



सीमा शुल्क आयुक्त का कार्यालय

नव सीमा शुल्क भवन, पणंबूर, मंगलूर-५७५०१०

OFFICE OF THE COMMISSIONER OF CUSTOMS

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**MINUTES OF THE SECTORAL MEETING OF NAC-1A CHAIRED BY THE
CHIEF COMMISSIONER OF CUSTOMS, BENGALURU ZONE & CONVENOR
NAC 1A, ON 18.03.2026 IN ONLINE MODE**

F. No. 2103411

Date: As eSigned

01. The Commissioner of Customs, Mangaluru extended a warm welcome to all participants and informed that no Agenda Points had been received from any stakeholder for the current Meeting. She 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 more Agenda Points should be sponsored for the Sectoral Meetings which would be taken up for resolution immediately. He also stated 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: Tracking System for CRCL Reports

03. In the Meeting held on 13.01.2026, the Convener had requested the Commissioner, Customs, Mangaluru to implement a Tracking System for CRCL Reports. The system would facilitate the Trade in tracking the status of Test Reports and in cases where any particular laboratory took longer than the normal processing time, the issue could be quickly identified and addressed. The Commissioner of Customs, Mangaluru informed in this respect that the Tracking System is in the final stages of implementation and it would be operational by April 2026.

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

04. A representation dated 11.03.2026 had been forwarded by MOPSA enclosing a representation dated 10.02.2026 of AILBIEA in which it was stated, *inter alia*, that “**CRCL Mumbai continues to benchmark all imported Base Oils against IS 18722, irrespective of product classification or declared end use. Such application is technically untenable, procedurally inappropriate, and inconsistent with BIS guidance.**”

05. The Convener drew the attention of the participants to the following communications made by the Director (RLs), CRCL, New Delhi on this issue:

(i). **Letter C. No. 35-Cus/BIS/2022-2023 dated 29.05.2025:** This letter is addressed to all CRCL Laboratories and it has been mentioned in this letter, *inter alia*, as under:

“The base oils required for non-lubricant application like process oils, white oils, transformer oils etc. are excluded from the scope of the aforesaid Indian Standard (i.e.IS 18722 (Part 1):2024)”.

"For all other grades of Base Oil not mentioned in the IS 18722 (Part 1):2024, the supplier purchaser agreed specification forwarded with test memo has to be verified. If the sample meets the supplier and purchaser agreed specification the laboratories are directed to issue the test report along with a note as under.

"The grade of the sample under reference is not mentioned in the IS 18722 Part-1 however the sample under reference meets the supplier and purchaser agreed specification forwarded along with test memo".

(ii). Letter C. No. 1-Cus/CRCL/Misc.Corres/2022 dated 01.09.2025: This letter is addressed to CRCL, Mumbai and it has been mentioned in this letter, *inter alia*, as under:

"In this regard, it is to inform that, for the samples bearing the declared description as Base Oil and the respective grade is not mentioned in the IS 18722 (Part 1): 2024, the supplier purchaser agreed specification has to be verified and test report issued accordingly."

(iii). Letter C. No. 1-Cus/CRCL/Misc.Corres/2024-25 dated 13.02.2026: This letter is addressed to Commissioner of Customs, Import-II, Mumbai and it has been mentioned in this letter, *inter alia*, as under:

"Accordingly, CRCL New Delhi issued necessary instructions, vide letter dated 08.04.2025 & dated 29.05.2025, to all the regional CRCL Laboratories in issuance of test reports pertaining to Base Oil samples which are not covered under the above standard (i.e.IS 18722 (Part 1):2024) as well as applicability of standard for lubricant applications only."

"For groups and viscosity grades not covered in this standard (i.e.IS 18722 (Part 1):2024), specification may be as agreed between supplier and purchaser."

"CRCL Laboratories have been testing Base Oils to verify whether it meets the specification as per as per IS 18722 (Part I). If it meets the Base Oil grade as mentioned in IS 18722 (Part 1) then the test report is issued confirming the same. If tested parameter does not agree with IS 18722 (Part I), then the supplier purchaser agreed specification is relied upon to issue the test reports."

"Hence, Customs field formations may be requested to forward supplier purchaser agreed specification along with the test memo for verification of the parameters by the laboratory as these are technical in nature and also to avoid delay in issuance of test reports."

06. The Convener observed that the following facts are clear from these letters of CRCL:

(i). There does not appear to be any mis-application of IS 18722 (Part 1) Standard to Base Oils intended to be used for non-lubricant applications by CRCL. In fact, there is 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 is also 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.

07. In view of these observations, the Convener 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 have been tested as per IS 18722 (Part 1) by any CRCL Laboratory.

08. The Convener stated that these letters of CRCL indicate the following additional facts:

(i). In order to verify whether a sample of Base Oil is outside the scope of IS 18722 (Part 1) Standard or otherwise, mandatory testing is carried out by CRCL. In other words, the testing done by CRCL of each Base Oil sample forwarded to them is for the purpose of determining whether the sample conforms to IS 18722 (Part 1) Standard, not for testing the samples in accordance with IS 18722 (Part 1) Standard.

(ii). In cases where Base Oils are found to be outside the scope of IS 18722 (Part 1) Standard after testing, it is the CRCL Labs which requisition the supplier purchaser agreed specification along with the Test Memo, based on which the Test Report is issued by them. In other words, in cases where Base Oils are found to be outside the scope of IS 18722 (Part 1) Standard, it is the CRCL Labs which examine the specifications, not the FAGs.

09. In the light of these additional facts, the Convener requested the representatives of MOPSA and AILBIEA that if deemed fit by them, they may forward a representation to the effect that mandatory testing of Base Oil samples to verify whether they fall outside the scope of IS 18722 (Part 1) Standard, could be substituted with documentation like End use Declaration which is already on record. They may also forward a representation to the effect that once a sample of Base Oil has been found to be outside the scope of IS 18722 (Part 1) Standard, it should be the FAGs which should then examine the supplier purchaser agreed specification and not the CRCL. If these representations are forwarded, they will be examined very carefully and divergent practices, if any, will be flagged and rectified.

10. The Convener requested the Commissioner of Customs, Import-II, Mumbai, who had made the reference dated 28.01.2026 which had been replied by CRCL vide the aforesaid letter dated 13.02.2026, to ascertain the following points, **preferably within a fortnight** and if required, in consultation with other Nodal Commissioners:

(i). Are all consignments of Base Oils mandatorily interdicted by NCTC? If not, how do the B/Es of Base Oils reach the FAGs?

(ii). What was the procedure adopted by CRCL in Testing of Base Oils intended to be used for lubricant applications prior to May 2024?

(iii). What was the procedure adopted by CRCL in Testing of Base Oils intended to be used for non-lubricant applications prior to May 2024 and whether the same procedure is being followed at present to Base Oils intended to be used for non-lubricant applications?

(iv). Is there mandatory testing by CRCL at present of all samples of Base Oil in order to verify whether the Base Oil falls outside the scope of IS 18722 (Part 1) Standard and if so, whether the End Use Declarations have any relevance?

(v). If Base Oils are found to be outside the scope of IS 18722 (Part 1) Standard after testing by CRCL, is it CRCL Labs or the FAGs who examine the supplier purchaser agreed specification and whether there are divergent practices in this respect?

The Meeting concluded with a Vote of Thanks extended by the Commissioner of Customs, Mangaluru to the Convener and all participants.

This issues with the approval of the Convenor of NAC-1A.

Digitally signed by
P.Vinitha Sekhar
Date: 18-03-2026
19:43:22

Commissioner
Mangaluru Customs

To,

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

LIST OF OFFICERS WHO ATTENDED THE MEETING

1. Shri Dharendra Lal, Commissioner of Customs, Jamnagar (Preventive)
2. Shri Kumar Amrendra Narayan, Commissioner Mumbai Import-II
3. Ms. P. Vinitha Sekhar, Commissioner of Customs, Mangaluru
4. Shri Biju Thomas, Additional Commissioner of Customs, Mangaluru
5. Dr. Subhash Yadav, Additional Commissioner of Customs, Mumbai
6. Ms. D S Sangeetha, Additional Commissioner, Chennai Import-II
7. Shri Amit Kumar Singh, Additional Commissioner of Customs, Jamnagar
8. Shri Parry Vallal, Additional Commissioner of Customs, Bhubaneswar
9. Ms. Renu Damor, Deputy Commissioner of Customs, Jamnagar
10. Shri Harrison Antony, Deputy Commissioner of Customs, Cochin
11. Shri Haridas A, Assistant Commissioner of Customs, Mangaluru
12. Shri Y Ramesam, Assistant Commissioner of Customs, Vishakhapatnam
13. Shri Vikas, Appraiser of Customs
14. Shri Rahul Shukla, Superintendent of Customs
15. Shri Rakesh Kumar, Appraiser of Customs, Jamnagar
16. Shri Manohar Naidu B, Appraiser of Customs, Vizag

LIST OF TRADE REPRESENTATIVES WHO ATTENDED THE MEETING

1. Shri Naresh Nasta, Manufacturers of Petroleum Specialties Association
2. Shri Manik Nasta, Manufacturers of Petroleum Specialties Association
3. Shri Harsh Lapsia, All India Liquid Bulk Importers and Exporters Association.
4. Shri Sudip Dey Hon. Secretary, Federation of Freight Forwarders Associations of India.
5. Shri Vinod Sharma, Federation of Freight Forwarders' Associations in India.
6. Shri Hiren Ruparel, BCBA.
7. Shri Jatin Dhamani, Gandhar Oil Refinery Pvt Ltd.