



सीमाशुल्कआयुक्तकाकार्यालय
नवसीमाशुल्कभवन, पणबूर, मंगलूर-५७५०१०

OFFICE OF THE COMMISSIONER OF CUSTOMS

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Comp. No.: 2103411

Date: #ApprovedDate#

MINUTES OF THE SECTORAL MEETING OF NAC 1A (MINERAL PRODUCTS)
CHAIRD BY THE CHIEF COMMISSIONER OF CUSTOMS, BENGALURU ZONE &
CONVENOR NAC 1A, HELD ON 29.06.2026 THROUGH VIRTUAL MODE

01. The Commissioner of Customs, Mangaluru, extended a warm welcome to all the participants and informed that no Agenda Points had been received from any stakeholder for the current Meeting. He requested the Chief Commissioner of Customs, Bengaluru Zone, and Convener of NAC 1A to give his opening remarks.

02. The Convenor welcomed the participants and stated that at least some Agenda Points should be sponsored for the Sectoral Meetings which would then be taken up for resolution immediately. He requested the participants that apart from the Convenor's Sectoral Meetings, urgent issues should also be raised in the Fortnightly Sectoral Meetings being conducted by the Nodal Commissioners of NAC 1A.

Agenda Point 1: Compliance by Commissioner, Mangaluru Customs on Tracking System for CRCL Reports

03. The Commissioner of Customs, Mangaluru informed that in compliance with the directions issued during the previous Sectoral Meeting, the matter relating to implementation of a tracking system for monitoring the status of CRCL reports had been taken up with the vendor who had developed and implemented a similar module at Nhava Sheva. Quotations for the module implementation and the Annual Maintenance Contract (AMC) have been obtained. It was further informed that since the proposed module is a third-party application requiring integration with ICEGATE, the matter has to be taken up with the DG (Systems)/NIC to examine the issues related to data security, system integration and implementation modalities.

04. The Convenor observed that the proposed tracking mechanism would be an important Trade facilitation measure and would also significantly benefit Customs by enabling officers to monitor the status of pending CRCL reports, particularly in cases where reports remain awaited for extended periods. The Convenor appreciated the efforts being made by the Mangaluru Commissionerate towards implementation of the system.

05. The Convenor further observed that two important aspects require attention in this regard. Firstly, the proposed tracking mechanism must be seamlessly integrated with the

Directorate of Logistics and Infrastructure (DLI)/ICEGATE systems to ensure efficient and reliable information exchange and ongoing efforts in this regard should be expedited.

06. Secondly, the Convenor emphasised that monitoring the movement and status of samples alone would not adequately address the issue unless the CRCL Test Reports are also uploaded by CRCL in the CRCL Module. Referring to discussions held during the Convenors' Meeting earlier in the day, the Convenor observed that it would be necessary to obtain a comprehensive understanding of the functioning of CRCL Module so that in addition to tracking the status of samples, the System also facilitates availability of the CRCL Test Reports through proper system integration. This would ensure that FAGs have timely access to CRCL Test Reports which will further strengthen the efficiency of the Faceless Assessment process.

(Action: Commissioner, Mangaluru Customs)

Agenda Point 2: Discussion on continued misapplication of IS 18722 (Part 1) Standard to Base Oils intended to be used for non-lubricant applications by CRCL, Mumbai

(Carried forward from the previous Sectoral Meeting)

07. The Convenor summarized the deliberations on this issue made in the last Meeting based on the letters C. No. 35-Cus/BIS/2022-2023 dated 29.05.2025, C. No. 1-Cus/CRCL/Misc. Corres/2022 dated 01.09.2025 and C. No. 1-Cus/CRCL/Misc. Corres/2024-25 dated 13.02.2026 issued by CRCL:

(i). There does not appear to be any mis-application of IS 18722 (Part 1) Standard by CRCL to Base Oils intended to be used for non-lubricant applications. In fact, there appears complete unanimity in all the letters issued by CRCL that Base Oils intended to be used for non-lubricant applications are outside the scope of IS 18722 (Part 1) Standard and will not be tested according to this Standard.

(ii). There also appears complete unanimity in all the letters issued by CRCL reflecting the view of CRCL that for Base Oils which are outside the scope of IS 18722 (Part 1) Standard, the supplier purchaser agreed specification will be relied upon to issue the Test Reports.

08. The Convenor recalled that in the previous Sectoral Meeting, he had requested the representatives of MOPSA and AILBIEA to re-examine their contention that there is continued mis-application of IS 18722 (Part 1) Standard to Base Oils intended to be used for non-lubricant applications by CRCL or, in the alternative, to forward details of cases where Base Oils declared to be used for non-lubricant applications were tested as per IS 18722 (Part 1) by any CRCL Lab. However, no such details were found to have been forwarded by MOPSA and AILBIEA. On the request of the Convenor, it was stated by the representative of MOPSA that they will forward the details at the earliest.

09. The discussion thereafter focused on the testing methodology adopted by the CRCL before the implementation of the BIS requirements in May 2024. In this respect, a Report had been submitted by Mumbai, Import-II Nodal Commissionerate and it was explained by them that prior to May 2024, CRCL examined Base Oil samples using their internal testing methodology and the technical procedures prescribed by CRCL, New Delhi. The laboratory reports generally indicated that the samples possessed the characteristics of Base Oil, but without reference to any BIS standard.

10. The Convenor sought clarification whether CRCL first determined the applicability of IS 18722 based upon the declared end use or whether all consignments declared as Base Oil were mechanically subjected to testing under IS 18722. The representative informed that in accordance with the instructions issued by the Director, CRCL, all consignments declared as

Base Oil were initially tested with reference to IS 18722, as no separate notified testing standard existed for Base Oils outside the BIS specification.

11. It was further explained that following the clarification issued by CRCL, if the identified grade corresponded to a grade covered under IS 18722, the laboratory reported conformity with the BIS standard. Where the identified grade did not fall within the BIS specifications, testing was undertaken in accordance with the agreed supplier-purchaser product specifications.

12. The Convenor observed that the revised clarification issued by BIS, accepted by CRCL and circulated by the Board, clearly established that IS 18722 was applicable only to Base Oils intended for manufacture of lubricating preparations. The Convenor sought a clarification as to whether importers were declaring the intended end use of Base Oils in the Bills of Entry. It was informed that during the last few months, importers have started declaring in the Bills of Entry whether the imported Base Oils were intended for lubricating or non-lubricating applications.

13. The Convenor further enquired whether such declarations were being taken into consideration by CRCL while undertaking laboratory examination. During the discussion, it was pointed out that although many Bills of Entry and supporting documents indicated that certain Base Oils were not intended for lubricating applications, this crucial information was not reflected in the Test Memo generated by the System and forwarded to CRCL. Consequently, the laboratory was unable to distinguish between consignments intended for lubricating and non-lubricating applications. The Convenor observed that this constituted an important Systems issue requiring suitable modification so that the declared end use is reflected in the Test Memo transmitted to CRCL.

14. The discussion thereafter focused on the appropriate testing methodology for Base Oils not intended for lubricating preparations. The representative of MOPSA submitted that prior to May 2024, conformity with the agreed supplier-purchaser specifications was examined by the FAGs based upon the laboratory parameters furnished by CRCL. However, following subsequent clarifications, certain CRCL laboratories began seeking copies of the buyer-supplier agreements themselves to determine conformity with the contractual specifications.

15. It was observed that CRCL's primary responsibility was confined to scientific testing and reporting of laboratory parameters such as viscosity, flash point and other measurable characteristics. Interpretation of buyer-supplier contractual specifications and determination of their relevance for assessment constituted a quasi-judicial function appropriately falling within the jurisdiction of the FAGs. It was further observed that the long-standing practice prevailing prior to May 2024 had functioned satisfactorily without significant disputes and, except for those limited categories of Base Oils to which IS 18722 applied, there ought to be no difficulty in reverting to the earlier practice for Base Oils not intended for lubricating applications.

16. However, the Convenor observed that the question whether the buyer-supplier contractual specifications should ultimately be interpreted by the FAGs or by CRCL, would remain open for further examination after receipt of the requested data from the Trade as under:

(i) Instances where CRCL had continued to apply IS 18722 to Base Oils not intended for lubricating applications despite the revised clarification

(ii) Instances where CRCL had applied any other BIS standard to Base Oils not intended for lubricating applications, though the view of the Trade was that assessment ought to have been based solely upon the agreed supplier-purchaser specifications

17. During the concluding discussion, a suggestion was made that representatives of CRCL should also be associated in future deliberations concerning laboratory testing issues. The Convenor observed that at the present stage, the objective was to identify the precise issues requiring resolution before making any reference to the competent authority. The Convenor reiterated that while the legal position regarding the inapplicability of IS 18722 to Base Oils not intended for lubricating preparations was quite clear, the issues concerning the appropriate testing methodology and the role of buyer-supplier specifications required further examination.

Agenda Point 3: Any other point with the permission of the Chair

18. Shri Ganpat Korade, Vice President of the Brihanmumbai Custom Brokers Association (BCBA) submitted that CRCL Test Reports were not being made available electronically to importers and Customs Brokers through the Customs system, compelling them to approach departmental officers for obtaining copies. The representative requested that CRCL reports be made available electronically through System.

19. The Convenor observed that importers possess a statutory right to seek re-testing wherever they disagree with the laboratory findings and, therefore, laboratory reports ought to be made readily available to them and they should not be compelled to approach the Departmental officers merely for obtaining copies of laboratory reports. Referring to discussions held during the Convenors' Meeting earlier in the day, the Convenor stated that it is now mandatory for CRCL to upload the Test Reports in the CRCL Module and the varying practices adopted by different CRCL Labs in this respect will be made uniform based on the deliberations made in the Convenors' Meeting.

20. As no further Agenda Points were raised, the Convenor thanked all the participants for their valuable contributions and concluded the Sectoral Meeting.

This is issued with the approval of the Convenor of NAC 1A.

**COMMISSIONER
MANGALURU CUSTOMS**

To,

The Nodal Pr. Commissioner/ Commissioner of Customs, NAC-1A (Mineral Products, Ch.27): Mumbai Imports-II/ Bhubaneshwar (Preventive)/ Vishakhapatnam/ Chennai Imports-II/ Cochin/ Jamnagar/ Mangaluru.

LIST OF OFFICERS WHO ATTENDED THE MEETING

1. Shri Kumar Amrendra Narayan, Commissioner of Customs, Import-II, Mumbai
2. Shri Abilash K. Sreenivasan, Commissioner of Customs, Mangaluru
3. Shri Harikrishnan D., Joint Commissioner of Customs, Mangaluru
4. Shri Rahul Shukla, Superintendent of Customs, Mangaluru
5. Shri Prafull Kumar Dubey, Appraiser of Customs, Mangaluru
6. Shri J Dora, Superintendent of Customs, Mangaluru

LIST OF TRADE REPRESENTATIVES WHO ATTENDED THE MEETING

1. Shri Naresh Nasta, Manufacturers of Petroleum Specialities Association
2. Shri Ganpat Korade, Vice President of the Brihanmumbai Custom Brokers Association
- 3.** Shri Sudip Dey, Hon. Secretary, Federation of Freight Forwarders Associations of India