



10.	Shri Rajiv Magoo	Addl. Commissioner, PCCO Mumbai Zone-I
11	Vamshi Krishna Reddy	Addl. Commissioner, Bengaluru Zone
12	Shri Mallinath Jeure	Addl. Commissioner, Mumbai Zone-I
13	Loknath Reddy	Addl. Commissioner, Chennai Zone
14	C. Thiagarajan	Addl Commissioner, Chennai ACC
15	Piyush Katiyar	Jt. Commissioner, Kolkata Zone
16	Amit Nikalje	Jt. Commissioner, Mumbai-I Zone
17	Manish Yadav	Deputy Commissioner, Mumbai-I Zone
18	Tikendra Kumar Kripal	Deputy Commissioner, Mumbai-I Zone

3. At the outset, Shri Pramod Kumar Agrawal, Convenor and Pr. Chief Commissioner of Customs, Mumbai Zone-I welcomed the Members of the re-organized NAC (Automobile and Instruments & Miscellaneous Products) present in the web meeting. The Chairman briefed the Members regarding the first meeting after re-organization of NAC which was held on 27.06.2023 and Minutes of the said meeting. It was further confirmed that the Minutes of the earlier NAC 5B and NAC 6 Meetings were circulated among all the Members. The Chair then informed the Members, that in accordance with the instructions of the Hon'ble Chairman, three formats have also been circulated vide letter dated 25.08.2023 to all the FAGs w.r.t. valuation, classification and good practices, and directed that all the respective Nodal Principal Commissioners/Commissioners should forward the requisite reports to the designated Working Groups by 10<sup>th</sup> of the subsequent month and the Working Group shall in turn forward a consolidated report to the NAC Convenor, i.e the Principal Chief Commissioner, Mumbai Zone-I.

4. As directed by the Chair, Shri Ravindra Kumar Singh, Commissioner (in situ) then made a short briefing of the pending points with respect to the previous NAC Meeting held on 27.06.2023, as detailed below.

i. The Import Commissioner, Mumbai Zone-I had raised an agenda point regarding enormous delay in clearance of high-end cars by manufacturers like Skoda, Mercedes Benz, Jaguar etc. due to first check examination orders being endorsed by various FAGs. Since the subject two Bills of Entry were assessed on First Check at Garhi Harsaru ICD, Delhi Zone, the Chairman brought this to the notice of Nodal Commissioner, Delhi Zone to look into the matter and submit a detailed report. Shri Vashistha Chaudhary, Commissioner, Delhi Zone informed that they have already submitted the report and reiterated w.r.t. 02 Bills of Entry nos. 6417471 and 6414625 dated 15.06.2023, the RMS instructions itself were to verify the admissibility of the Notification as against the description of the goods, to get the goods examined with respect to nature of goods i.e. CKD or SKD before finalizing the value. Further, he



also stated that Standard Examination Orders which were issued by the erstwhile NAC Group and sponsored by Chennai, also directed FAG Officers that first check to be carried out before completing the assessment by the officers. He stated due to these reasons the FAG had given first check orders.

Shri Vivek Pandey, Commissioner, Mumbai Zone-I informed that there is a disclaimer in the Standard Examination Order which had been circulated, wherein it states that "Please note that the Standard Examination template given above is only suggestive and the officers will have to mix and match the same depending on the nature of the goods and whether importer has already furnished the relevant documents in the e-sanchit or in reply to a query". He further informed that the said first check orders are more relevant in case of imports of cars in a small number by individuals etc. but in case of reputed manufacturers/OEMs importing cars in bulk numbers from the manufacturing countries being imported at Mumbai Zone-I, the first check examination order considerably increases the dwell time leading to major difficulties to respective importers. He further opined that instruction will be valid in cases where either a second-hand car is being imported or in CKD/SKD condition, then value can be finalized only after first check.

Shri Loknath Reddy, Addl. Commissioner, Chennai added that if the goods are imported directly from the manufacturer, first check examination is not warranted.

After the discussion above, the Chairman took a decision that Delhi Customs should refer matter to NCTC. It was further decided that such vague instructions may be avoided and such instructions shall be duly reviewed. The Chair also directed that in cases wherever manufacturer's invoice is available and there is no mention of CKD/SKD in the description of the goods, taking into consideration the disclaimer and policy condition of Chapter 87, the first check examination order should be completely avoided. In case, if there is any doubt w.r.t. value or any other aspect, FAGs will direct the concerned PAG to take care of the aspect under doubt during second check.

(ii) Classification of Car stereos (pertaining to erstwhile NAC of Automobile and Instruments Group): The issue of classification was raised regarding car stereos, since they now have multiple functions like Bluetooth, video/audio player, radio, LCD Monitor/Touch Screen, Satellite navigation system etc. The matter was under examination of erstwhile NAC Chennai and a committee was constituted to examine the matter. Comments were sought from other FAGs. In this regard comments were received from JNCH wherein it is opined that Car Stereos should be classified under RITC 8527 based on Boards clarification regarding Mobile phones having multiple

functions. The said comments received from JNCH have also been circulated amongst all Members. Chair requested the other Members to submit their views/comments by 10<sup>th</sup> of next month to the designated Working Group pertaining to Classification so that the matter w.r.t. classification of car stereos can be discussed and finalized in next NAC meeting. The Chair emphasized that majority of the decisions will be taken by the NAC and only on the Policy matters, clarification would be sought from Board as a last resort. Chair also directed to add Shri Vashistha Chaudhary, Commissioner, Delhi Zone in the Classification Working Group.

(iii) Classification of generic fans/blowers required for manufacture of seats of high-end cars: - (Representation from M/s TM Automotive Seating Systems Pvt. Ltd.) Since the matter pertains to ACC, Mumbai, the erstwhile NAC had directed ACC, Mumbai to submit a factual report. The Chair directed Shri G Shiril Saroj, Commissioner, Customs Mumbai-III to submit the factual report in the matter to the designated Working Group and the other Nodal Officers to submit their comments/suggestions as well, so that the matter can be discussed in the next NAC meeting. Convenor further directed that Explanatory notes may also be considered, and the Working Group to examine the issue in detail and put up the views in next meeting.

(iv) Classification of Computer and Bracket assembly (Electronic Control Unit), (Representation received from M/s Hyundai Motor India Pvt. Ltd.) - The industry requested for clarification regarding whether said goods should be classified under CTH 903289 as Electronic Control Unit or under CTH 870899 as residual category of parts and accessories of Motor making. The Chair directed Chennai Commissionerate to forward a comprehensive report as the issue was being examined by Chennai Import Commissionerate. Further all other Nodal Officers were directed to forward their comments also to the designated working group by 10<sup>th</sup> September, 2023 so that the issue can be discussed in the next NAC meeting. The Convenor also directed all to keep in the mind the technical innovations while examining the issue.

(v) Major objections raised by Post Clearance Audit were circulated by the Chennai Customs Audit Commissionerate which was forwarded to all Nodal Officers of the NAC. Also Audit Commissionerate of Mumbai Zone-I has been requested to share all major Audit objections with the NAC. Based on those objections all Members of NAC to examine and discuss the same during NAC



meeting. The Chairman opined that as a regular practice every month major Audit objections pertaining to NAC (Automobile and Instruments & Miscellaneous Products) w/r/t chapters 86 to 98 can be called for from major four Audit Commissionerate viz. Mumbai I, Mumbai II, Delhi and Chennai. So that these are circulated beforehand and all are well aware of the objections raised and the recovery under process and accordingly take a call on the uniform practice to be followed. He directed that a letter be sent to all the four Audit Commissionerate viz. Mumbai I, Mumbai II, Delhi and Chennai, enclosing a prescribed format for monthly data w.r.t. major objections raised by them pertaining to Chapters 86-98. The data can then be discussed in NAC and a uniform standard procedure can be followed to resolve the matter proactively.

5. The Chairman directed that majority of the Bills of Entries should be assessed within prescribed time limit of 8 hours as per guidelines of the Board, that all Queries raised should be monitored regularly by the Nodal Principal Commissioners/Commissioners. He further directed that the Dwell time should be analysed and TSKs should also be monitored very seriously. Concerned Additional Commissioners in-charge should visit TSK at least once in a day, so that they have first-hand awareness about the issues.

6. Shri R. K. Singh, Commissioner (in situ) informed that a new agenda point has been received from Chennai Customs Commissionerate regarding classification of Commode Chair with Wheel, whether it should be classified under heading 8713 which are carriages for disabled persons, whether or not motorized or otherwise mechanically propelled or it should be classified under 9402 under medical furniture. Chennai Custom Commissionerate is of the view that Commode Chair with Wheel is specifically designed furniture for those with medical conditions and also constitute hospital furniture and therefore, is classifiable under CTH 9402 and more appropriately under CTH 94029090 which covers medical chairs, surgical, dental, basically as Chairs instead of CTH 8713 which are carriages for disabled persons. The Chair after due discussion with all the Nodal Officers, endorsed the view of the Chennai Commissionerate that the Commode Chair with wheels is correctly classifiable under CTH 9402.

7. Shri Rajiv Magoo, Additional Commissioner of Customs, PCCO, Mumbai Zone-I, then presented a power point presentation regarding the queries raised by FAGs and also the Dwell time of all FAGs for the month of June 2023, July 2023 and August 2023 (upto 24.08.2023). After due analysis of the same, the Convenor directed that the said PPT may be circulated amongst all the Members of NAC. Further the Convenor also directed the following points for strict compliance:

- i. The percentage of Query 1 vis-à-vis the number of Bills assessed should be below 10% and such percentage more than 10% is not acceptable.
- ii. For regular items being imported the Query 2 should be bare minimum and the assessment should be monitored in such a way that for the next consignment there should not be second Query 2.
- iii. There should not be any scope for third query and if any then the same should be very closely monitored.
- iv. The second query in NAC (Automobile and Instruments & Miscellaneous Products) should be raised only with the approval of the Addl./Joint Commissioner of Customs.
- v. Commissionerate with high dwell time to look into the assessment time pertaining to Groups like VB and VI and any assessment time over 72 hours needs to be addressed/rectified and quantum of such instances should not be more than 5% of total Bills of Entry assessed.
- vi. All Nodal Commissioners to curtail the Dwell time and the percentage for the Bills of Entry should be at least 70-75% in the category of time taken less than 8 hours.
- vii. All the Nodal Officers to come prepared with the data regarding Queries and Dwell Time pertaining to their port, which is easily available in ADVAIT, in next meeting so that there is productive discussion.

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

Signed by  
Rajiv Magoo  
Date: 04-09-2023 13:32:34

Rajiv Magoo  
ADDITIONAL COMMISSIONER

Copy to :

1. The Under Secretary, Customs-IV, CBIC, New Delhi
2. All nodal Pr. Commissioner/Commissioner of NAC-“Automobile and Instruments & Miscellaneous Products”
3. EDI, NCH for uploading the minutes on website of Zone-