



प्रधान मुख्य आयुक्त सीमा शुल्क का कार्यालय,
OFFICE OF THE PR. CHIEF COMMISSIONER OF CUSTOMS,
 मुंबई जोन -I, दूसरी मंज़िल, नवीन सीमा शुल्क भवन, बेलार्ड इस्टेट,
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28-03-2024

**MINUTES OF THE SEVENTH MEETING OF NATIONAL ASSESSMENT
 CENTRE – ‘AUTOMOBILE AND INSTRUMENTS & MISCELLANEOUS
 PRODUCTS’ HELD ON 20.03.2024 AT 11.30 AM**

The seventh monthly 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 on 20.03.2024 at 11.30 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
1.	D. P. Naidu	Pr. Commissioner, Hyderabad Zone
2.	M. Mathew Jolly	Pr. Commissioner, Chennai Customs
3.	Kajal Singh	Pr. Commissioner, Bengaluru Customs
4.	Vashishtha Chaudhary	Commissioner, Delhi Customs
5.	Sonal Bajaj	Commissioner, Mumbai Customs Zone-II
6.	Vivek Pandey	Commissioner, Mumbai Customs Zone-I
7.	G. Shiril Saroj	Commissioner, Mumbai Customs Zone-III
8.	Dhirendra Lal	Commissioner, Ahmedabad Customs
9.	Ataur Rehman	Commissioner, Kolkata Customs
10.	Hemlata Rai	Addl. Commissioner, PCCO, Mumbai Customs Zone-I
11.	Mallinath Jeure	Addl. Commissioner, Mumbai Customs Zone-I
12.	Chan Basha	Addl. Commissioner, Chennai Customs

13.	Amitkumar Nikalje	Joint Commissioner, Mumbai Customs Zone-I
14	Ajit U. Nair	Assistant Commissioner, PCCO, Mumbai Customs 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 then commenced the meeting by examining the Action Taken Report pertaining to the last NAC meeting:

3.1. The Chair again directed the Working Group (Valuation and Related issues) to share the data regarding 25 risk prone commodities and valuation trend of top 50 commodities as per the minutes of the Review Meeting held on 23.11.2023 latest by 31.03.2024. The Chair informed that this would facilitate consistent assessment approach regarding such commodities amongst all assessing Groups of NAC (Automobile and Instruments & Miscellaneous Products).

3.2 The Chair was informed that no PCA objections pertaining to Chapters 86 to 98 from Mumbai Customs Zone-II had been received. The Chair once again directed Shri Sonal Bajaj, Commissioner, Mumbai Zone-II, to request Commissioner (Audit), Mumbai Zone-II to forward data w.r.t. the audit objections raised pertaining to Chapters 86 to 98. The Chair was further informed that Audit objections had been received from other 03 Audit Commissionerates viz. Mumbai Zone-I, Chennai Customs and Delhi Customs, which had been forwarded to all the Nodal Pr.Commissioners/Commissioners of the NAC on the date of receipt itself. The Chair directed all the Nodal Pr. Commissioners/Commissioners to go through the forwarded Audit objections and in case of any disagreement with the said Audit objections, the same can be raised during the NAC meeting for following practice of uniform assessment.

3 . 3 Multi-Functional Car Stereo / Car Infotainment System: The Chair informed all members that a thorough discussion on classification of 'Multi-Functional Car Stereo / Car Infotainment System' had taken place during the preceding two NAC meetings. The Chair gave an overview that the Working Group (Classification and Related issues) in their report dated 18.01.2024 had submitted that different agencies under CBIC had taken different views on classification of the Car Infotainment system and the Members of the Working Group could not arrive at a unanimous decision regarding the accurate classification of the goods under CTH 8708 or CTH 8527. The Chair summarized that the goods, which were originally termed as a simple 'Radio Receiver' classified under CTH 8527, have transformed over a period of time into a composite system providing several online/offline services and is now embedded with many functionalities and technologies and cannot be classified solely based on any single function. The Chair, therefore, with the consensus of

all the nodal Pr. Commissioners/Commissioners of NAC (Automobile and Instruments & Miscellaneous Products) arrived at the conclusion that the goods are more appropriately classified as 'parts and accessories of motor vehicles' as they are specially/specifically designed to be used for/with a motor vehicle of a particular model and make and therefore should be classified under CTH 8708.

3.4.1 Foil Balloons / Decorative Balloons: The Chair requested the nodal members from Chennai to brief regarding the recent order passed by CESTAT, Chennai in the case of M/s Bubbly Balloons, Coimbatore. Shri Chan Basha, Additional Commissioner of Customs, Chennai II Commissionerate informed that the goods in question are 'Foil Balloons' used for decoration purpose and were classified under CTH 9503 and imported without BIS Certificate. The contention of the importer is that the scope of products from Part 1 of IS 9873 specifically excludes the subject goods, i.e., "holiday decorations that are primarily intended for ornamental purposes". Therefore, the requirement of compulsory registration under Toys (Quality Control) Order, 2020 does not arise for the import of the subject goods. Shri Chan Basha, Additional Commissioner of Customs, Chennai II Commissionerate further informed that the order is being reviewed.

3.4.2 The Chair informed that the matter regarding the classification of 'Foil Balloons / Decorative Balloons' has been referred to the Board in view of the varying classifications adopted by different field formations, DRI and contradictory judgements of various legal fora. The Chair, therefore, with the consensus of all the nodal officers referred back the issue of classification of Balloons (both latex and foil) to the Working Group (Classification and related issues) and directed Working Group to revisit the issue and to submit a report before the next NAC meeting.

4 . Upholstered Composites/fabrics used for non-domestic furniture - The Chair informed that the one of the importers have represented to the NAC (Automobile and Instruments & Miscellaneous Products) regarding applicability of BIS Standard 15768:2008 on upholstered composites/fabrics used for non-domestic furniture. The importer is of the view that the Quality Control Order is mandated to apply only to 'Upholstered Composites used for Non-domestic Furniture', whereas the goods imported by them are items of furniture and, therefore, they are of the view that the said QCO is not applicable to furniture, but upholstered composites only.

4.1 The Chair summarized the report submitted by the Working Group (Restrictions and prohibitions and co-ordination with PGAs) on the representation received from the importer. Additionally, the Chair informed the matter has also been referred to the Ministry of Textile by both Customs Chennai-II and by Import-I Commissionerate, Mumbai Zone-I and the same is being pursued by both the offices. The Chair, therefore, referred back the issue of applicability of 'BIS on upholstered composites/fabrics used for

non-domestic furniture' to the Working Group (Restrictions and prohibitions and co-ordination with PGAs) with the directions to finalize the report on receipt of clarification from the Ministry of Textiles.

5. The Chair directed all the Nodal Pr.Commissioners/Commissioners to monitor the queries raised and the examination orders issued by FAGs as it is one of the agenda points of the trade for the CCG Meeting scheduled in Mumbai. Ms. Hemlata Rai, Additional Commissioner of Customs, Mumbai Zone-I, then presented a power point presentation regarding the queries raised by the various FAGs and dwell time of the FAGs under the NAC. The chair noted that:

- i. Group 5B: For ports viz Baroda, Garahi Harsaru, Chennai Sea and Mumbai II, the query percentage is higher than the NAC average percentage of 16%. The Chair directed Shri Vashishtha Chaudhary, Commissioner of Custom, Delhi to enquire into the reasons for having around 3% third query percentage in Garahi Harsaru Port, but noted that the average percentage for the NAC is zero.
 - ii. Group 5I: The Chair observed that the first query is around 28% in Hyderabad and therefore, directed Shri D. P. Naidu, Pr. Commissioner, Hyderabad Zone to look into the same. The Chair also directed Ms. Kajal Singh, Pr. Commissioner, Bengaluru Customs to examine the 18 second queries and 5 third queries raised at Bengaluru, ACC.
 - iii. The Chair directed that the percentage of 1st query should not be more than 10% and the percentage of second query raised should not be more than 1%. The Chair also reiterated that the second query should be raised only with the approval of the Additional/Joint Commissioner of Customs.
 - iv. Group 6: The Chair directed the Bengaluru Customs and Delhi Customs to examine the reasons for the third query raised.
 - v. Group 5B: The Chair directed the Nodal Pr. Commissioner, Chennai to monitor the assessment time taken for less than eight hours and enhance the no. of Bills of Entry assessed. The Chair also directed the Nodal Pr. Commissioner/ Commissioner of Gari Harsaru and Chennai Sea to monitor the Bills of Entry assessed after 72 hours.
 - vi. The Chair directed the Nodal Pr.Commissioner/Commissioner for Bengaluru Air and Cochin to monitor the Bills of Entry assessed after 72 hours for Group 5F. Similarly, the Chair directed Bengaluru Air, Mumbai Air & Hyderabad Air to monitor the Bills of Entry assessed after 72 hours for Group 5I.
6. Shri G. Shiril Saroj, Commissioner, Mumbai Customs Zone-III with the permission of the Chair informed that the Bills of Entry filed for importation of Weapons (Chapter 93) are not being assessed by FAGs and such Bills of Entry are being redirected/pushed back to PAG. The Chair directed Shri. G. Shiril Saroj, Commissioner to furnish specific data of

such Bills of Entry which are being redirected/pushed back to PAG for further action.

Since, there were no other Agenda points for discussion, the meeting ended with a vote of thanks.

This issues with the approval of Convener 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