



प्रधान मुख्य आयुक्त सीमा शुल्क का कार्यालय,
OFFICE OF THE PR. CHIEF COMMISSIONER OF CUSTOMS
 मुंबई जोन -I, दूसरी मंजिल, नवीन सीमा शुल्क भवन, बेलार्ड इस्टेट
MUMBAI ZONE-I, 2nd FLOOR, NEW CUSTOM HOUSE
BALLARD ESTATE, मुंबई/ MUMBAI- 400 001
Email: ccu-cusmum1@nic.in

F. No.CCCO/TECH/376/2023-TECH

19-07-2024

MINUTES OF THE NINTH MEETING OF NATIONAL ASSESSMENT' CENTRE
- 'AUTOMOBILE AND INSTRUMENTS & MISCELLANEOUS PRODUCTS'
HELD ON 16.07.2024 AT 11.00 AM

The ninth review meeting of the re-organized NAC-‘Automobile and Instruments & Miscellaneous Products’ was conducted via online mode under the Chairmanship of Shri Pramod Kumar Agrawal, Principal Chief Commissioner of Customs, Mumbai Zone-I, being Convenor of NAC (Automobile and Instruments & Miscellaneous Products), with the Nodal Pr. Commissioners/Commissioners of Customs on 16.07.2024 at 11.00 AM.

2. The following members of NAC – ‘Automobile and Instruments & Miscellaneous Products’ and officers have attended the meeting:

Sr. No.	Name of the Nodal Officers of NAC (Shri/Ms.)	Designation & Zone
		Prasad
1	Ataur Rehman	Commissioner, Kolkata
2	Yashodhan Wanage	Commissioner, Pune
3	Vashishtha Chaudhary	Commissioner, Delhi
4	Sonal Bajaj	Commissioner, Mumbai Zone-II
5	K. S. V. V. Prasad	Commissioner, Chennai
6	Vivek Pandey	Commissioner, Mumbai Zone-I
7	G. Shiril Saroj	Commissioner, Mumbai Zone-III
8	Hemlata Rai	Additional Commissioner, PCCO, Mumbai Zone-I
9	Harkirpal Khatana	Additional Commissioner, Jamnagar
10	Vamshi Krishna	Additional Commissioner, Bengaluru
11	Mallinath Jeure	Additional Commissioner, Mumbai Zone-I

12	P.Senthil Kumar,	Additional Commissioner, Cochin
13	Yogesh Loke	Joint Commissioner, NCTC, Mumbai
14	Vivekananda Reddy	Joint Commissioner, Hyderabad
15	Nidhish Vinayak Singhal	Jt. Commissioner, Import-I, Mumbai Zone-I
16	Ajit U. Nair	Assistant Commissioner, PCCO, Mumbai Zone-I

3. At the outset, Shri Pramod Kumar Agrawal, Convenor and Pr. Chief Commissioner of Customs, Mumbai Zone-I welcomed all the Members of the NAC 'Automobile and Instruments & Miscellaneous Products' present in the web meeting. The Chair informed after the last NAC meeting held in April 2024, the ninth NAC meeting was postponed since no agenda points were received from the Nodal Pr.Commissioners/Commissioners during the intermittent period despite multiple reminders/emails forwarded to them. The Chair then commenced the meeting by examining the Action Taken Report with respect to the last NAC meeting.

3.1 The Chair noted that the Working Group (Valuation and Related Issues) is yet to submit the report regarding 25 risk prone commodities and valuation trend of top 50 items as per the minutes of the Member (Customs) Review Meeting held on 23.11.2023. The Chair informed that DG Systems had discussed the above mentioned reports during the meeting held on 15.07.2024 by the Member (IT, TPS & Technology), at New Custom House, Mumbai Zone-I. The Chair reiterated the importance of submission of said reports, highlighting its role in maintaining uniformity in valuation and classification in the NAC.

Shri Vashishtha Chaudhary, Commissioner, Delhi Customs informed that a list of 322 PLI products has already been compiled by the Working Group and parts of automobiles are majorly figuring in the said list. He further informed that 50 items have also been segregated out the said compiled list and shared with the members of the Working Group.

The Chair firmly directed the Working Group (Valuation and Related Issues) to submit both the reports on priority basis by the end of July 2024, after thorough discussion amongst the Working Group members and the Nodal Pr. Commissioners/Commissioners, alongwith the reasons for shortlisting the said goods.

3.2 The Chair pointed out that till date only Working Group E (Communication and Outreach for Departmental Officers and Trade) has shared a dedicated working group email- id. The Chair once again reiterated that all the Working Groups of the NAC are to submit dedicated email-ids, so as to facilitate the Nodal Members in sending the reports/issues directly to the concerned Working Group, who can then study the report/issue and submit a consolidated report and thus subsequently engage in a productive discussion during NAC meetings.

3.3 The Chair noted that the Audit observations (pertaining to Chapters 86 to 98) shared by Delhi, Mumbai and Chennai Audit Commissionerates have been circulated amongst all the Nodal Pr.Commissioners/Commissioners by the Office of the Convenor. The Chair also informed that similarly the Revenue Risk Reports issued by NCTC and the orders passed by CAAR, Mumbai are also being shared with all the Nodal Pr. Commissioners/Commissioners by the office of the Convenor.

The Chair further directed all the Nodal Pr.Commissioners/Commissioners to disseminate the judicial and other data relevant to Chapters 86 to 98 received by them to other Commissionerates in their Zone as well as with Members of the NAC. The Chair also informed the Nodal Pr. Commissioners/Commissioners that if they are not in agreement with the objections raised by Audit Commissionerates, the reasons for the same may be shared with Members of the NAC, so that the same can be included as agenda point in the next NAC meeting.

3.4 Before the eighth NAC Review Meeting dated 23.04.2024, Shri G. Shiril Saroj, Commissioner (Mumbai Zone-III) had submitted a report w.r.t. Bills of Entry pertaining to weapons (Chapter 93) which were directed/pushed to PAG. The Chair noted that a letter dated 13.05.2024 was issued to the Commissioner (ICD-PPG & Other ICDs) and Commissioner (NS-V, JNCH) to sensitize FAG officers in the light of Para 5.3.2 of CBIC instruction no.09/2020-Customs dated 05.06.2020 stipulating the scenarios wherein the BE can be pushed to PAG and adhere to the CBIC's directive. Ms. Hemlata Rai, Additional Commissioner, PCCO, Mumbai Zone-I, reiterated Para 5.3.2 of CBIC Instruction No.09/2020-Cus dated 05.06.2020 stipulating the scenarios wherein the Bill of Entry can be pushed to PAG mainly goods liable for confiscation under Section 111 of the Customs Act, 1962; related party transactions which require investigation and FAG unable to complete assessment despite multiple queries.

The Chair directed all the Nodal Pr. Commissioners/Commissioners to take note of the CBIC's direction.

4. The Chair then moved to the agenda point received from Kolkata regarding classification of goods broadly declared as 'Sky Lantern / Paper Sky Lantern' and invited Commissioner (Kolkata) to brief the Members of the meeting regarding the said issue.

4.1 Shri Ataur Rehman, Commissioner (Kolkata) informed that the issue was detected during Post Clearance Audit. The importers classified the goods 'Sky Lantern / Paper Sky Lantern' under Chapter 48 [CTI 48239090 (BCD@20% and IGST @18%)] as articles of 'Paper and Paperboard; articles of paper pulp, of paper or of paperboard' under, claiming exemption benefit under Sr. No.297A of the Notification No.50/2017-Cus dated 30.06.2017, resulting in concessional BCD duty @ 10%. He added that as per Rule 3(a) of the General Rules of Interpretation, the heading which provides the most specific

description shall be preferred to headings providing a more generic description. Therefore, the goods are correctly classifiable under Chapter 95 [CTI 95059090 (BCD@20% and IGST@18%)] under heading 'Festive, Carnival or Other Entertainment Articles, including Conjuring Tricks and Novelty Jokes'. He further informed that many importers have agreed to the PCA objection and discharged the differential duty and interest.

4.2 Shri Vivek Pandey, Commissioner, Mumbai Zone-I mentioned that there is a Ruling of US Customs, Ruling NY N244745 regarding the tariff classification of a Sky Lantern from China. In the said Ruling, the Sky Lanterns have been classified under 9505.90.4000, Harmonized Tariff Schedule of the United States (HTSUS).

4.3 The Chair appreciated the agenda point shared by Kolkata, emphasizing its importance for achieving uniform assessment. The Chair noted that as per Note 2(p) of the Chapter Notes of Chapter 48, articles of Chapter 95 are not covered under Chapter 48. The Chair also endorsed the PCA objection and acknowledged the recovery of differential duty and interest made by Kolkata. The Chair then directed the FAGs to classify the item 'Sky Lantern / Paper Sky Lantern' under CTI 95059090 only.

5. The Chair directed all the Pr. Commissioners/Commissioners to share Tribunal/Court judicial orders related to classification, valuation or exemption notifications, concerning goods covered under Chapters 86 to 98 to facilitate uniform assessment.

6. As there were no further points for discussion, the meeting ended with a vote of thanks.

This issues with the approval of Convenor of NAC (Automobile and Instruments & Miscellaneous Products) and Pr. Chief Commissioner of Customs, Mumbai Zone-I.

HEMLATA RAI

ADDITIONAL COMMISSIONER

Copy to:

1.The Under Secretary, Customs IV, CBIC, New Delhi.

2.All Nodal Pr. Commissioners/Commissioners of NAC (Automobile and Instruments & Miscellaneous Products).

3.EDI, NCH, for uploading the minutes on the website of Mumbai Customs Zone-I.

