भारत सरकार/Government of India
वित्त मंत्रालय/Ministry of Finance
कार्यालय/Office of the
प्रधान मुख्य आयुक्त सीमा शुल्क
Pr. Chief Commissioner of Customs
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आज़ादी का अमृत महोत्सव

F.No:- CCCO/1092/2025-TECH Date:06-08-2026

Minutes of the Outreach Programme conducted by NAC (Automobile and Instruments & Miscellaneous Products) through hybrid mode chaired by the NAC Convenor with Sectoral Associations, Trade members and Stakeholders on 29.07.2026 at 11.45 AM.

At the start of the outreach program, Additional Commissioner of Customs, Pr. Chief Commissioner's Office (PCCO), Mumbai Zone-I on behalf of Convener of NAC (Automobiles and Instruments & Miscellaneous Products) welcomed all attendees to the 4th Sectoral Meeting of Financial Year 2026-27 held on 29.07.2026.

2. The NAC Convenor welcomed all participants to the meeting and informed that Mumbai Customs, Zone-I, is regularly conducting Outreach meetings in hybrid mode with various departmental stake holders like NCTC etc., and other trade associations with the objective of ensuring uniformity and consistency in assessment. In this regard, already some of the issues are discussed and views of NAC have been forwarded to the Board. And, the formal communication from the Board is awaited on few matters. The NAC Convenor also emphasised that long standing practices shall not be abruptly changed without endorsement from the Board.

3. The Additional Commissioner, PCCO, Mumbai Zone-I, presented the Action Taken Note pertaining to the issues raised during the previous outreach program.

4. Issue received from Indian National Shipping Association (INSA) with respect to Valuation of Freight and Insurance charges on the import of the vessel.

a. INSA is of the view that a vessel sails on its own steam and is not loaded on another conveyance or transported into India. Hence, they contend that no freight charges will apply as no 'freight' (money paid for transport). Further regarding Insurance, they stated that same can be included in the assessable value and calculated from the time the vessel enters the Indian waters upto the customs port in India on pro-rata basis based on Hull & machinery Insurance of the vessel.

b. After feedback from concerned FAG and INSA, a reply dt 22.10.2025 by this NAC was forwarded to the Board. Further, the Board vide letter dated 30.06.2026 has asked NAC to re-examine the issue in consultation with stakeholders and furnish comments.
c. During the present NAC Sectoral meeting the representative from INSA Mr Anil Devli, stated that although their earlier stand was that no freight is applicable, but as an interim arrangement to facilitate the trade they are in agreement that the cost of fuel, etc consumed by the vessel during travelling from the last port of call to reach at first port of call in India can be given by the Master of the vessel which may be accepted as Freight charges; and insurance on pro-rata basis from Hull and Machinery of vessel and if such declaration cannot be made available to the Customs, then 20% of FOB Freight Charges and 1.125% Insurance on FOB would apply in terms of CVR,2007.
d. In view of the above, the Convenor directed INSA to submit its written submission on the same and the NAC Mini Secretariat will consolidate views and current practices from all FAG locations and forward a suitable reply to the Board.

(Action: All Nodal FAG 5S, INSA)

5. Issue raised by Indian Chamber of Commerce (ICC) dt 14.05.2026 regarding Classification of mining shuttle cars under CTH 8430 instead of CTH 8704

a. The ICC has requested to consider classification of specialised underground coal-mining equipment ('shuttle cars') under CTH 8430 (mining machinery) instead of CTH 8704, as the item is primarily used for mining operations.
b. During the meeting, Kolkata Customs stated that a similar classification issue is sub judice before the Hon'ble Supreme Court, wherein the Department is the appellant, against a CESTAT order.
c. Further, it is observed that the Explanatory Notes specifically include "shuttle cars" under CTH 8704. In view of the above, it has been decided that the NAC Mini Secretariat will consolidate the views and current practices followed across all FAG locations and coordinate with the Nodal NAC-5 Mini Secretariat, being the concerned NAC for CTH 8430.

(Action: All Nodal FAG 5B)

6. Issue of applicable rate of IGST on electric vehicles in CKD/SKD condition:

a. The issue is carried forward from previous meeting. The issue is already taken up with the Board and is kept in abeyance till the response is received from the Board.

b. The trade sought uniform treatment across jurisdictions, as the current assessment practice is inconsistent across FAGs locations. The Convenor stated that matter is pending with the Board and will be followed up for early resolution.

(Action: Kept in abeyance till reply from the Board is received)

7. Issue of Examination Order Beyond RMS Instructions:

a. The Federation of Freight Forwarders' Associations in India (FFFAI), by email dated 27.07.2026 has raised this issue that the examination order given by the FAG officer in Bill of Entry is beyond the RMS instructions in Bill of Entry No. 2712236 dated 24.07.2026.
b. It is observed that the copy of the email forwarded by FFFAI itself shows the 100% examination order was given by RMS. Further, the importer has not specified whether the goods are new or old, in the item description in the said bill of entry. It is informed that most of the goods imported in this category are generally old and used, hence the FAG officer appears to have assumed that the goods could be old/used, in the absence of a clear declaration about the item imported (i.e. oil tanker vessel).
c. The NAC Convenor suggested trade should ensure that item descriptions on Bills of Entry are clear and unambiguous, understandable even to a layperson so as to reduce the scope for such assumption-driven examination order. Also, at the same time, all Nodal FAG officers have been directed to properly examine the documents uploaded on e-Sanchit for a Bill of Entry before prescribing a particular examination order at the time of assessment.

(Action: All Nodal FAG 5S)

(Point closed)

8. Issue of Auto Registration and Auto Out of Charge for AEO-T2 and AEO-T3 not functioning due to CCR instructions

a. Issue is raised by Maharashtra Chamber of Commerce Industry and Agriculture (MACCIA) wherein they stated that CBIC Circular No. 01/2025-Customs dated 01.01.2025 and Circular No. 06/2026-Customs dated 01.02.2026 allow AEO-T2/T3 holders, the facility of “auto goods registration” and “auto Out-of-Charge”, but this is reportedly not functioning in practice at any location, which was attributed to CCR flags on Bills of Entry.
b. The ADC, CCO stated that the said matter does not specifically pertain to this NAC, the issue is a Systems level issue.

c. The Commissioner (Import-I), NCH, INBOM1 stated that the issue is already under active communication with the Board. and being followed up by them with DG - Systems. Further Chennai Customs also reiterated that the same issue has also been flagged at their end.

(Action: Import-I, NCH, INBOM1 Commissionerate)

(Point closed)

9. Shri Amit Kumar Singh, ADC, PCCO on behalf of the Convener of NAC, thanked all the participants, Pr. Commissioners/Commissioners, Addl./Joint Commissioners, Officers of Customs, Customs Broker Associations, Trade partners and stakeholders for participating in the meeting.

10. The said meeting was attended by Importers, Sectoral Associations, other members and various stakeholders detailed as per Annexure-1 attached herewith.

11. This issues with the approval of Convenor of NAC (Automobile and Instruments & Miscellaneous Products).

AMIT KUMAR SINGH

(Additional Commissioner of Customs)

Office of Pr. Chief Commissioner of Customs

Encl.: Annexure-I (List of attendees)

Copy to:

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

2. OSD, Customs IV, CBIC, New Delhi.

3. All Nodal Pr. Commissioners/Commissioners of NAC (Automobile and

Instruments & Miscellaneous Products.

4. All participating Associations/ Stakeholders.

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

6. The Joint Director, NCTC.

7. Office copy.

Digitally signed by
Amit Kumar Singh
Date: 06-08-2026
11:58:58