits to regulate the voltage of the emerging current does not affect their classification in this group, nor does the fact that they are sometimes referred to as voltage or current regulators.

This group includes:

*(A) **Rectifiers** by which alternating current (single or polyphase) is converted to direct current, generally accompanied by a voltage change.*

*(B) **Inverters** by which direct current is converted to alternating current.*

*(C) **Alternating current converters and cycle converters** by which alternating current (single or polyphase) is converted to a different frequency or voltage.*

*(D) **Direct current converters** by which direct current is converted to a different voltage.*

Electrical static converters may be divided into the following principal categories according to the type of converting element with which they are equipped:

*(1) **Semiconductor converters** based on the one-way conductivity between certain crystals. Such converters consist of a semiconductor as the converting element and various other devices (e.g., coolers, tape conductors, drives, regulators, control circuits).*

These include:

(a) Monocrystalline semiconductor rectifiers using, as a converting element, a device containing silicon or germanium crystals (diode, thyristor, transistor).

(b) Polycrystalline semiconductor rectifiers using a selenium disc.

(2) Gas discharge converters, such as:

(a) Mercury arc rectifiers. Their converting element consists of a glass envelope or a metal tank having a vacuum and containing a mercury cathode and one or more anodes through which the current to be rectified passes. They are equipped with auxiliary devices, e.g., for priming, charging, cooling, and sometimes to maintain the vacuum.

There are two categories of gas discharge rectifiers identifiable according to the mechanism of the primer, viz., “excitrons” (with charging anodes) and “ignitrons” (with igniters).

(b) Thermo-ionic rectifiers with incandescent cathodes. Their converting element (e.g., a thyratron) is similar to that of mercury arc rectifiers except that it contains an incandescent cathode in place of the mercury cathode.

(3) Converters with a mechanical converting element based on the one-way conductivity of various contacts, such as :

(a) Contact rectifiers (e.g., those using camshafts) with a device whose metal contacts open and

close in synchronisation with the frequency of the alternating current to be rectified.

(b) Mercury-jet turbine rectifiers with a rotating jet of mercury, synchronised with the frequency of the alternating current, which strikes a fixed contact.

(c) Vibrator rectifiers with a thin metal tongue, oscillating at the frequency of the alternating current, which touches a contact so placed that the current is drawn from the source.

(4) Electrolytic rectifiers *based on the principle that the combination of certain products used as electrodes in combination with certain liquids used as electrolytes will only allow current to flow in a single direction.*

Electrical static converters may be used for different purposes, e.g. :

(1) Converters to supply electricity to drive stationary machines or electric traction vehicles (e.g., locomotives).

(2) Supply converters, such as accumulator chargers (which consist essentially of rectifiers with associated transformer and current control apparatus), converters for galvanising and electrolysis, emergency power packs, converters for installations which supply high-tension direct current, converters for heating purposes and for the current supply to electro-magnets.

Also classified here are converters known as high-tension generators (used particularly with radio apparatus, emission tubes, microwave tubes, ion-beam tubes) which convert the current from any source, usually the mains, into the direct high-tension current necessary for feeding the equipment concerned by means of rectifiers, transformers, etc.

This heading also includes stabilised suppliers (rectifiers combined with a regulator), e.g., uninterruptible power supply units for a range of electronic equipment.

However, high-tension generators (or transformers) specifically designed for supplying radiological apparatus fall in heading 90.22. Automatic voltage regulators are classified in heading 90.32.

28.4.3. Upon careful examination of the explanatory notes to heading 8504, it appears that the technical specifications and functional description of the converters imported by M/s Adani align with the definition of "Electrical Static Converters" as mentioned in the Explanatory Notes as detailed hereunder:

i. Core Principle Match: Conversion of Electrical Energy for Further Use:

- The HSN definition states: "The apparatus of this group are used to convert electrical energy in order to adapt it for further use."
- The imported converter system, with its LSI and MSI, directly embodies this. The LSI converts AC from the grid to DC, and the MSI converts DC to variable frequency AC to control the Doubly Fed Induction Generator (DFIG). This conversion is precisely to "adapt it for further use" – specifically, to enable the efficient operation and grid integration of a wind turbine's generator.

ii. Incorporation of Converting Elements (e.g., Valves) of Different Types:

- The HSN definition explicitly mentions "converting elements (e.g., valves) of different types."
- The imported converter system features **IGBT-based inverters (LSI and MSI)**. IGBTs (Insulated Gate Bipolar Transistors) are modern **semiconductor devices** that act as electronic "valves," alternately as conductors and non-conductors, controlling the flow of electrical power. The HSN notes specifically classify "Semiconductor converters based on the one-way conductivity between certain crystals" including "Monocrystalline semiconductor rectifiers using...silicon or germanium crystals (diode, thyristor,

transistor)." IGBTs are advanced power transistors built on semiconductor principles, aligning perfectly with this description.

iii. Incorporation of Various Auxiliary Devices:

- The HSN definition states they "may also incorporate various auxiliary devices (e.g., transformers, induction coils, resistors, command regulators, etc.)."
- The described converter system includes numerous such auxiliary devices:
 - **Induction Coils:** "Power Line-Choke," "du/dt Filter," and "Line Filter" are all types of inductive components.
 - **Control/Command Regulators:** "Converter Controller" and "Converter Control Software" are precisely "command regulators" that manage the operation.
 - **Other Auxiliary Devices:** "DC-Link Capacitor Bank" (energy storage), "Overvoltage Protection (DC Chopper)" (protection), "Stator Contactor" (switching), and "Grid-Side Circuit Breaker" (protection) are all essential auxiliary components that support the primary conversion function.

iv. Operation Based on Alternate Conduction/Non-Conduction:

- The HSN definition highlights: "Their operation is based on the principle that the converting elements act alternately as conductors and non-conductors."
- This is the fundamental principle of how IGBTs (and other power semiconductor devices like diodes, thyristors, and transistors) work. By rapidly switching between conducting (ON) and non-conducting (OFF) states, they manipulate the

electrical current and voltage to achieve the desired conversion.

v. Classification not Affected by Voltage/Current Regulation or Specific Names:

- The HSN notes that the presence of "auxiliary circuits to regulate the voltage of the emerging current does not affect their classification," nor does being referred to as "voltage or current regulators."
- The described system inherently performs voltage and current regulation as part of its function to control the DFIG and interact with the grid. The "Converter Controller" and its software precisely handle these regulation tasks. This explicit statement in the HSN definition confirms that the regulative aspects of the system do not preclude it from being classified as a static converter.

vi. Inclusion in Specific Categories:

- The HSN definition includes: "(A) Rectifiers...converted to direct current," "(B) Inverters...converted to alternating current," and "(C) Alternating current converters and cycle converters by which alternating current (single or polyphase) is converted to a different frequency or voltage."
- The described converter system is a combination of these:
 - The **LSI acts as a rectifier** (AC to DC conversion for the DC-Link).
 - The **MSI acts as an inverter** (DC to variable frequency AC for the generator).
 - Taken as a whole, the system effectively acts as an **AC converter/cycle converter** because it takes AC from the grid, processes it, and then supplies variable

frequency AC to the generator, thereby "adapting" the electrical energy for the generator's operation, which involves frequency and voltage adaptation for optimal power extraction and grid synchronization.

vii. Principal Categories - Semiconductor Converters:

- The HSN explicitly lists "Semiconductor converters based on the one-way conductivity between certain crystals" as a principal category.
- The use of **IGBTs** unequivocally places the described converter system into this category.

28.4.4. In view of the foregoing, it appears that the imported converters are designed to convert electrical energy (AC-DC-AC) to adapt the variable frequency and amplitude from a wind turbine generator into a constant voltage and frequency suitable for grid integration, precisely matching the core function described in the Explanatory Notes. Furthermore, their composition relies predominantly on solid-state semiconductor devices like IGBTs and Diodes — components explicitly cited as converting elements in static converters. Given these consistent technical characteristics and operational principles, it appears that the imported converters fit the description of Electrical Static Converters. Even the technical opinion obtained from IIT, Hyderabad clarified that the imported converters, converts the energy generated from a wind turbine into a constant voltage and constant frequency (CVCF) supply using electrical components that implement an AC-DC-AC conversion which aligns with the definition of the Electrical Static Converters as provided explanatory notes to 8504.

28.4.5. Thus, it appears that the goods under import are clearly covered under the category of semiconductor converters that utilize the one-way conductivity of crystals (such as diodes, thyristors, IGBTs), supported by regulators, drives, and control circuits.

28.5. The imported converters merits classification under CTH 8504 in terms of Note 2 to Section XVI of the Customs Tariff Act, 1975:

28.5.1. The note 2(a) of Section XVI is reproduced hereunder:

“Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings;”

A plain reading of the above note suggests that if a part of a machine is, in itself, a complete good that falls under a specific heading within Chapter 84 or 85, then that part should be classified under that heading of chapter 84 or 85 but not under headings of parts, as mentioned herein - 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48. This rule prioritizes the independent classification of machine parts that are complete goods in their own right, rather than automatically classifying them as mere components of a larger machine. This rule ensures that parts are classified based on their own inherent nature as goods within Chapters 84 and 85. However, if the imported item cannot be classified as a complete good under any of these specific headings, then it's classified as a part of a larger machine and falls under one of the aforementioned "parts" headings (84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38, or 85.48) in terms of Note 2(b).

28.5.2. In the instant case, the imported converters are complete goods that fully align with the technical description of "Electrical Static Converters" as provided in the explanatory notes to Heading 8504. Given that Heading 8504 specifically covers static converters, the imported converters are correctly classifiable under CTH 8504, in accordance with Note 2(a) to Section XVI of the Customs Tariff Act, 1975.

28.6. General rules for the interpretation (GRI) of the harmonized system suggests classification under 8504.

28.6.1. The classification of goods within the First Schedule to the Customs Tariff Act, 1975, is governed by the General Rules for the Interpretation (GRI) of the Harmonized System (HS). Pursuant to **GRI 1**, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes. The titles of Sections, Chapters, and Sub-Chapters are provided for ease of reference only, and do not, for legal purposes, supersede the precise wording of the headings and their corresponding legal notes.

28.6.2. The rule-1 of the GRI is reproduced hereunder:

“The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions:”

28.6.3. In the instant case, the imported converters clearly match the technical description of "Electrical Static Converters" as detailed in the explanatory notes to Heading 8504. Since Heading 8504 is a specific and appropriate heading for static converters, and the imported goods fit its terms, the imported converters merits classification, accordingly, under CTH 8504 by application of Rule – 1 of GRI.

28.7. Accordingly, ‘Static Converters’ which were imported by M/s Adani New Industries Limited under the nomenclature “Converter for Wind Turbine Generator” are appropriately classifiable under 8504 4090 – Static Converters: Other and are leviable to BCD @ 10% - in terms of Sl. No. 13 of notification no. 57/2017 and IGST @ 12%.

28.8. This misclassification has resulted in a short levy of total duty (BCD+SWS+IGST) of **Rs.7,53,24,994/-** (Rupees Seven Crore Fifty Three Lakhs Twenty Four Thousand Nine Hundred and Ninety Four only) for the

Bills of Entry as detailed in the sheet “Converters” enclosed as **Annexure - H**, having assessable value of **Rs.243,22,41,088/-** (Two Hundred and Forty Three Crore Twenty Two Lakh Forty One Thousand and Eighty Eight Only).

29. Legal Provisions:

29.1 Section 2 (4) of the Customs Act, 1962: – “bill of entry means a bill of entry referred to in section 46;

29.2 Section 2 (23) of the Customs Act, 1962: – “**import**”, with its grammatical variations and cognate expressions, means bringing into India from a place outside India;

29.3 Section 2 (26) of the Customs Act, 1962: – “**importer**”, in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes [any owner, beneficial owner or any person holding himself out to be the importer;

29.4 Section 17 of the Customs Act, 1962: “(1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.....”

29.5 Section 28 (4) of Customs Act, 1962: Where any duty has not been levied or not paid or has been short-levied or short-paid or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of, —

(a) collusion; or

(b) any wilful mis-statement; or

(c) suppression of facts,

by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been so levied or not paid or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

29.6 Section 28AA (1) of the Customs Act, 1962: “ Notwithstanding anything contained in any judgment, decree, order or direction of any court, Appellate Tribunal or any authority or in any other provisions of this Act or the rules made thereunder, the person, who is liable to pay duty in accordance with provisions of Section 28, shall, in addition to such duty, be liable to pay interest, if any, at the rate fixed under sub-section (2), whether such payment is made voluntarily or after determination of the duty under that Section”.

29.7 Section 46 (1) of the Customs Act, 1962: “The importer of any goods, other than goods intended for transit or transshipment, shall make entry thereof by presenting electronically on the customs automated system to the proper officer a bill of entry for home consumption or warehousing in such form and manner as may be prescribed.....”

29.8 Section 46 (4) of the Customs Act, 1962: “The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration, produce to the proper officer the invoice, if any, (and such other documents relating to the imported goods as may be prescribed).”

29.9 Section 46 (4A) of the Customs Act, 1962: “The importer who presents a bill of entry shall ensure the following, namely: -

- a) the accuracy and completeness of the information given therein;
- b) the authenticity and validity of any document supporting it; and
- c) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.”

29.10 Section 110AA of the Customs Act, 1962: “Action subsequent to inquiry, investigation or audit or any other specified purpose. -- Where in pursuance of any proceeding, in accordance with Chapter XIIA or this Chapter, if an officer of customs has reasons to believe that—

- (a) any duty has been short-levied, not levied, short-paid or not paid in a case where assessment has already been made;
- (b) any duty has been erroneously refunded;
- (c) any drawback has been erroneously allowed; or

(d) any interest has been short-levied, not levied, short-paid or not paid, or erroneously refunded, then such officer of customs shall, after causing inquiry, investigation, or as the case may be, audit, transfer the relevant documents, along with a report in writing—

(i) to the proper officer having jurisdiction, as assigned under section 5 in respect of assessment of such duty, or to the officer who allowed such refund or drawback; or

(ii) in case of multiple jurisdictions, to an officer of customs to whom such matter is assigned by the Board, in exercise of the powers conferred under section 5, and thereupon, power exercisable under sections 28, 28AAA or Chapter X, shall be exercised by such proper officer or by an officer to whom the proper officer is subordinate in accordance with sub-section (2) of section 5.”

29.11 Section 111 (m) of the Customs Act, 1962 provides for the confiscation of improperly imported goods as under:

111. *Confiscation of improperly imported goods, etc. – The following brought from a place outside India shall be liable to confiscation:*

111 (m) : *“any goods which do not correspond in respect of value or in any other particular with the entry made under this Act or in the case of baggage with the declaration made under section 77 in respect thereof, or in the case of goods under the transshipment, with the declaration for transshipment referred to in the proviso to sub-section (1) of Section 54”;*

29.12 Section 112 (a) - Penalty for improper importation of goods, etc.
– Any person,

(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

.....

.....

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding the value of the goods or five thousand rupees, whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, to a penalty not exceeding the duty sought to be evaded on such goods or five thousand rupees, whichever is the greater;

.....

.....

Provided that here such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent of the penalty so determined.

29.13 Section 114A of the Customs Act, 1962, *where the duty has not been levied or has been short-levied or the interest has not been charged or paid or has been part paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts, the person who is liable to pay the duty or interest, as the case may be, as determined under sub-section (8) of section 28 shall also be liable to pay a penalty equal to the duty or interest so determined.*

29.14 Section 125. Option to pay fine in lieu of confiscation. - (1) *Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods or, where such owner is not known, the person from whose possession or Custody such goods have been seized, an option to pay in lieu of confiscation such fine as the said officer thinks fit:*

Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (2) of section 28 or under clause () of sub-section (6) of that section in respect of the goods which are not prohibited or restricted, no

such fine shall be imposed: Provided further that, without prejudice to the provisions of the proviso to sub-section (2) of section 115, such fine shall not exceed the market price of the goods confiscated, less in the case of imported goods the duty chargeable thereon.

(2) Where any fine in lieu of confiscation of goods is imposed under sub-section (1), the owner of such goods or the person referred to in sub-section (1), shall, in addition, be liable to any duty and charges payable in respect of such goods.

30. From the foregoing narration and legal provisions cited above, it appears that the subject goods i.e., Converters is rightly classifiable under CTI 8504 4090 (BCD @ 10% - in terms of Sl. No. 13 of Notification No. 57/2017-Customs dated 29.12.2021 (as amended by Notification No. 03/2021-Customs dated 01.02.2021) & IGST @ 12%) instead of CTH 8502 or 8503. The short levy of total duty (BCD+SCD+IGST) works out to **Rs.7,53,24,994/-** (Rupees Seven Crore Fifty Three Lakhs Twenty Four Thousand Nine Hundred and Ninety Four only) for the Bills of Entry as detailed in the sheet "Converters" enclosed as **Annexure-H**, having assessable value of Rs. 243,22,41,088/- (Two Hundred and Forty-Three Crore Twenty-Two Lakh Forty-One Thousand and Eighty-Eight Only).

31. Thus, it appears that M/s. Adani New Industries Limited, is liable to pay total differential liability of Rs.7,53,24,994/- (Rupees Seven Crore Fifty Three Lakhs Twenty Four Thousand Nine Hundred and Ninety Four only).

32. It appears that M/s. Adani New Industries Limited, had mis-classified the imported goods Viz., 'Converter' in contravention of the provisions of Section 111(m) of the Customs Act, 1962. Hence, impugned goods appear to be liable for confiscation. M/s. Adani also appears to be liable for imposition of penalty under Section 112(a) and 114A of the Customs Act, 1962.

33. It appears that as the goods in question are "other than prohibited goods", M/s Adani New Industries Limited is liable to pay redemption fine

under Section 125 of Customs Act, 1962 in lieu of confiscation for contravening the provisions of Section 111(m) as discussed Supra.

34. Self-Assessment in Customs has been implemented with effect from 08.04.2011 vide Finance Act, 2011 by making suitable changes to Sections 17, 18, 46 and 50 of the Customs Act, 1962. The Central Board of Excise and Customs has issued Circular No.17/2011-Customs dated 08.04.2011 vide F.No.450/26/2011-Cus.IV, regarding the implementation of self-assessment in Customs. To sensitise the people of trade about its benefit and consequences of mis-use, the Government of India has also issued the Customs Manual on Self- Assessment, 2011. Self-Assessment, *inter alia*, requires importers/exporters to correctly declare value, classification, description of goods, exemption notifications, etc. and self-assess the duty thereon, if any. With the introduction of self-assessment, more faith is bestowed on the importers/exporters, as the practices of routine assessment, concurrent audit etc. have been dispensed with. Para 3(a) of Chapter 1 of the above Manual further stipulates that the importer/exporter is responsible for self-assessment of duty on imported/export goods and for filing all declarations and related documents and confirming these are true, correct and complete.

35. In the self-assessment era providing liberty to the importers for speedy import clearance of the imported goods, the importers have to act in more responsible manner and they are also required to build trust by filing the correct details & description of items along with correct classification of the imported goods while presenting the Bill of Entry. It is seen that the importer has resorted to incorrect self-assessment, by failing to adopt the correct classification, thereby violated provisions of Section 17 of the Customs Act, 1962 and it appears that the importer has wilfully evaded payment of applicable duty attracting the invocation of Section 28(4) of the Customs Act, 1962.

36. Further, as per Section 46(4) and 46(4A) of the Customs Act, 1962, the importer is required to furnish a declaration as to the truth of the contents of Bill of entry and shall ensure accuracy and completeness of information, authenticity and validity of documents submitted. The importer is required to declare the full accurate details relating to the goods description, quantity, duties payable etc. It is noticed from the facts and the submissions and legal position that the importer has not classified the imported goods i.e., Converters, correctly as detailed in the above paragraphs.

37. Thus, from the above, it appears that M/s Adani New Industries Limited has contravened the provisions of Section 17, Section 46(4) and 46(4A) of the Customs Act, 1962 in respect of goods covered under Bills of Entry as detailed in **Annexure – H**, by not furnishing true and correct particulars of imported goods during assessment. Further, it appears that M/s Adani New Industries Limited had not adopted the appropriate classification, resulting in short payment of Customs duty on the subject goods.

38. Invocation of extended period of demand under Section 28(4) of the Customs Act, 1962:

38.1 Whereas, the Government of India had introduced the concept of self-assessment way back in 2011 for all import consignments and it is the bounden duty of the importer to verify thoroughly the correctness of the classification adopted before presenting the Bill of Entry for Customs clearance. The Customs department can scrutinize the documents after the clearance of goods for any short levy/non-levy as per section 28 of Customs Act, 1962 and take appropriate action to safeguard the revenue. It appears that the importer in this case had wilfully mis-classified the imported goods with a malafide intention to evade applicable custom duty by wrongfully classifying as explained in above paras.

38.2 It is the bounden duty of the importer to ascertain correctness of the duty paid by him. In this case, importer failed to correctly self-assess the duty on the impugned goods. Further, it was the responsibility of the importer to ascertain correctness of the declaration made by him. Therefore, the impugned goods appear to have been imported in contravention of the section 17(1) as well as Section 46(4) of the Customs Act, 1962.

38.3 The discovery of the impugned goods' mis-classification was a direct result of the Department's proactive analysis of import data and the ensuing investigation. This crucial finding would not have materialized through the importer's declared information or routine customs procedures. Consequently, the conditions precedent for invoking the extended period of limitation under Section 28(4) of the Customs Act are clearly met. The importer's failure to correctly classify the goods necessitates the recovery of the short-levied duty, along with the applicable interest and penalty provisions as mandated by law.

39. In view of the foregoing facts, documentary evidences on record, legal provisions, it appears that:

- (i) M/s Adani New Industries Limited have mis-classified the imported goods Viz., Converters under CTI 8502 4000 while they appear to be classifiable under CTI 8504 4090 as discussed above;
- (ii) M/s Adani New Industries Limited is liable to pay the total differential liability (BCD+SWS+IGST) of Rs.7,53,24,994/- (Rupees Seven Crore Fifty-Three Lakhs Twenty-Four Thousand Nine Hundred and Ninety-Four only) as worked out in **Annexure – H** under Section 28(4) of the Customs Act, 1962 along with interest under Section 28AA of the Act *ibid*;
- (iii) The goods imported by M/s Adani New Industries Limited, as detailed in **Annexure – H**, are liable for confiscation under Sections 111(m) of the Act *ibid*;

- (iv) M/s. Adani New Industries Limited is liable for penalty under the provisions of Section 112(a) of the Customs Act, 1962 for various omissions and commissions.
- (v) M/s Adani New Industries Limited is liable for penalty under the provisions of Section 114A of the Customs Act, 1962 for various omissions and commissions.

40. The importer has imported the goods at two ports namely INMUN1 (Mundra SEZ port, Mundra, Gujarat) and INBOM4 (Air Cargo Complex, Mumbai). Subsequent to enactment of the Finance Act 2022, CBIC issued a notification vide number 28/2022 Customs (N.T.) dated 31.03.2022 assigning the proper officer for the purpose of Section 110AA wherein multiple jurisdictions are involved. In terms of S.No. 1 of said Notification, the officer of the jurisdiction having highest amount of duty at the stage of transfer is assigned as the proper officer for the said case. In the instant case, the highest value of imports is made at Mundra SEZ Port. In view of the said Notification, as the total duty involved is more than Rs.50 Lakhs and maximum imports were made at Mundra SEZ PORT [INMUN1], the proper officer would be the Principal Commissioner/Commissioner of Customs, Custom House, 5B, Port User Building, Mundra Port, Mundra, Gujarat – 370 421.

41. Now therefore, M/s Adani New Industries Limited (IEC no. AAOCM6584A) having registered office situated at Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S G Highway, Khodiyar, Ahmedabad – 382 421 are hereby called upon to Show Cause to the Principal Commissioner/Commissioner of Customs, Custom House, 5B, Port User Building, Mundra Port, Mundra, Gujarat – 370 421, within 30 days of receipt of this notice issued as to why :-

- i. The classification adopted by the Importer under CTI 8502 4000 in respect of the impugned goods i.e., Converters imported vide the Bills of Entry as detailed in **Annexure - H**, should not be

rejected and the same should not be re-classified under CTI 8504 4090.

- ii. The differential duty, amounting to **Rs.7,53,24,994/-** (Rupees Seven Crore Fifty Three Lakhs Twenty Four Thousand Nine Hundred and Ninety Four only) for the Bills of Entry as detailed in **Annexure-H**, should not be demanded under section 28(4) of the Customs act, 1962 along with applicable interest thereon under Section 28AA *ibid*.
- iii. The impugned goods, detailed in **Annexure-H**, having assessable value Rs.243,22,41,088/- (Two Hundred and Forty-Three Crore Twenty-Two Lakh Forty-One Thousand and Eighty-Eight Only) should not be held liable to confiscation under Section 111(m) of the Customs Act, 1962.
- iv. Penalty should not be imposed upon them under the provision of Section 112(a) of the Customs Act, 1962 for rendering imported goods liable for confiscation by their acts of omissions and commissions as detailed above.
- v. Penalty should not be imposed upon them under the provision of Section 114A of the Customs Act, 1962 for the above said willful mis-declaration and mis-classification of the impugned goods necessitating the recovery of the above said short paid duty of customs under the provisions of section 28(4) of the Customs Act, 1962.

42. M/s. Adani New Industries Limited (hereinafter referred to as “M/s Adani” or “Importer”) (IEC: AAOCM6584A) having its registered office situated at Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S G Highway, Khodiyar, Ahmedabad – 382 421 are hereby required to Show Cause to the Principal Commissioner/Commissioner of Customs, Custom House, 5B, Port User Building, Mundra Port, Mundra, Gujarat – 370 42, within 30 (Thirty) days of the receipt of notice and are further required to

indicate in their written reply whether they wish to be heard in person before the case is adjudicated. If no cause is shown against the action proposed to be taken within 30 days from the date of receipt of this notice or having shown cause, they do not appear before the adjudicating authority when the case is posted for personal hearing, the case will be adjudicated, ex-parte based on the evidences available on record.

43. This notice is issued without prejudice to any other action that may be initiated under the Customs Act, 1962 or any other Act for the time being in force in India.

44. Attention is also brought to the notice of the importer about the provisions of Section 28(5) of the Customs Act, 1962 which states that if the entire differential duty along with interest payable thereon under Section 28AA ibid and the penalty equal to 15% of the duty specified, is paid within 30 days of the receipt of the notice the issue can be closed in terms of section 28(6) of the Customs Act, 1962.

45. The department reserves its right to add, alter, amend, modify or supplement this notice at any time on the basis of any evidence, material fact which may come to the notice of the Department after the issuance of this notice.

46. Reliance for issuance of this notice is based on the documents listed in Annexures / Worksheet enclosed to this notice. It may be noted that all the documents enclosed to this Show Cause Notice are an integral part of this Show Cause Notice.

Digitally signed by
Nitin Saini
Date: 27-05-2026
17:07:25

Nitin Saini
Commissioner

Encl: Copies of relied upon documents.

DIN-20260571MO0000424674

To

M/s. Adani New Industries Limited,
 Adani Corporate House, Shantigram,
 Nr. Vaishno Devi Circle, S G Highway,
 Khodiyar, Ahmedabad – 382 421

Copy to

1. The Additional Director General, DRI, Hyderabad Zonal Unit, H.No.10-2-289/57/1 &2, Suryavanshi Residency, II Cross Road, Shanthinagar, Masab Tank, Hyderabad – 500028 .

List of Relied Upon Documents for the issuance of this notice-

Annexure	Description
A	Office letter date 27.09.2024
B	M/s Adani letter dated 07.10.2024
C	Summons dated 08.11.2024
D	Summons dated 26.11.2024
E	M/s Adani letter dated 05.12.2024
F	M/s Adani letter dated 24.02.2025
G	Circular No. 1008/15/2015-CX dated 20.10.2015
H	Converter - BE Wise Calculation Sheet



राजस्वआसूचनानिदेशालय
DIRECTORATE OF REVENUE INTELLIGENCE

हैदराबादआंचलिकइकाई/ Hyderabad Zonal Unit

हाउस नं. 10-2-289/57/1 & 2, 'सूर्यवंशीरिसेडेंसी', II क्रॉसरोड, शान्तिनगर, मसाबटैंक, हैदराबाद-500028
H.No.10-2-289/57/1 & 2, 'Suryavanshi Residency', II Cross Road, Shantinagar, Masab Tank, Hyderabad - 500 028
फोन/Tele : 040-2980 2730 फैक्स/Fax: 040-2930 9943 ईमेल/ Email: drihzu@nic.in

F.No. DRI/HZU/26A/ENQ-41(INT-41)/2024

Date:27/09/2024

DIN: 202409DDZ50000000F6E

To

M/s. Adani New Industries Limited,
Adani Corporate House, Shantigram,
Near VaishnoDevi Circle, SG Highway,
Khodiyar , Ahmedabad, Gujarat - 382421

Gentlemen,

Sub: Investigation into Misclassification of Converter for wind
Turbine Generatorby M/s Adani New Industries Limited, Gujarat-
Reg.

** ** *

It is hereby brought to your notice that M/s Adani New Industries Limited, Gujarat (IEC: AAOCM6584A) have imported goods i.e. "Converter With Rated Capacity Of 5.25 Mw For Wind Turbine Generator (WTG)" classifying the impugned goods under CTI 8502 4000 by paying BCD@7.5%.

2. However, based on the documents provided to customs, the appropriate classification for the impugned goods appears to be 8504 4090 which covers goods of description Static Converters which attracts BCD @ 20%.

3. In view of the above explained position, it is requested to intimate your response with supporting documents including product catalogue and purchase order.The payment particulars on the subject issue if any may be communicated to this office.

Yours sincerely,

Y PREET SAMPRAS
SENIOR INTELLIGENCE OFFICER

वाइ. प्रीट संप्रस
Y. PREET SAMPRAS

वरिष्ठ आसूचना अधिकारी
Senior Intelligence Officer
राजस्व आसूचना निदेशालय
Directorate of Revenue Intelligence
हैदराबाद/Hyderabad.



To,
DIRECTORATE OF REVENUE INTELLIGENCE
Hyderabad Zonal Unit.

Dear Sir,

Sub.: Reply to the notice received for Misclassification of Converter.

Ref.: Your letter dated 27.09.2024 bearing DIN: 202409DDZ50000000F6E

We are in receipt of your letter dated 27.09.2024 on our classification of the Converter for Wind Turbine Generator (WTG) under tariff item 8502 40 00 of the First Schedule to the Customs Tariff Act, 1975, which attracts BCD @ 7.5%, as against classification of the same under tariff item 8504 40 90 which attracts BCD @ 20%.

At the outset, we would like to submit that tariff item 8502 40 00 covers electric *rotary converter*, whereas tariff item 8504 40 90 covers *static converter*.

Our Wind Turbine Technology is based on the doubly-fed wind turbine converter, also known as a doubly-fed induction generator (DFIG) converter system. This technology allows for variable speed operation while utilizing a smaller and more cost-effective power converter that operates solely on the rotor side.

A DFIG consists of a wound rotor three-phase induction machine. Unlike traditional induction generators, the rotor of a DFIG is not short-circuited; rather, it is connected to the grid through an electric converter, referred to as a rotor-side (rotary) converter. This design is crucial for the efficient operation of our wind turbines.

Furthermore, the electric rotary converter imported by Adani New Industries Limited is specifically designed for the Wind Turbine Model MWL -160-5.2MW. The rotor current handling capabilities of this converter are custom-designed and tailored exclusively for this wind turbine model, making it unsuitable for use with any other wind turbine systems.

In light of this, we firmly believe that the component in question, being rotary converter, falls under Tariff Item 8502 40 00. We would like to emphasize that our converter does not fall under Tariff Item 8504 40 90, which pertains to static converters. In support of our submissions, we are enclosing (i) technical write-up on DFIG, (ii) product catalogue and (iii) purchase order, invoice, packing list & bill of lading.

In summary, our converter operates by controlling the rotor of the generator, enabling variable speed operation, independent control of active and reactive power, and enhanced efficiency and grid performance. Thus, rotary converter imported by us under tariff item 8502 40 00, being designed & part of the said Wind Turbine Model, is not covered under tariff item 8504 40 90.

We kindly request your good office to consider our detailed explanations for classification of our converters under tariff item 8502 40 00.

We appreciate your attention to this matter and look forward to your positive response.

Thanking you.

For Adani New Industries Limited

Authorized Signatory



Enclosure :

1. Technical Write-up;
2. Product Catalogue
3. Purchase Order, Invoice, Packing List, Bill of Lading, Certificate of Origin.

ADANI NEW INDUSTRIES LIMITED
(Formerly known as MUNDRA WINDTECH LIMITED)
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S G Highway,
Khodiyar, Ahmedabad - 382 421
Gujarat, India
CIN: U40106GJ2021PLC123109

Tel +91 79 2555 5555
Fax +91 79 2555 5500
info@adani.com

Registered Office: Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle,
S. G. Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, India

SUMMONS

[under Section 108 of the Customs Act, 1962(52 of 1962)]

To,

Shri Balaji Rajamani

**C/o M/s Adani New Industries
Limited, Adani Corporate House,
Shantigram, Near Vaishnodevi
Circle, SG Highway, Khodiyar,
Ahmedabad, Gujarat - 382 421.**

WHEREAS, I, **Y Preet Sampras** am making inquiry in connection with **import of certain goods by M/s. Adani New Industries Limited** under the Customs Act, 1962.

AND WHEREAS, I consider your attendance to

(a) give evidence and / or

(b) produce documents or things of the following description in your possession or under your control:

- 1. Converter for Wind Turbine Generator (WTG)**
- 2. functioning of converter of wind turbine generator**
- 3. Components of converter for Wind Turbine Generator**

NOW, THEREFORE, in exercise of powers vested in me under Section 108 of the Customs Act, 1962, I do hereby summon you to appear before me ☒ **in person** / or ☒ **by an authorised agent** on **2024-11-25** at **11:00:AM** at the office of **Directorate of Revenue Intelligence, Hyderabad Zonal Unit, Suryavanshi Residency, II Cross Road, Shanti Nagar, Masab Tank, Hyderabad** **500 028**

Inquiry as aforesaid is deemed to be a judicial proceeding within the meaning of section 229 and section 267 of Bharatiya Nyaya Sanhita, 2023 (45 of 2023) and non-compliance of this summon is an offence punishable under section 208 and section 210 of Bharatiya Nyaya Sanhita, 2023 (45 of 2023).

Given under my hand and seal of office to-day the **08** day of **November, 2024** at **Hyderabad**

Despatcher No: 1230
Date: 8/11/2024

Name : Y Preet Sampras

Signature : 08/11/2024



Designation : श्री पीट समप्रास
Superintendent / Appraiser / Senior Intelligence Officer

AMPRAS
Senior Officer
Revenue Intelligence
Hyderabad.

SUMMONS

[under Section 108 of the Customs Act, 1962(52 of 1962)]

To,

Shri Balaji Rajamani

**M/s Adani New Industries Limited,
Adani Corporate House,
Shantigram, Near Vaishnodevi
Circle, SG Highway, Khodiyar,
Ahmedbad, Gujarat - 382 421**

WHEREAS, I, **Y Preet Sampras** am making inquiry in connection with **Import of certain goods by M/s Adani New Industries Limited** under the Customs Act, 1962.

AND WHEREAS, I consider your attendance to

- (a) give evidence and / or
- (b) produce documents or things of the following description in your possession or under your control:

- 1. Converter of Wind Turbine Generator (WTG)**
- 2. Functioning of converter of Wind Turbine Generator**
- 3. Components of converter of Wind Turbine Generator**

NOW, THEREFORE, in exercise of powers vested in me under Section 108 of the Customs Act, 1962, I do hereby summon you to appear before me ☒ in person / or ☒ by an authorised agent on **2024-12-09** at **10:30:AM** at the office of **Directorate of Revenue Intelligence, Hyderabad Zonal Unit, Suryavanshi Residency, II Cross Road, Shanti Nagar, Masab Tank, Hyderabad** 500 028.

Inquiry as aforesaid is deemed to be a judicial proceeding within the meaning of section 229 and section 267 of Bharatiya Nyaya Sanhita, 2023 (45 of 2023) and non-compliance of this summon is an offence punishable under section 208 and section 210 of Bharatiya Nyaya Sanhita, 2023 (45 of 2023).

Given under my hand and seal of office to-day the **26** day of ~~January~~ ^{NOVEMBER}, **2024** at **Hyderabad**

Name : **Y Preet Sampras**

Signature :

Designation : **Y. PREET SAMPRAS**

Superintendent / Appraiser / Senior Intelligence Officer



24th February 2025

To,
The Sr. Intelligence Officer,
Directorate Of Revenue Intelligence
Hyderabad Zonal Unit, Suryavanshi Residency,
II Cross Road, Shanti Nagar,
Masab Tank, Hyderabad 500028.

Dear Sir,

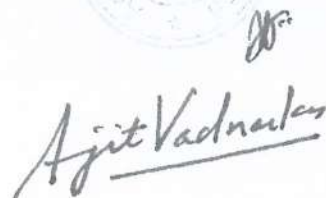
Sub.: Request to keep the investigation in relation to SUMMONS dated 26.11.2024, in abeyance till re-presentation made Ministry of New and Renewable Energy (MNRE) i.e. Line Ministry is decided.

In furtherance to our letter dated 05.12.2024 (copy enclosed) we would like to submit that the classification of converter has now become a pan India issue. Since the issue is very critical and has a grave impact on the business, we have obtained an Opinion from Hon'ble Justice C K Thakker (Retd. Judge of Hon'ble Supreme Court) [Copy enclosed]. For ease of reference the relevant extract of the opinion is reproduced below:

The component imported by the querist Adani New Industries Ltd. i.e. Rotary Converter, is a part of the Wind Turbine Generator (WTG) which is used in Wind Turbine Generator (WTG) and falls under tariff item 8503 00 10 of the First Schedule to the Customs Tariff Act, 1975 and attracts Basic Customs Duty @ 7.50%.

Further, the issue being pan India, Wind Turbine Manufacturers discussed the issue jointly and have decided to take up this matter with Hon'ble Secretary, MNRE to request Central Board of Indirect Tax and Customs (CBIC) to issue suitable instruction in relation to classification of rotary converter imported by Wind Turbine Manufacturers. It may please be appreciated that any higher rate of duty on the parts of wind turbine, which are not manufactured in India, may ultimately lead to increase in tariff of wind power, and as such will make the generation of wind power unviable.

We shall submit the re-presentation as soon as it is submitted and made available to us.

In the meanwhile, kind attention of this Hon'ble Authority is invited towards the instruction No. 27/2024-Customs dated 01.11.2024 containing guidelines on ease of doing business. For ease of reference paras 2.1 and 2.2 are reproduced below:

2.1 Each investigation must be initiated only after the approval of the Commissioner.

2.2 Before initiating investigation, the intelligence inputs and relevant aspects related to CI matters need to be appropriately analyzed. This includes cross-check with reference to available data, technical literature, prevalent industry practice, judicial pronouncements, extant legal framework, precedence etc. it is desirable to undertake as complete an analysis as feasible, before the actual investigation is initiated. This would also enable seeking holistic information / records / documents related to an issue in the first instance, which is an important factor in minimizing interface with the importer/exporter.

In view of the above, and the fact that the classification issue is very vital and has wider ramification on industry, it is humbly requested to keep the investigation in abeyance till Hon'ble MNRE take up the issue with CBIC for issuance of necessary clarification.

We undertake to continuous cooperation in the matter.

Thanking you

Yours sincerely
For Adani New Industries Ltd.



Ajit Vadnerkar
(AJIT VADNERKAR)

Authorized Signatory

Justice C.K. Thakker
Former Judge, Supreme Court of India

C-704, Ganesh Meridian, Opp. Gujarat High Court, S.G. Highway, Ahmedabad - 380060.
Phone: 079-2970 8425, 4000 9673. Mobile: 98250 10267. Email: thakkerck@yahoo.com

OPINION

QUERIST: ADANI NEW INDUSTRIES LTD. (ANIL)

Adani New Industries Ltd. (ANIL) ('querist' for short) has approached the undersigned with the following query:

What should be the correct classification of Electric Rotary Converter, imported by the querist and used in Wind Turbine Generator (WTG) as a part of WTG. Whether the same falls under tariff item 8502 40 00, 8503 00 10 or 8504 40 90 of the First Schedule to the Customs Tariff Act, 1975?

FACTUAL BACKGROUND:

To understand the case of the Querist and to appreciate the queries raised by it in proper perspective, it is necessary to have factual background of the case in mind.

The querist states that it regularly imports Rotary Converter for Wind Turbine Generator (WTG). This component was classified under tariff item 8502 40 00 based on supplier's invoice and country of origin certificate and clearing the same on payment of Basic Customs Duty [BCD] @ 7.50%.

This Converter is specifically designed in a manner that without plugging the same in the Wind Turbine, the Wind Turbine cannot generate electricity. Also Grid Compliance requirement as per present Central Electricity Authority (CEA) Guidelines, the converter plays the major role and looking at the addition of Renewable Energy specifically the Wind Energy, the concerned Government Authorities are insisting stringent requirement of Grid Code, to comply with that,

W

electric rotary converter plays a very vital part and used solely or principally in the Wind Turbine. In other words, in absence of this converter, Wind Turbine cannot function.

It is the case of the querist that while tariff item 8502 40 00 covers electric rotary converter, 8503 00 10 covers parts of generator (AC or DC) and tariff item 8504 40 90 covers static converter. For better understanding, the querist has given the entire classification of similar items by tabular form which is reproduced hereunder for ready reference:

8502		ELECTRIC GENERATING SETS AND ROTARY CONVERTERS			
	-	Generating sets with compression-ignition internal combustion piston engines (diesel or semi-diesel engines):			
85021100	--	Of an output not exceeding 75 kVA	u	10%	-
85021200	--	Of an output exceeding 75 kVA but not exceeding 375 kVA	u	7.5%	-
850213	--	Of an output exceeding 375 kVA :			
85021310	---	Of an output exceeding 375 kVA but not exceeding 1,000 kVA	u	7.5%	-
85021320	---	Of an output exceeding 1,000 kVA but not exceeding 1,500 kVA	u	7.5%	-
85021330	---	Of an output exceeding 1,500 kVA but not exceeding 2,000 kVA	u	7.5%	-
85021340	---	Of an output exceeding 2,000 kVA but not exceeding 5,000 kVA	u	7.5%	-
85021350	---	Of an output exceeding 5,000 kVA but not exceeding 10,000 kVA	u	7.5%	-
85021360	---	Of an output exceeding 10,000 kVA	u	7.5%	-
850220	-	Generating sets with spark-ignition internal combustion piston engines:			
85022010	---	Electric portable generators of an output not exceeding 3.5 kVA	u	10%	-
85022090	---	Other	u	7.5%	-
	-	Other generating sets :			
85023100	--	Wind-powered	u	7.5%	-

850239	--	Other :			
85023910	---	Powered by steam engine	u	7.5%	-
85023920	---	Powered by water turbine	u	7.5%	-
85023990	---	Other	u	7.5%	-
85024000	-	Electric rotary converters	u	7.5%	-

8503		PARTS SUITABLE FOR USE SOLELY OR PRINCIPALLY WITH THE MACHINES OF HEADING 8501 OR 8502			
850300	-	Parts suitable for use solely or principally with the machines of heading 8501 or 8502:			
85030010	---	Parts of generator (AC or DC)	u	7.5%	-
	---	Parts of electric motor :			
85030021	---	Of DC motor	u	7.5%	-
85030029	---	Other	u	7.5%	-
85030090	---	Other	u	7.5%	-

8504		ELECTRICAL TRANSFORMERS, STATIC CONVERTERS (FOR EXAMPLE, RECTIFIERS) AND INDUCTORS			
850410	-	Ballasts for discharge lamps or tubes :			
85041010	---	Conventional type	u	7.5%	-
85041020	---	For compact fluorescent lamps	u	7.5%	-
85041090	---	Other	u	7.5%	-
	-	Liquid dielectric transformers:			
85042100	--	Having a power handling capacity not exceeding 650 kVA	u	10%	-
85042200	--	Having a power handling capacity exceeding 650 kVA but not exceeding 10,000 kVA	u	10%	-
850423	--	Having a power handling capacity exceeding 10,000 kVA:			
85042310	---	Having a power handling capacity exceeding 10,000 kVA but not exceeding 50,000 kVA	u	10%	-
85042320	---	Having a power handling capacity exceeding 50,000 kVA but not exceeding 1,00,000 kVA	u	10%	-

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85042330	---	Having a power handling capacity exceeding 1,00,000 kVA but not exceeding 2,50,000 kVA	u	10%	-
85042340	---	Having a power handling capacity exceeding 650 kVA but not exceeding 2,50,000 kVA	u	10%	-
	-	Other transformers:			
85043100	--	Having a power handling capacity not exceeding 1 kVA	U	10%	-
85043200	--	Having a power handling capacity exceeding 1 kVA but not exceeding 16 kVA	U	10%	-
85043300	--	Having a power handling capacity exceeding 16 kVA but not exceeding 500 kVA	U	10%	-
85043400	--	Having a power handling capacity exceeding 500 kVA	U	10%	-
850440	-	Static converters:			
85044010	---	Electric inverter	U	20%	-
	---	Rectifier :			
85044021	----	Dip bridge rectifier	u	20%	-
85044029	----	Other	u	20%	-
85044030	---	Battery chargers	u	20%	-
85044040	---	Voltage regulator and stabilizers (other than automatic)	u	20%	-
85044090	----	Other	u	20%	-
850450	-	Other inductors:			
85045010	----	Choke coils (chokes)	u	7.5%	-
85045090	----	Other	u	7.5%	-
850490	-	Parts :			
85049010	---	Of transformers	kg .	10%	-
85049090	---	Other	kg .	15%	-

The querist has also explained the working of the Wind Turbines to the undersigned. It is stated that the Wind Turbine Technology is based on the doubly-fed wind turbine converter, also known as a Doubly-Fed Induction Generator (DFIG) converter system. This technology allows for variable speed operation while utilizing a smaller and more cost-effective power converter that

operates solely on the rotor side. Also out of all the Wind Turbine Technology in India, present available technology of DFIG Technology is 95%.

A DFIG consists of a wound rotor three-phase induction machine. Unlike traditional induction generators, the rotor of a DFIG is not short-circuited but it is connected to the grid through an electric converter, referred to as a rotor-side (rotary) converter. This design is crucial for the efficient operation of wind turbines.

The electric rotary converter imported by the querist is specifically designed for the Wind Turbine as listed in Revised List of Model Manufacturers (RLMM) released by Ministry of New and Renewable Energy (MNRE) from time to time. The rotor current handling capabilities of this converter are custom-designed and manufactured exclusively for above referred wind turbines, making it unsuitable for use with for other wind turbine systems. The querist has supplied the Revised List of Model Manufacturers (RLMM) to the undersigned for perusal.

CONTENTIONS OF THE QUERIST

It is stated by the querist that as per Section Note 2 of the Customs Tariff Act, 1975, to Section XVI "MACHINERY AND MECHANICAL APPLIANCES; ELECTRICAL EQUIPMENT; PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS; AND PARTS AND ACCESSORIES OF SUCH ARTICLES" parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines the same falls under Chapter 8503. For ready reference Section Note 2 is reproduced below:

- W
- "2. Subject to Note 1 to this Section, note 1 to Chapter 84 and to Note 1 to Chapter 85, parts of machines (note being parts of the articles of heading 8484, 8544, 8545, 8546, or 8547) are to be classified according to the following rules:

- (a) parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 8409, 8431, 8448, 8466, 8473, 8487, 8503, 8522, 8529, 8538 and 8548) are in all cases to be classified in their respective headings.
- (b) other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 8479 or 8543) are to be classified with the machines of that kind or in heading 8409, 8431, 8448, 8466, 8473, 8522, 8529 or 8538 as appropriate.

However, parts which are equally suitable for use principally with the goods of headings 8517 and 8525 to 8528 are to be classified in heading 8517, and parts which are suitable for use solely or principally with the goods of heading 8524 are to be classified in heading 8529;
- (c) all other parts are to be classified in heading 8409, 8431, 8448, 8466, 8473, 8503, 8522, 8529 or 8538 as appropriate or, failing that, in heading 8487 or 8548."

The querist further states that the Central Board of Excise and Customs (Now Central Board of Indirect Tax & Customs) had, vide Circular No. 1008/15/2015-CX dated 20.10.2015 in para 3, clarified that generator is for part of Wind Operated Electricity Generators. Relevant portion of the circular is reproduced below:

- "3. Ministry of New and Renewable Energy had earlier clarified to CBEC on the subject that the following are parts of Wind Operated Electricity Generators.
- (i)
- (ii) Nacelle: which consists of gear-box, generator, yaw components, flexible couplings, brake hydraulics, brake calipers, sensors, nacelle plate, nacelle cover and other smaller components.
- (iii)
- (iv)"

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Thus, according to the querist, the goods imported by it i.e. Rotary Converter are doubly-fed wind turbine converter, which are also known as doubly-fed induction generator (DFIG) converter system and is a part of wind turbine system that enables its functioning to meet the required output.

The querist further states that India, being a power-deficient country, has always aimed to promote the generation of electricity through various sources, especially renewable energy. Consequently, it has been a consistent policy of the Government of India to encourage the use of renewable energy, and as a result thereof, parts of wind turbines have been granted the benefit of a lower rate of Custom Duty/Tax.

CONSIDERATION ON MERITS

The undersigned was forwarded the papers by the concerned officers of the querist and several points were discussed over telephone. The undersigned has perused the papers and prepared the present opinion.

The case of the querist is that it imports *Rotary Converter for Wind Turbine Generator* (WTG). This component was classified under tariff item 8502 40 00 based on supplier's invoice and country of origin certificate and clearing the same on payment of Basic Customs Duty [BCD] @ 7.50%. However, other similar businesses are importing *Static Converter* and classifying the same under tariff item 8504 40 90 and clearing it on payment of BCD @ 10% and 20%. These imported goods are clearly different from what is imported by the querist. This aspect finds force in the tabular form incorporated by the querist in the case for opinion and is reproduced hereinabove for reference.

The querist appears to be correct in submitting that while tariff item 8502 40 00 covers electric *rotary converter*, 8503 00 10 covers *parts of generator (AC or DC)* and tariff item 8504 40 90 covers *static converter*. This aspect can be clearly seen from the entire classification of similar items in the tabular form above.

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From the plain reading of the above, it appears that the imported goods viz. Rotary Converter are doubly-fed wind turbine converter, also known as a doubly-fed induction generator (DFIG) converter system, and is a part of wind turbine system that enables variable speed operation and to comply with the grid requirements as stipulated by CEA India Guidelines. Thus, in my considered view the goods imported by the querist are parts of Wind Turbine and therefore classifiable under tariff item 8503 00 10 attracting BCD @ 7.5% and neither under tariff item 850240 00 nor 850440 90.

The undersigned is of the opinion that as and when the question is raised by the concerned Customs Authorities on the classification, the querist will be able to convince the Authorities that it is importing Rotary Converter which is classified differently from Static Converter. However, if Custom Department is not convinced about the same, the querist has a good case to contest before any appropriate Court or Tribunal that goods imported by it fall under tariff item 850300 10 attracting BCD @ 7.5%.

CONCLUSION

From what is discussed hereinabove, the query of the querist can be answered thus:

The component imported by the querist Adani New Industries Ltd. i.e. Rotary Converter, is a part of the Wind Turbine Generator (WTG) which is used in Wind Turbine Generator (WTG) and falls under tariff item 850300 10 of the First Schedule to the Customs Tariff Act, 1975 and attracts Basic Customs Duty @ 7.5%.

Place: Ahmedabad.
Date: 27-01-2025.


(C.K. Thakker)
Former Judge,
Supreme Court of India.

To,
DIRECTORATE OF REVENUE INTELLIGENCE
Hyderabad Zonal Unit.

Dear Sir,

Sub.: Reply to the SUMMONS received for inquiry in connection with import of certain goods by M/S Adani New Industries Limited.

Ref.: Summons dated 26.11.2024 bearing DIN: 202411DDZ50000015484

We are in receipt of Summons dated 26.11.2024 directing us to submit relevant documents mentioned therein.

In this context, we would like to submit that in compliance to the direction we are filing requisite documents.

We would further like to submit that as per Section Note 2 to Section XVI "MCHINERY AND MECHANICAL APPLIANCES; ELECTRICAL EQUIPMENT; PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS; AND PARTS AND ACCESSORIES OF SUCH ARTICLES" parts if suitable for use solely or principally with a particular kind of machine, or with a number of machines the same falls under Chapter 8503. For ease of reference Section Note 2 is reproduced below:

2. Subject to Note 1 to this Section, note 1 to Chapter 84 and to Note 1 to Chapter 85, parts of machines (note being parts of the articles of heading 8484, 8544, 8545, 8546, or 8547) are to be classified according to the following rules:

- (a) parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 8409, 8431, 8448, 8466, 8473, 8487, 8503, 8522, 8529, 8538 and 8548) are in all cases to be classified in their respective headings.
- (b) other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 8479 or 8543) are to be classified with the machines of that kind or in heading 8409, 8431, 8448, 8466, 8473, 8522, 8529 or 8538 as appropriate.

However, parts which are equally suitable for use principally with the goods of headings 8517 and 8525 to 8528 are to be classified in heading 8517, and parts which are suitable for use solely or principally with the goods of heading 8524 are to be classified in heading 8529;

- (c) all other parts are to be classified in heading 8409, 8431, 8448, 8466, 8473, 8503, 8522, 8529 or 8538 as appropriate or, failing that, in heading 8487 or 8548.

Further, Central Board of Excise and Customs (Now Central Board of Indirect Tax & Customs) vide Circular No. 1008/15/2015-CX dated 20.10.2015 in para 3 clarified for part of Wind Operated Electricity Generators. For ease of reference relevant portion is reproduced below:

ADANI NEW INDUSTRIES LIMITED
(Formerly known as MUNDRA WINDTECH LIMITED)
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S G Highway,
Khodiyar, Ahmedabad - 382 421
Gujarat, India
CIN: U40106GJ2021PLC123109

Tel +91 79 2555 5555
Fax +91 79 2555 5500
info@adani.com



Registered Office: Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle,
S. G. Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, India

3. The Ministry of New and Renewable Energy had earlier clarified to CBEC on the subject that the follow are parts of Wind Operated Electricity Generators.

- (i)
- (ii) Nacelle: which consists of gear-box, generator, yaw components, flexible couplings, brake hydraulics, brake calipers, sensors, nacelle plate, nacelle cover and other smaller components.
- (iii)
- (iv)

In view of the above, it is humbly submitted that the imported goods are doubly-fed wind turbine converter, also known as a doubly-fed induction generator (DFIG) converter system, is a part of wind turbine system that enables variable speed operation while using a smaller and more cost-effective power converter. Thus, is correctly classifiable under Chapter 8503 attracting duty @ 7.5%. Since, we have paid the duty @ 7.5 % by classifying the same under Chapter 8502, hence, there is no shortfall in payment of customs duty.

We hereby also provide below supporting documents for your ready reference.

1. Converter of Wind Turbine Generator (WTG)
2. Functioning of converter of Wind Turbine Generator
3. Components of converter of Wind Turbine Generator

We appreciate your attention to this matter and look forward to your positive response.

Thanking you.

For Adani New Industries Limited



Authorized Signatory

Enclosure:

1. Converter of Wind Turbine Generator (WTG)
2. Functioning of converter of Wind Turbine Generator
3. Components of converter of Wind Turbine Generator

ADANI NEW INDUSTRIES LIMITED
(Formerly known as MUNDRA WINDTECH LIMITED)
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Tel +91 79 2555 5555
Fax +91 79 2555 5500
info@adani.com

Registered Office: Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle,
S. G. Highway, Khodiyar, Ahmedabad - 382 421, Gujarat, India

1. Converter of Wind Turbine Generator

The doubly-fed wind turbine converter, also known as a doubly-fed induction generator (DFIG) converter system, is a type of wind turbine system that enables variable speed operation while using a smaller and more cost-effective power converter.

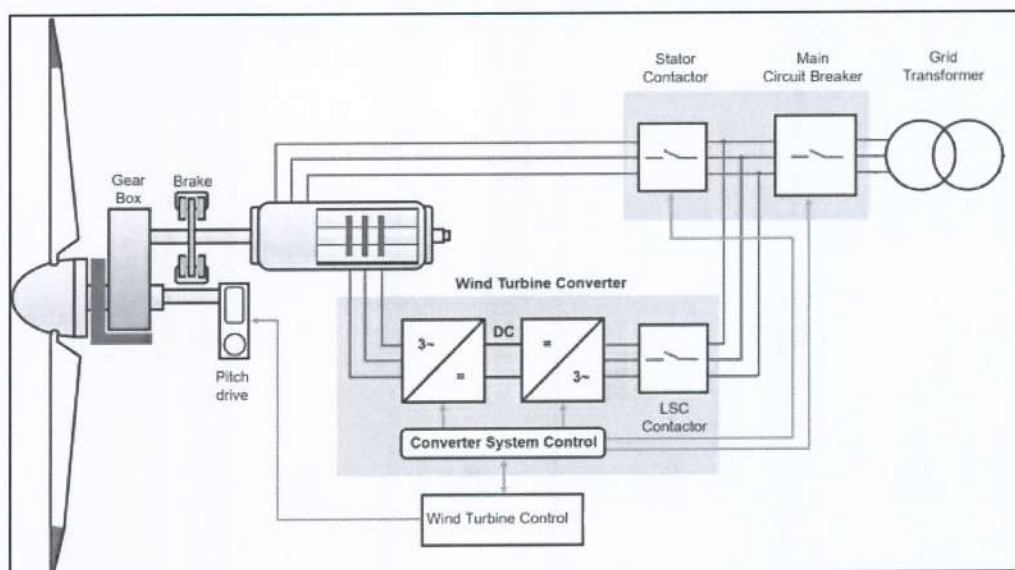
2. Functioning of Converter of Wind Turbine Generator

The converter comprises two parts:

- One part is connected to the rotor windings and controls the rotor current.
- The other part is connected to the grid and maintains a constant voltage at the point of common coupling (PCC).

Control of Active and Reactive Power: By controlling both line side converter and rotor side converter, the active and reactive power of the wind turbine system can be controlled independently. This allows the DFIG to:

- Generate or consume reactive power to support grid voltage and improve power factor.
- Mitigate the impact of wind speed variations on the grid by controlling the power output.



Variable Speed Operation: The DFIG can operate at speeds above or below the synchronous speed of the generator, as well as at the synchronous speed itself. This is achieved by controlling the rotor frequency through the rotor-side converter part, which allows the turbine to capture the maximum energy from the wind over a wider range of wind speeds.

Grid Connection: The stator windings of the DFIG are directly connected to the grid with Main circuit breaker, and the generator operates as a grid-following device. The grid side converter part ensures that the grid voltage remains stable and that any imbalance between the power generated by the stator and the power consumed by the rotor is handled.

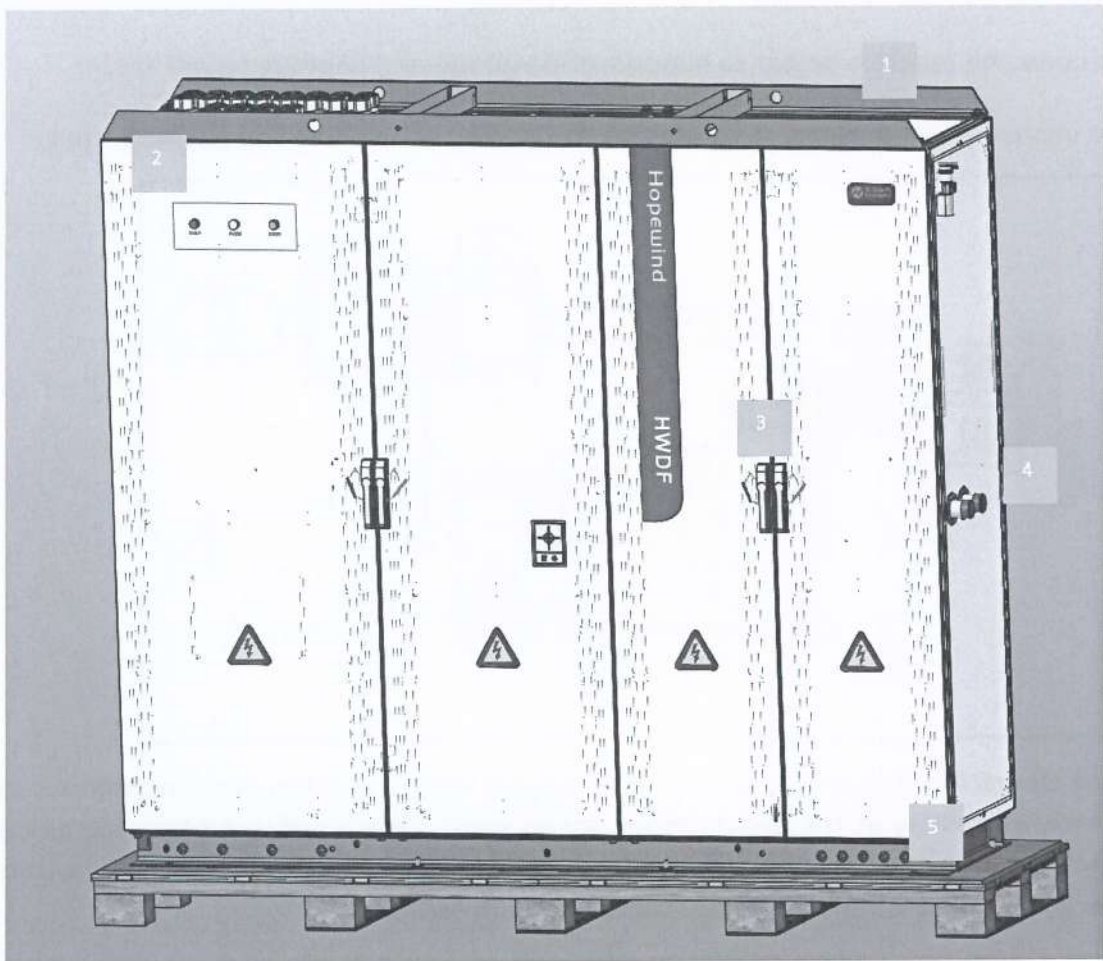
Power Flow: Under normal operation, the mechanical power from the wind turbine drives the rotor, which in turn generates electrical power in the stator. The rotor side converter part then controls the power flow between the rotor and the grid by adjusting the rotor current which is approx. 25 to 30 % of the nominal power capacity of the Wind Turbine Generator.

Efficiency and Reliability: The DFIG system is more efficient than fixed-speed generators because it can operate at the optimal speed for the prevailing wind conditions. Additionally, the smaller size of the converters reduces the overall system cost and increases reliability.

In summary, the doubly-fed wind turbine converter operates by controlling the rotor current, which allows for variable speed operation, independent control of active and reactive power, and improved efficiency and grid performance.

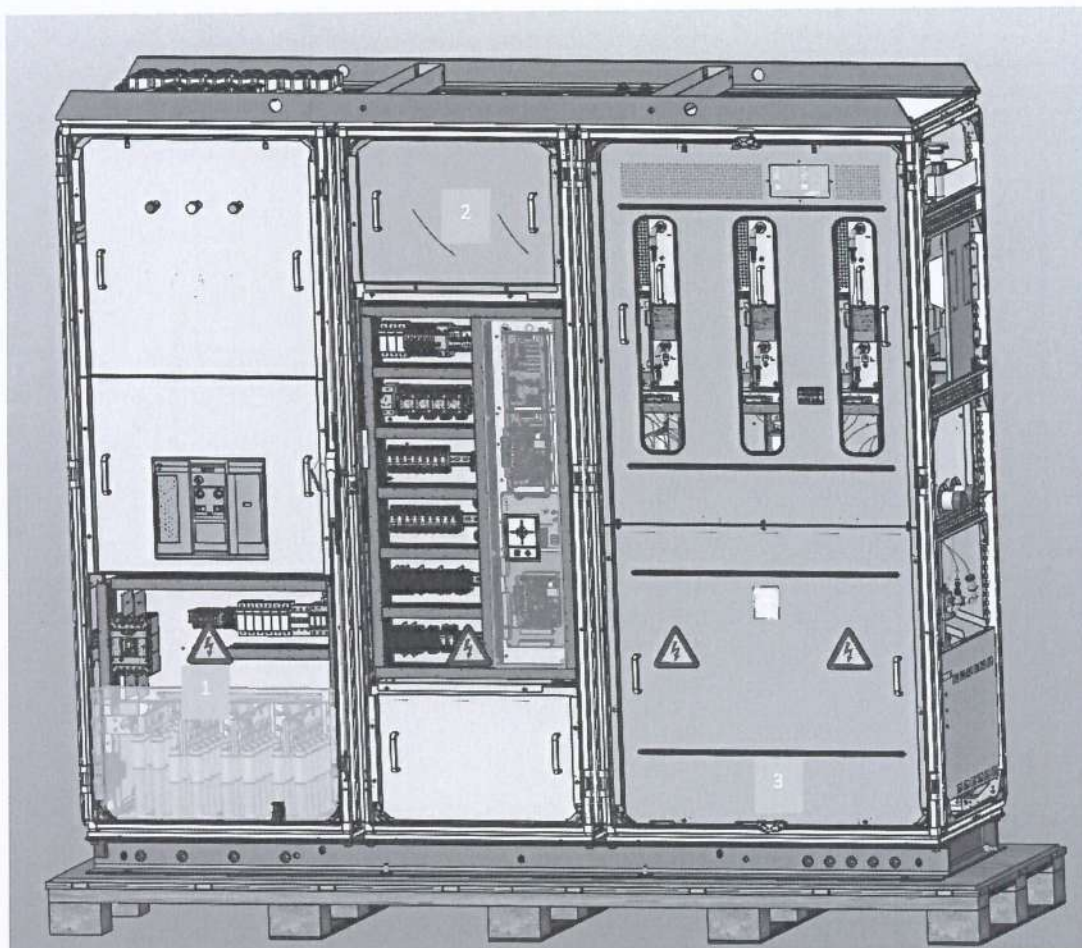
3. Components of Converter of Wind Turbine Generator

External



1	Top Beam	4	Main Pipe
2	Indicator Lights	5	Base
3	Door Handle		

Internal:



1	Grid Section
2	Control Section
3	Rotor Circuit

F.No.201/08/2015-CX.6
Government of India
Ministry of Finance, Department of Revenue
Central Board of Excise and Customs
New Delhi

Dated, the 20th October, 2015

To
Principal Chief Commissioner / Chief Commissioner of Central Excise (All),
Principal Commissioner of Central Excise / Commissioner of Central Excise (All),
Web-master, CBEC
Madam/sir,

Subject: - Clarification regarding tower and blades constitute an essential component of Wind Operated Electricity Generators (WOEG)-reg.

A large number of references have been received from the trade as well as the field formations to clarify whether exemption Notification No. 12/2012-Central Excise, dated 17.03.2012 covers part/components of Wind Operated Electricity Generators (WOEG). References have been received in relation to tower, tower doors, blades and electrical boxes.

2. The matter has been examined. In the aforesaid notification serial no. 332 read with List 8 exempts Wind operated electricity generator, its component and parts thereof including rotor and wind turbine controller from Central Excise duty. In this regard, attention is invited to the judgement of Honble Supreme Court dated 13th August, 2015 in case of M/s Gemini Instratech Vs Commissioner of Central Excise, Nashik in Civil Appeal No. 1218 of 2006, wherein Honble Apex Court (while deciding the eligibility of wind mill doors and electrical boxes of WOEG for exemption) has held that-

"It is not in dispute that as far as windmill doors or tower doors are concerned, it is a safety device which is used as security for high voltage equipments fitted inside the tower, preventing unauthorized access and preventing entries of reptiles, insects, etc, inside the tower. This, according to us, would be sufficient to make it part of electricity generator. We further find that this was so held by the Commissioner of Central Excise and Customs, Raipur in orderinoriginal dated 28.02.2005 as well as by the Commissioner (Appeals), Raipur vide his orders dated 10.02.2003. The said orders were accepted by the Revenue as it is recorded by the CESTAT that the Revenue could not produce any evidence to show that those orders were challenged by it. Further, since the tower is held as part of the generator, door thereof has to be necessarily a part of the generator. We, therefore, are of opinion that there is no case of interference made out by the Department.

The appeal is accordingly dismissed"

3. Ministry of New and Renewable Energy had earlier clarified to CBEC on the subject that the following are parts of Wind Operated Electricity Generators.

i) Tower: which supports the nacelle and rotor assembly of a wind operated electricity generator.

ii) Nacelle: which consists of gear-box, generator, yaw components, flexible couplings, brake hydraulics, brake calipers, sensors, nacelle plate, nacelle cover and other smaller components.

iii) Rotor: consists of blades, hub, nosecone, main shaft, special bearings.

iv) Wind turbine controller, nacelle controller and control cables.

4. In view of the judgement of Honble Supreme Court and clarification received from the administrative ministry, parts/components referred in Para 3 above may be treated as parts and components of wind operated electricity generators eligible for exemption under serial no. 332 of Notification No. 12/2012-Central Excise, dated 17.03.2012.

5. For any clarification regarding parts and component of WOEG, not covered in para 3 above, opinion of Ministry of New and Renewable Energy would be sought by the Board, if required. Issues relating to exemption of parts and components of WOEG not covered in para 3 above may be referred to Board through the Chief Commissioner concerned, if required.

6. Difficulty experienced, if any, in implementing the circular should be brought to the notice of the Board. Hindi version would follow.

(Santosh Kumar Mishra)
Under Secretary to the Government of India

ANNEXURE-H (LIST OF BES IN R/O IMPORT OF CONVERTERS UNDER CTI 85024000 BY ADANI NEW INDUSTRIES LIMITED (IEC-AAOCM6584A))																										
Sr.No.	CUSTOM HOUSE CODE	BE NUMBER	BE DATE	COUNT RY OF ORIGIN	SUPPLIER NAME	ITEM DESCRIPTION	CTH	ITEM WISEASS VALUE	DUTY	BCD_R TA	BCD_AMT	SCD_RT A	SCD_AMT	IGST_AMT	IGST_ASS_VAL	IGST_R TA	BCD Payable	SCD Payable	IGST Payable	BCD Paid	SCD Paid	IGST Paid	Diff BCD Payable	Diff SCD Payable	Diff IGST Payable	Diff Total Amount Payable
1	INMUN1	7787271	12-09-2023	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR - SPECIFICATIONS AS PER INVOICE	85024000	101921583.4	28267951.2	7.5	7644118.8	10	764411.9	19859420.5	110330114.1	18	10192158.34	1019215.83	20363932.37	7644118.76	764411.88	19859420.5	2548039.59	254803.96	504511.87	3307355.41
2	INMUN1	7787271	12-09-2023	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR - SPECIFICATIONS AS PER INVOICE	85024000	101921583.4	28267951.2	7.5	7644118.8	10	764411.9	19859420.5	110330114.1	18	10192158.34	1019215.83	20363932.37	7644118.76	764411.88	19859420.5	2548039.59	254803.96	504511.87	3307355.41
3	INMUN1	8001831	25-09-2023	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR - SPECIFICATIONS AS PER INVOICE	85024000	45835221.84	12712398.8	7.5	3437641.6	10	343764.2	8930993	49616627.64	18	4583522.18	458352.22	9157877.32	3437641.64	343764.16	8930993	1145880.55	114588.05	226884.32	1487352.92
4	INMUN1	9651034	13-01-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR - SPECIFICATIONS AS PER INVOICE	85024000	39762130.62	8445476.6	7.5	2982159.8	10	298216	5165100.8	43042506.4	12	3976213.06	397621.31	5296315.80	2982159.80	298215.98	5165100.8	994053.27	99405.33	131215.00	1224673.59
5	INMUN1	9990416	05-02-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR - SPECIFICATIONS AS PER INVOICE	85024000	21843782.19	4639619.4	7.5	1638283.7	10	163828.4	2837507.3	23645894.22	12	2184378.22	218437.82	2909591.79	1638283.66	163828.37	2837507.3	546094.55	54609.46	72084.49	672788.50
6	INMUN1	9990416	05-02-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR - SPECIFICATIONS AS PER INVOICE	85024000	21843782.19	4639619.4	7.5	1638283.7	10	163828.4	2837507.3	23645894.22	12	2184378.22	218437.82	2909591.79	1638283.66	163828.37	2837507.3	546094.55	54609.46	72084.49	672788.50
7	INMUN1	9990416	05-02-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR - SPECIFICATIONS AS PER INVOICE	85024000	90541331.69	19230978.9	7.5	6790599.9	10	679060	11761319	98010991.55	12	9054133.17	905413.32	12060105.38	6790599.88	679059.99	11761319	2263533.29	226353.33	298786.38	2788673.00
8	INMUN1	9990416	05-02-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR - SPECIFICATIONS AS PER INVOICE	85024000	90541331.69	19230978.9	7.5	6790599.9	10	679060	11761319	98010991.55	12	9054133.17	905413.32	12060105.38	6790599.88	679059.99	11761319	2263533.29	226353.33	298786.38	2788673.00
9	INBOM4	3219154	26-04-2024	CN	VERTIV NEW ENERGY CO., LTD	PART OF WIND OPERATED ELECTRICITY GENERATOR(WTG)CONVERTER,WIND POWER,WFI9LR1Z,ADANI 5.25MW(OTH DTLS AS PER INV)	85024000	6320292.37	1342430.1	7.5	474021.9	10	47402.2	821006	6841716.49	12	632029.24	63202.92	841862.94	474021.93	47402.19	821006	158007.31	15800.73	20856.94	194664.98
10	INMUN1	3323284	03-05-2024	CN	SHENZHEN HOPEWIND ENERGY CO. LTD	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (AS PER INV)	85024000	78280637.75	16626807.4	7.5	5871047.8	10	587104.8	10168654.8	84738790.36	12	7828063.78	782806.38	10426980.95	5871047.83	587104.78	10168654.8	1957015.94	195701.59	258326.15	2411043.69
11	INMUN1	3323284	03-05-2024	CN	SHENZHEN HOPEWIND ENERGY CO. LTD	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (AS PER INV)	85024000	78280637.75	16626807.4	7.5	5871047.8	10	587104.8	10168654.8	84738790.36	12	7828063.78	782806.38	10426980.95	5871047.83	587104.78	10168654.8	1957015.94	195701.59	258326.15	2411043.69
12	INMUN1	3830589	05-06-2024	CN	SHENZHEN HOPEWIND ENERGY CO. LTD	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (MODEL NO. HWDFT095250) (AS PER INV)	85024000	67097689.5	14251549.3	7.5	5032326.7	10	503232.7	8715989.9	72633248.88	12	6709768.95	670976.90	8937412.24	5032326.71	503232.67	8715989.9	1677442.24	167744.22	221422.34	2066608.80
13	INMUN1	4233630	28-06-2024	CN	SHENZHEN HOPEWIND ENERGY CO.,LTD.	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (AS PER INV)	85024000	123012430.8	26127840.3	7.5	9225932.3	10	922593.2	15979314.8	133160956.3	12	12301243.08	1230124.31	16385255.78	9225932.31	922593.23	15979314.8	3075310.77	307531.08	405940.98	3788782.82
14	INMUN1	4233630	28-06-2024	CN	SHENZHEN HOPEWIND ENERGY CO.,LTD.	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (AS PER INV)	85024000	123012430.8	26127840.3	7.5	9225932.3	10	922593.2	15979314.8	133160956.3	12	12301243.08	1230124.31	16385255.78	9225932.31	922593.23	15979314.8	3075310.77	307531.08	405940.98	3788782.82
15	INMUN1	4547376	17-07-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (AS PER INV)	85024000	129820842.6	27573947	7.5	9736563.2	10	973656.3	16863727.5	140531062.1	12	12982084.26	1298208.43	17292136.23	9736563.20	973656.32	16863727.5	3245521.07	324552.11	428408.73	3998481.91

16	INMUN1	4547376	17-07-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (AS PER INV)	85024000	129820842.6	27573947	7.5	9736563.2	10	973656.3	16863727.5	140531062.1	12	12982084.26	1298208.43	17292136.23	9736563.20	973656.32	16863727.5	3245521.07	324552.11	428408.73	3998481.91
17	INMUN1	5405672	03-09-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (AS PER INV)	85024000	86632581.2	18400760.3	7.5	6497443.6	10	649744.4	11253572.3	93779769.15	12	8663258.12	866325.81	11539459.82	6497443.59	649744.36	11253572.3	2165814.53	216581.45	285887.52	2668283.50
18	INMUN1	5405672	03-09-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (AS PER INV)	85024000	86632581.2	18400760.3	7.5	6497443.6	10	649744.4	11253572.3	93779769.15	12	8663258.12	866325.81	11539459.82	6497443.59	649744.36	11253572.3	2165814.53	216581.45	285887.52	2668283.50
19	INMUN1	5405673	03-09-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (AS PER INV)	85024000	42719195	9073557	7.5	3203939.6	10	320394	5549223.4	46243528.59	12	4271919.50	427191.95	5690196.77	3203939.63	320393.96	5549223.4	1067979.88	106797.99	140973.37	1315751.24
20	INMUN1	6312122	24-10-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	SUPPLY OF 16 NOS. OF CONVERTER WITH RATED CAPACITY OF 5.25MWFOR WIND TURBINE GENERATOR (WTG) (HWDFT0955250) AS PER INV	85024000	87002902.77	18479416.6	7.5	6525217.7	10	652521.8	11301677.1	94180642.25	12	8700290.28	870029.03	11588786.65	6525217.71	652521.77	11301677.1	2175072.57	217507.26	287109.55	2679689.38
21	INMUN1	6312122	24-10-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	SUPPLY OF 16 NOS. OF CONVERTER WITH RATED CAPACITY OF 5.25MWFOR WIND TURBINE GENERATOR (WTG) (HWDFT0955250) AS PER INV	85024000	87002902.77	18479416.6	7.5	6525217.7	10	652521.8	11301677.1	94180642.25	12	8700290.28	870029.03	11588786.65	6525217.71	652521.77	11301677.1	2175072.57	217507.26	287109.55	2679689.38
22	INMUN1	6657616	13-11-2024	CN	SHENZHEN HOPEWIND ENERGY CO., LTD.	SUPPLY OF 12 NOS. OF CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG) (AS PER INV)	85024000	43649529.32	9271160.1	7.5	3273714.7	10	327371.5	5670073.9	47250615.49	12	4364952.93	436495.29	5814117.31	3273714.70	327371.47	5670073.9	1091238.23	109123.82	144043.41	1344405.46
23	INMUN1	7270610	16-12-2024	CN	SHENZHEN HOPEWIND ENERGY CO. LTD	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR(WTG). AS PER INV AND PL	85024000	21964339.77	4665225.7	7.5	1647325.5	10	164732.5	2853167.7	23776397.8	12	2196433.98	219643.40	2925650.06	1647325.48	164732.55	2853167.7	549108.49	54910.85	72482.36	676501.70
24	INMUN1	7272912	16-12-2024	CN	SHENZHEN HOPEWIND ENERGY CO. LTD	18 NOS. OF CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WINDTURBINE GENERATOR(WTG) AS PER INV AND PKL	85024000	43065138.53	9147035.4	7.5	3229885.4	10	322988.5	5594161.5	46618012.46	12	4306513.85	430651.39	5736276.45	3229885.39	322988.54	5594161.5	1076628.46	107662.85	142114.95	1326406.26
25	INMUN1	7274267	16-12-2024	CN	SHENZHEN HOPEWIND ENERGY CO. LTD	12 NOS. OF CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WINDTURBINE GENERATOR(WTG). AS PER PO NO; 5330000139	85024000	65890781.95	13995202.1	7.5	4941808.6	10	494180.9	8559212.6	71326771.46	12	6589078.20	658907.82	8776652.16	4941808.65	494180.86	8559212.6	1647269.55	164726.95	217439.56	2029436.06
26	INMUN1	7886581	20-01-2025	CN	SHENZHEN HOPE WIND ENERGY CO., LTD.	CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR. AS PER INV AND PL. MODEL NO.HWDFT0955250	85024000	54766902	11632490.1	7.5	4107517.7	10	410751.8	7114220.6	59285171.42	12	5476690.20	547669.02	7294951.35	4107517.65	410751.77	7114220.6	1369172.55	136917.26	180730.75	1686820.55
27	INMUN1	7887030	20-01-2025	CN	SHENZHEN HOPWIND ENERGY CO. LTD	CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR (WTG) AS PER INV AND PL. MODEL NO.HWDPT0955250	85024000	32919369	6992074	7.5	2468952.7	10	246895.3	4276226	35635216.94	12	3291936.90	329193.69	4384859.95	2468952.68	246895.27	4276226	822984.23	82298.42	108633.95	1013916.60
26	INMUN1	7984931	24-01-2025	CN	SHENZHEN HOPEWIND ENERGY CO., LTD	24 NOS OF CONVERTER WITH RATED CAPACITY OF 5.2MW FOR WIND TURBINE GENERATOR (WTG)	85024000	43895395	9323381.9	7.5	3292154.6	10	329215.5	5702011.8	47516765.09	12	4389539.50	438953.95	5846866.61	3292154.63	329215.46	5702011.8	1097384.88	109738.49	144854.81	1351978.18
29	INMUN1	8170344	04-02-2025	CN	SHENZHEN HOPEWIND ENERGY CO LTD	SUPPLY OF CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR (WTG) MODEL NO.HWDFT0955250	85024000	54819162	11643590	7.5	4111437.2	10	411143.7	7121009.1	59341742.87	12	5481916.20	548191.62	7301912.38	4111437.15	411143.72	7121009.1	1370479.05	137047.91	180903.28	1688430.23
30	INMUN1	8459384	20-02-2025	CN	SHENZHEN HOPEWIND ENERGY CO, LTD	SUPPLY OF CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR (WTG)	85024000	116747177	24797100.4	7.5	8756038.3	10	875603.8	15165458.3	126378819.1	12	11674717.70	1167471.77	15550723.98	8756038.28	875603.83	15165458.3	2918679.43	291867.94	385265.68	3595813.04
31	INMUN1	8459384	20-02-2025	CN	SHENZHEN HOPEWIND ENERGY CO, LTD	SUPPLY OF CONVERTER WITH RATED CAPACITY OF 5.25MW FOR WIND TURBINE GENERATOR (WTG)	85024000	116747177	24797100.4	7.5	8756038.3	10	875603.8	15165458.3	126378819.1	12	11674717.70	1167471.77	15550723.98	8756038.28	875603.83	15165458.3	2918679.43	291867.94	385265.68	3595813.04

32	INMUN1	8567121	26-02-2025	CN	SUNGROW POWER SUPPLY COMPANY LTD	SUPPLY OF CONVERTER FOR WIND TURBINE GENERATOR (WTG)	85024000	9675309.5	2055035.7	7.5	725648.2	10	72564.8	1256822.7	10473522.53	12	967530.95	96753.10	1288751.23	725648.21	72564.82	1256822.7	241882.74	24188.27	31928.53	297999.54
33	INMUN1	9409467	10-04-2025	CN	SHENZHEN HOPEWIND ENERGY CO. LTD.	CONVERTER WITH RATED CAPACITY OF 5.2 MW FOR WIND TURBINE GENERATOR(WTG)	85024000	64138400	13622996.2	7.5	4810380	10	481038	8331578.2	69429818	12	6413840.00	641384.00	8543234.88	4810380.00	481038.00	8331578.2	1603460.00	160346.00	211656.68	1975462.68
34	INMUN1	9468402	13-04-2025	CN	SUNGROW POWER SUPPLY CO., LTD.	CONVERTER FOR WIND TURBINE GENERATOR (WTG)	85024000	18363721	3900454.4	7.5	1377279.1	10	137727.9	2385447.4	19878727.98	12	1836372.10	183637.21	2446047.64	1377279.08	137727.91	2385447.4	459093.03	45909.30	60600.24	565602.56
35	INMUN1	9583002	19-04-2025	CN	SHENZHEN HOPEWIND ENERGY CO.,LTD	CONVERTER WITH RATED CAPACITY OF 5.25 MW FOR WIND TURBINE GENERATOR (WTG)	85024000	5491433	1166380.4	7.5	411857.5	10	41185.7	713337.2	5944476.22	12	549143.30	54914.33	731458.88	411857.48	41185.75	713337.2	137285.83	13728.58	18121.68	169136.08
36	INMUN1	9583058	19-04-2025	CN	SHENZHEN HOPEWIND ENERGY CO. LTD.	CONVERTER WITH RATED CAPACITY OF 5.2 MW FOR WIND TURBINE GENERATOR(WTG)	85024000	63613017.2	13511404.8	7.5	4770976.3	10	477097.6	8263330.9	68861091.12	12	6361301.72	636130.17	8473253.89	4770976.29	477097.63	8263330.9	1590325.43	159032.54	209922.99	1959280.96
37	INMUN1	9604723	20-04-2025	CN	SUNGROW POWER SUPPLY CO., LTD.	CONVERTER ALONG WITH PARTS FOR WIND TURBINE GENERATOR (WTG)	85024000	18323761	3891966.9	7.5	1374282.1	10	137428.2	2380256.6	19835471.28	12	1832376.10	183237.61	2440724.97	1374282.08	137428.21	2380256.6	458094.03	45809.40	60468.37	564371.79
38	INMUN1	9604723	20-04-2025	CN	SUNGROW POWER SUPPLY CO., LTD.	CONVERTER ALONG WITH PARTS FOR WIND TURBINE GENERATOR (WTG)	85024000	18323761	3891966.9	7.5	1374282.1	10	137428.2	2380256.6	19835471.28	12	1832376.10	183237.61	2440724.97	1374282.08	137428.21	2380256.6	458094.03	45809.40	60468.37	564371.79
39	INMUN1	2430393	03-06-2025	CN	SHENZHEN HOPEWIND ENERGY CO.,LTD	CONVERTER WITH RATED CAPACITY OF 5.2 MW FOR WIND TURBINE GENERATOR (WTG)	85024000	131948755.1	28025915.6	7.5	9896156.6	10	989615.7	17140143.3	150078514.1	12	13194875.51	1319487.55	17575574.18	9896156.63	989615.66	17140143.3	3298718.88	329871.89	435430.88	4064021.64
40	INMUN1	3176352	10-07-2025	CN	SHENZHEN HOPEWIND ENERGY CO.,LTD	CONVERTER WITH RATED CAPACITY OF 5.2 MW FOR WIND TURBINE GENERATOR (WTG)	85024000	129559444.6	27518426	7.5	9716958.3	10	971695.8	16829771.9	147360912.3	12	12955944.46	1295594.45	17257318.02	9716958.35	971695.83	16829771.9	3238986.12	323898.61	427546.12	3990430.85
41	INMUN1	3458811	24-07-2025	CN	SHENZHEN HOPEWIND ENERGY CO. LTD.	CONVERTER WITH RATED CAPACITY OF 5.2 MW FOR WIND TURBINE GENERATOR (WTG)	85024000	130629590.2	27745725	7.5	9797219.3	10	979721.9	16968783.8	148578095.9	12	13062959.02	1306295.90	17399861.41	9797219.27	979721.93	16968783.8	3265739.76	326573.98	431077.61	4023391.35
42	INMUN1	4403524	09-09-2025	CN	SUNGROW POWER SUPPLY CO., LTD.	CONVERTER FOR WIND TURBINE GENERATOR (WTG)	85024000	62102597.4	13190591.7	7.5	4657694.8	10	465769.5	8067127.4	70635494.28	12	6210259.74	621025.97	8272065.97	4657694.81	465769.48	8067127.4	1552564.94	155256.49	204938.57	1912760.00
								2,88,64,81,475.63								28,86,48,147.56	2,88,64,814.76	40,11,07,913.24	21,64,86,110.67	2,16,48,611.07	39,11,70,555.50	7,21,62,036.89	72,16,203.69	99,37,357.74	8,93,15,598.32	