



प्रधान मुख्य आयुक्त सीमा शुल्क का कार्यालय

**OFFICE OF THE PR. CHIEF COMMISSIONER OF CUSTOMS**

मुंबई जोन -I, दूसरी मंज़िल, नवीन सीमा शुल्क भवन ,बेलाड ईस्टेट,

**MUMBAI ZONE-I, 2nd FLOOR, NEW CUSTOM HOUSE, BALLARD ESTATE,**

**मुंबई/MUMBAI- 400 001**

**दूरभाष स० /Phone No.022-22620091, Email: ccu-cusmum1@nic.in**

**F. No. CCCO/1092/2025-TECH**

**Date: 19-01-2026**

**Minutes of Outreach Programme conducted by NAC (Automobile and Instruments & Miscellaneous Products) through Hybrid Mode chaired by NAC Convenor with Sectoral Associations, Trade members and stakeholders on 16.01.2026 at 11:00 AM.**

At the start of the outreach program, Additional Commissioner of Customs, PCCO, Mumbai Zone-I on behalf of Convener of NAC (Automobiles and Instruments & Miscellaneous Products) welcomed all attendees to the 11th Sectoral Meeting of Financial Year 2025-26 held on 16.01.2026. To begin with the meeting, he requested the NAC Convenor for a few words of directions for the meeting.

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 DG Systems, NCTC, etc., and other trade associations. The previous meeting had deliberated upon agenda points, issues, difficulties and bottlenecks faced in NAC (Automobiles and Instruments & Miscellaneous Products), with the objective of ensuring uniformity in assessment and facilitation of trade.

3. The Convenor instructed the Additional Commissioner, Pr. Chief Commissioner's Office (PCCO) to commence the presentation. Thereafter, the Additional Commissioner, CCO Mumbai Zone-I, presented the Action Taken Note pertaining to the issues raised during the previous outreach program.

4. **IGST on Electric vehicle in CKD/SKD condition:** The meeting took note of a reference received from the Chennai Commissionerate vide letter dated 22.09.2025, wherein it was informed that the Director General of Audit (Central) had raised an audit objection on alleged short levy of Integrated Goods and Services Tax (IGST) on the import of "Parts of Electric Scooter". The audit objection contends that IGST should have been levied at 28% under various Sl. No. 165,166, 173 of schedule IV of IGST notification no. 01/2017 instead of 5% under Sl. no. 242A of schedule I of IGST notification no. 01/2017. The meeting was apprised of the letter dated 31.12.2025 received from Shri Prasad Adelli, Commissioner of Customs, Chennai-II (Import) wherein it was proposed therein that CKD/SKD electric vehicle kits imported without battery, charger, and tyres, but comprising motor and controller, may merit classification as complete electric vehicles and be assessed

to IGST at the concessional rate of 5% under Sl. No. 242A of Notification No. 01/2017–IGST (Rate). It was further proposed that kits imported without motor and/or controller should not be treated as complete electric vehicles and may instead be classified as bodies/parts of electric vehicles, attracting IGST at the applicable higher rate. It was noted that pursuant to the objection raised vide SOF No. 22/2024 issued by the Director General of Audit (Central), Show Cause Notices have been issued in respect of five importers.

4.1) During the discussion, Shri Prasad Adelli, Commissioner of Customs stated that this issue involves two distinct aspects, namely, applicability of Basic Customs Duty (BCD), and applicability of IGST. As per the prevailing practice at Chennai port, where the chassis is imported along with motor and controller, the goods are treated as Complete Built Units (CBUs) and assessed to IGST at the rate of 5%. He further added that the Board has already issued a clarification in the said issue vide circular no. 179/11/2022-GST dt. 03.08.2022. However, the Director General of Audit (Central) has taken a contrary view that in the absence of battery, tyres, and charger, such imports should be treated as “parts of electric scooters” and subjected to IGST at the higher applicable rate.

4.2) The NAC Convenor sought inputs from Shri Anil Ramteke, Commissioner of Customs, NS-V, JNCH, regarding the prevailing practice at his port. Shri Anil Ramteke, Commissioner informed that, at JNCH, where the chassis is imported with mounted motor, the goods are treated as being in SKD condition and are assessed at higher rate of duty in terms of Customs Notification No. 50/2017. The NAC Convenor also sought comments from ICD Patparganj. Shri Ravi Singh, Additional Commissioner of Customs, informed that the practice being followed at ICD Patparganj is aligned with that of the Chennai Commissionerate and they have also submitted a written reply in this regard to the Chennai Commissionerate.

4.3) The NAC Convenor requested Shri Anil Ramteke, Commissioner of Customs, NS-V, JNCH, to submit a detailed written brief outlining the prevailing practice at JNCH on the issue, including the position on IGST rate applicability, for better clarity. He was also requested to furnish details of cases booked under his jurisdiction pertaining to this issue. The Convenor directed NAC Secretariat to examine the issue in detail so that if required reference can be made to Board.

**(Action: Commissioner of Customs, NS-V, JNCH, NAC Secretariat)**

5) **Uniformity in assessment of goods namely Sex Toys, Massagers in the wake of Hon’ble High Court’s Order:** On this issue, the Board had sought the NAC’s view on 10.10.2025 to provide the comments and observation regarding the applicable import policy provisions and details of prevailing practice being followed. Based on the inputs received from nodal ports and import data, this NAC submitted reply to the Board on 06.11.2025.

5.1) In this regard, letters were received from Delhi Customs on 23.12.2025 and Chennai Customs on 13.01.2025 on the issue. Therefore, a letter was issued on 14.01.2025 to all Nodal Commissionerate under this NAC, seeking their comments on the prevailing practices being followed at their respective ports regarding assessment and classification under the relevant Customs Tariff Headings (CTHs), along with details of PGA compliances being insisted upon during assessment.

5.2) During the meeting, the NAC Convenor requested all the Nodal Commissionerate

to furnish their replies to the said letter at the earliest, to enable better clarity and informed consideration of the issue.

**(Action: All FAG Commissionerate under this NAC)**

6) **Issuance of Examination Instructions in RMS-Facilitated Bills of Entry:** During the meeting, Shri Sudip Dey, Honorary Secretary, FFFAI raised a concern regarding instances where examination instructions are being issued by assessment officers even in cases where the RMS has not prescribed any examination. He submitted that, in certain cases, officers appear to be deviating from the RMS-facilitated pathway.

6.1) In response, Shri Balmukund, Additional Commissioner, stated that the matter had been discussed in earlier meetings, during which the trade had shared details of certain Bills of Entry. He clarified that such instances were specifically checked and that they are very few in numbers and that examination directions are issued in accordance with the risk parameters and assessment instructions generated by the RMS. The NAC Convenor also asked NCTC to address the issue during the meeting. Addressing the matter, Joint Director, NCTC, concurred with the observations of the Additional Commissioner and requested the trade to furnish specific details of such Bills of Entry, so that the same may be examined and, if necessary, appropriate refinements in the RMS instructions may be considered.

**(Action:  
Closed)**

7) **Special Outreach and Handholding for small MSMEs, Startups, and Importers:** In this regard, the Convenor once again requested to all Nodal FAG Commissionerate to gather details of associations of MSMEs, startups, and small importers in their respective jurisdiction who may not have detailed knowledge about the Customs formalities, Customs Brokers, available supporting resources, and encourage them to join the sectoral outreach meetings.

**(Action: All FAG Commissionerate under this NAC)**

8) Shri Balmukund, ADC, PCCO on behalf of the Convenor 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.

9) The said meeting was attended by importers, sectoral associations, other members and various stakeholders detailed as per Annexure-1 attached herewith.

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

(BALMUKUND),  
(ADDITIONAL COMMISSIONER),  
(O/o Chief Commissioner-Customs-Zone-I-Mumbai)

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

