सीमा शुल्क (निवारक) के आयुक्त का कार्यालय
"सीमा शुल्क भवन", विक्टोरिया ब्रिज के पास ,
राजकोट जामनगर हाइवे, जामनगर (गुजरात) – 361001

Office of the Commissioner of Customs (Preventive)
"Seema Shulk Bhavan", Near Victoria Bridge,
Rajkot - Jamnagar Highway, JAMNAGAR (Gujarat) – 361001

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F. No. CUS/3073/2026-Adjn. Date:10.06.2026

Show Cause Notice No. ADC- 02 /2026-27

DIN: 20260671MM0000623727

SHOW CAUSE NOTICE

(Issued under the provisions of Section 124 of the Customs Act, 1962)

WHEREAS IT APPEARED THAT:

Specific intelligence gathered by the Directorate of Revenue Intelligence (hereinafter referred to as 'DRI') indicated that some importers are indulged in import of 'Restricted Goods' through mis-declaration by declaring the same as 'Distillate Fuel Oil'. Intelligence further suggested that M/s. Aparajita Energy Private Limited (hereinafter also referred to as "the Importer"), (IEC No. ABACA2092G) having business address at 38, Radhe Krishna Industrial Park, Post - Mota Jalundra, Taluka - Dehgam, Gandhinagar - 382305 has imported 'Restricted Goods' under 02 Bills of Entry (for Warehousing) No. 7807595 dated 28.02.2026 **(RUD-1)** and (for Warehousing) No. 7834154 dated 02.03.2026 **(RUD-2)** filed at Pipavav Port (INPAV1) and declared the same as "Distillate Fuel Oil conforming to IS 16731 : 2019 (ISO:8217:2017) (Class F - Fuels and Fuel Oil)". The goods imported vide above two Bills of Entry were stored in 04 different tanks of M/s. Gulf Petroleum India Pvt. Ltd., Pipavav. Details of the said import consignments sought to be cleared are as under:

Table-I

Bill of Entry No. & Date (Port of Import)	7807595 dated 28.02.2026 (INPAV1)	7834154 dated 02.03.2026 (INPAV1)
Declared Description of the Goods in BE & HSN	"Distillate Fuel Oil conforming to IS 16731: 2019 (ISO: 8217 : 2017) (Class F - Fuels and Fuel Oil)" CTI: 27101961	"Distillate Fuel Oil conforming to IS 16731: 2019 (ISO : 8217 : 2017) (Class F - Fuels and Fuel Oil)"CTI: 27101961
Declared Quantity	2760.387 MTS	6651.372 MTS

Total Assessable Value (INR)	11,41,82,451/-	27,51,31,697/-
Customs Broker	M/s. Taffrail Marine	M/s. Taffrail Marine
Country of Origin	Oman	Oman
Port of Loading	Shinas	Shinas
Supplier	Ocean Oil Power FZC, Hamriyan Free Zone, Sharjah, UAE	Ocean Oil Power FZC, Hamriyan Free Zone, Sharjah, UAE
Invoice No. & Date	OPF/CI/024/2026 dated 23.02.2026	NAR-0226001 dated 26.02.2026
Bill of Lading No. & Date	SER/SHNS-0426001 dated 23.02.2026	NAR/SHNS-0226001 Dated 26.02.2026
Storage Warehouse & Tanks	Gulf Petroleum India Pvt. Ltd. (i) T-113 (ii) T-114	Gulf Petroleum India Pvt. Ltd. (i) T-106 (ii) T-108

2. Accordingly, on the basis of the specific input, the above said two consignments were put on hold on 05.03.2026 by DRI Jamnagar Regional Unit (under DRI Ahmedabad) for further detailed examination. The sampling of goods covered under the aforesaid two consignments were carried out under panchnama dated 07.03.2026 **(RUD-3)**. During the said proceedings, 04 (four) representative samples of the imported goods were drawn from each 04 (four) tanks, for testing to ascertain the exact nature of the import goods in the said two consignments. The details of representative samples and Test Memos are as under:-

Table-II

Sr. No.	B/E No. & Date	Description	Sample drawn from (Tank No.)	Sample marked as	Test Memo No. & Date
1	7834154 dated 02.03.2026	"Distillate Fuel Oil Conforming to IS 16731 : 2019 (ISO : 8217 : 2017) (Class F - Fuels and Fuel Oil)"	T-106	T-106/GP/X	34/2025-26 Dated 07.03.2026
				T-106/GP/Y	
				T-106/GP/Z	
			T-108	T-108/GP/X	35/2025-26 Dated 07.03.2026
				T-108/GP/Y	
				T-108/GP/Z	
2	7807595 dated 28.02.2026	"Distillate Fuel Oil Conforming to IS 16731 : 2019 (ISO : 8217 : 2017) (Class F - Fuels and Fuel Oil)"	T-113	T-113/GP/X	36/2025-26 Dated 07.03.2026
				T-113/GP/Y	
				T-113/GP/Z	
			T-114	T-114/GP/X	37/2025-26 Dated 07.03.2026
				T-114/GP/Y	
				T-114/GP/Z	

3. CHEMICAL ANALYSIS & TEST RESULTS:

The 04 (four) representative samples were sent to CRCL, Visakhapatnam for testing. CRCL, Visakhapatnam submitted their test report dated 27.03.2026 **(RUD-4)** in respect of the sample of the imported goods, as under:

3.1 **TEST REPORT FOR TEST MEMO NO. 34 / 2025-26:** The CRCL, Visakhapatnam, on the basis of the tested parameters indicated that –

"B. The sample does not confirm to Distillate Marine Fuel of IS 16731, with respect to Cloud Point and Lubricity, up to the extent of parameters tested.

C. The sample meets all the stringent parameters of Automotive Diesel Fuel not containing bio-diesel (IS 1460) except Sulphur content and Lubricity (Lubricity is increased due to addition of sulphur). The sample is most akin to Automotive Diesel Fuel not containing biodiesel (IS 1460:2025). The sample also meets all the stringent parameters of HFHSD (IS 16861) except Flash point (14°C less than the required 66 °C), Lubricity and Sulphur content.

D. The sample has exceptionally high sulphur (0.22%), which is not common in these types of distillates. It appears to be adulterated Automotive Diesel Fuel."

3.2 **TEST REPORT FOR TEST MEMO NO. 35 / 2025-26:** The CRCL, Visakhapatnam, on the basis of the tested parameters indicated that –

"B. The sample does not confirm to Distillate Marine Fuel of IS 16731, with respect to Cloud Point and Lubricity up to the extent of parameters tested.

C. The sample meets all the stringent parameters of Automotive Diesel Fuel not containing bio-diesel (IS 1460) except Sulphur content and Lubricity (Lubricity is increased due to addition of Sulphur). The sample is most akin to Automotive Diesel Fuel not containing biodiesel (IS 1460). The sample also meets all the stringent parameters of HFHSD (IS 16861) except Flash point (12°C less than the required 66°C), Lubricity and Sulphur content.

D. The sample has exceptionally high sulphur (0.23%), which is not common in these types of distillates. It appears to be adulterated Automotive Diesel Fuel."

3.3 **TEST REPORT FOR TEST MEMO NO. 36 / 2025-26:** The CRCL, Visakhapatnam, on the basis of the tested parameters indicated that –

"B. The sample does not confirm to Distillate Marine Fuel of IS 16731, with respect to Cloud Point and Lubricity up to the extent of parameters tested.

C. The sample meets all the stringent parameters of Automotive Diesel Fuel not containing bio-diesel (IS 1460) except Sulphur content and Lubricity (Lubricity is increased due to addition of Sulphur). The sample is most akin to Automotive Diesel Fuel not containing biodiesel (IS 1460). The sample also meets all the stringent parameters of HFHSD (IS 16861) except Flash point (11°C less than the required 66°C), Lubricity and Sulphur content.

D. The sample has exceptionally high sulphur (0.37%), which is not common in these types of distillates. It appears to be adulterated Automotive Diesel Fuel."

3.4 **TEST REPORT FOR TEST MEMO NO. 37 / 2025-26:** The CRCL, Visakhapatnam, on the basis of the tested parameters indicated that -

"B. The sample does not confirm to Distillate Marine Fuel of IS 16731, with respect to Cloud Point and Lubricity up to the extent of parameters tested.

C. The sample meets all the stringent parameters of Automotive Diesel Fuel not containing bio-diesel (IS 1460) except Sulphur content and Lubricity (Lubricity is increased due to addition of Sulphur). The sample is most akin to Automotive Diesel Fuel not containing Biodiesel (IS 1460). The sample also meets all the stringent parameters of HFHSD (IS 16861) except Flash point (12°C less than the required 66°C), Lubricity and Sulphur content.

D. The sample has exceptionally high sulphur (0.31%), which is not common in these types of distillates. It appears to be adulterated Automotive Diesel Fuel."

The Chemical Examiner, based on the detailed analysis of the tested parameters, reported that the goods imported vide aforesaid two consignments are not conforming to Distillate Marine Fuel (IS 16731) and are most akin to Automotive Diesel Fuel not containing Bio-diesel (IS 1460) and that they also meet all the stringent parameters of HFHSD (IS 16861). The Chemical Examiner has opined that the said imported goods are '*Adulterated Automotive Diesel Fuel*'.

4.0 SPECIFICATIONS OF AUTOMOTIVE DIESEL FUEL (ADF) NOT CONTAINING BIO-DIESEL (IS 146) AND HIGH FLASH HIGH SPEED DIESEL (HFHSD ((IS 16861), AS PER BUREAU OF INDIAN STANDARDS (BIS):

4.1 The specifications of for Automotive Diesel Fuel prescribed under IS 1460 : 2017 by the Bureau of Indian Standards are reproduced below :

Table 1 Requirement for Automotive Diesel Fuel
(*Clauses* 3.1.4 *and* 3.2)

Sl No.	Characteristic	Requirement		Method of Test, Ref to [P :] of IS 1448/ASTM/IP/ISO Annex
		Bharat Stage IV	Bharat Stage VI	
(1)	(2)	(3)	(4)	(5)
i)	Appearance	Clear, bright and free from sediments, suspended matter and undissolved water at normal ambient fuel temperature	clear, bright and free from sediments, suspended matter and undissolved water at normal ambient fuel temperature	Visual
ii)	Acidity, inorganic, mg of KOH/g	Nil	Nil	ISO 6618/ASTM D974[P]/ IP 139
iii)	Acidity, total, mg of KOH/g, *Max*	0.20	0.20	[P : 2][P]/ASTM D664/ ASTM D974 / IP 139
iv)	Ash, percent by mass, *Max*	0.01	0.01	[P : 4][P]/ASTM D 482/IP 4
v)	Carbon residue (Ramsbottom or micro) on 10 percent residue[1], percent by mass, *Max*	0.30	0.30	[P : 8][P] /ISO 10370/ASTM D 524/IP 14/ASTM D 4530
vi)	Cetane number, *Min*	51[2]	51[2]	[P : 9][P]/ASTM D 613
vii)	Cetane index, *Min*	46[2]	46[2]	ISO 4264[P]/ASTM D4737/ IP 380
viii)	Pour point[3], *Max*:			[P : 10][P]/ASTM D 3949/ASTM
	a) Winter	3°C	3°C	D 5950/ASTM D 5985/ASTM
	b) Summer	15°C	15°C	D97/ASTM D7346/IP 15
ix)	Copper strip corrosion for 3 h at 50°C	Not worse than No. 1	Not worse than No. 1	[P : 15][P]/ASTM D 130/IP 154
x)	Distillation, 95 percent v/v, recovery, °C, *Max*	360	360	[P : 18][P]/ISO 3405/ASTM D 86/ASTM D 7345/IP 123
xi)	Flash point, Abel[4], °C, *Min*	35	35	[P : 20][P]/ISO 3679/ IP170/ IP523/ EN13736
xii)	Kinematic viscosity, cSt, at 40°C	2.0 to 4.5	2.0 to 4.5	[P : 25][P]/ISO 3104/ASTM D 445/ASTM D 7042/IP 71
xiii)	Total contamination, mg/kg, *Max*	24	24	EN 12662[P]/IP 440
xiv)	Density at 15°C, kg/m^3	815–845[5]	810–845[6]	[P : 16][P]/[P : 32]/ISO 12185/ ASTM D 4052/ASTM D 1298/IP 160
xv)	Total sulphur, mg/kg, *Max*	50	10	ISO 13032[P]/ISO 20884/ISO 20846[P]/ASTM D 5453/ASTM D 2622/ASTM D 7220/[P : 34] For Bharat Stage IV grade only
xvi)	Water content, mg/kg, *Max*	200	200	[P : 153][P]/ASTM D 4294 ISO 12937/ASTM D 6304
xvii)	Cold Filter Plugging Point (CFPP)[3], *Max*:			[P : 110][P]/ASTM D 6371/ IP 309
	a) Winter	6°C	6°C	
	b) Summer	18°C	18°C	
xviii)	a) Oxidation stability[6], g/m^3, *Max*	25	25	[P : 154][P]/ASTM D 2274/IP 388
	b) Oxidation stability by Rancidity meter[7], hours, *Min*	20	20	EN 15751
xix)	Polycyclic Aromatic Hydrocarbon (PAH), percent by mass, *Max*	8	8	EN 12916[P]/IP 391/ASTM D 6591
xx)	Lubricity corrected wear scar diameter (wsd 1.4) at 60°C, microns, *Max*	460	460	P 149/ISO 12156-1/Cor 1
xxi)	FAME content[8], % v/v, *Max*	7.0	7.0	Annex A[P]/ASTM D7371/ EN14078

4.2 The specifications for High Flash High Speed Diesel (HFHSD) prescribed under IS 16861 : 2018 by the Bureau of Indian Standards are reproduced below :

Table 1 Requirements for High Flash High Speed Diesel (HFHSD)
(*Clauses* 3.3)

IS 16861 : 2018

Sl No. (1)	Characteristics (2)	Requirement (3)	Method of test, Ref to [P:] of IS1448/ISO/ASTM/IP (4)
i)	Appearance	Clear and Bright	Visual
ii)	Acid Number, mg KOH/g, *Max*	0.5	[P : 2][7]/D 664/D 974
iii)	Ash, percent by mass, *Max*	0.01	[P : 4][7]/ISO 6245/D 482
iv)	Carbon residue on the 10 percent Volume Distillation Residue, mass %, *Max*	0.3	[P : 8][7]/ISO-10370/D 4530/D 524
v)	Cetane index[1], *Min*	45	ISO 4264[7]/D 4737
vi)	Pour Point[2], *Max*		[P : 10][7]/ISO 3016/D 97
	a) Winter	3°C	
	b) Summer	15°C	
vii)	Copper strip Corrosion for 3 h at 100°C	Not worse than No.1	[P : 15][7]/ISO 2160/D 130
viii)	Distillation, percent (v/v), recovered		[P : 18][7]/ISO 3405/D 86
	a) at 350°C, *Min*	85	
	b) at 370°C *Min*	95	
ix)	Flash Point Pensky Martens closed cup °C, *Min*	66	[P : 21][7]/ISO 2719/D 93
x)	Kinematic viscosity, cSt, at 40°C	2.0 to 5.0	[P : 25][7]/ISO 3104/D 445/D 7042
xi)	Density[3] at 15°C, kg/m^3, *Max*	860	[P : 16][7]/ISO 3675/ISO 12185/D 4052
xii)	Total sulphur[4], % by mass, *Max*	0.20	D 4294[7]/ISO 14596/D 2622/ISO 8754
xiii)	Water content, ppm, max.	500	ISO 12937[7]/ISO 6296/D 6304
xiv)	Cold filter plugging point (CFPP), °C	To report	[P : 110][7]/D 6371/IP 309
xv)	Oxidation Stability[5], g/m^3, *Max*	25	[P : 154][7]/D 2274/IP 388
xvi)	Lubricity[6], Corrected WSD at 60°C, microns max	520	ISO 12156-1/D 6079

4.3 Whereas, on analysis of the parameters detailed in the Test Reports vis-à-vis the parameters stipulated in the BIS standards of Automotive Diesel Fuel (ADF) conforming to standard IS:1460 as well as High Flash High Speed Diesel (HFHSD) (IS:16861), it is forthcoming, that goods being imported have been mis-declared, as suspected in the intelligence.

Table-III

Sl. No.	Bill of Entry No.	Date of Bill of Entry	Product description as per the analysis of the Test report
01	7807595	28.02.2026	Most Akin to Automotive Diesel Fuel (ADF) conforming to standard IS:1460
02	7834154	02.03.2026	Most Akin to Automotive Diesel Fuel (ADF) conforming to standard IS:1460

Thus, it appears that the samples drawn from two consignments pertaining to the above two Bills of Entry are Most Akin to and have Closest Resemblance to limits / specifications stipulated in IS: 1460, which pertains to the Bureau of Indian Standard prescribed for Automotive Diesel Fuel. Import of Automotive Diesel Fuel is restricted and the same can only be imported by the State Trading Enterprises (STEs), as per the Foreign Trade Policy.

4.4 Thus, in the light of the tested parameters as per the Test Report provided by CRCL Visakhapatnam, the goods imported under above two Bills of Entry i.e. BoE No. 7807595 dated 28.02.2026 and BoE No.7834154 dated 02.03.2026, appeared

liable to be classified under CTI 2710 1944 under the description of Automotive Diesel Fuel conforming to standard IS 1460. The relevant description of CTI 2710 1944 as per Customs Tariff Act, 1975 is, as below:

HS CODE (1)	ITEM DESCRIPTION (2)	UNIT (3)	BASIC (4)	EFFECTIVE (5)	PHL (6)	IGST (7)	SWS (8)	TOTAL (9)	POLICY (10)	REMARKS (11)
2710 19 43	— Light diesel oil conforming to standard IS 15770	kg.	5.00	5.00	—	18.00	0.50	24.490	State Trading Enterprises	*Import as per Policy Condition (5) of Chapter 27*
2710 19 44	— Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460	kg.	2.50	2.50	—	14% + Rs.15 per litre	0.08		State Trading Enterprises	*Import as per Policy Condition (5) of Chapter 27 SWS - 3% by Noti. 12/2018-Cus.*

Customs Tariff Item 27101944

4.5 Further, as per ITC (HS), 2022, Schedule 1: Import Policy, Section V: Mineral Products, Chapter 27: Mineral Fuels, Mineral Oils and Products of Their Distillation; Bituminous Substances; Mineral Waxes: Goods falling under the description of "Gas oil and oils obtained from gas oil: -- Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460" the import policy makes the goods restricted by way of importation by State Trading Enterprises only by virtue of Policy Condition No. 5 which prescribes that "Import is allowed through IOC subject to para 2.21 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NG Resolution No. P23015/1/2001-MKT. Dated 8.3.2002 including HPCL, BPCL and IBP who have been marketing transportation fuels before this date". The screenshots of the relevant extracts are as below:

Product Description and Import Policy

27101944	---	Gas oil and oils obtained from gas oil: ---- Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460	STE (State Trading Enterprise)	Import as per Policy Condition (5) of Chapter 27.

Policy Condition (5) of Chapter 27 of ITC (HS) Import Policy

Sl.No.	Notes	Notification No.	Notification Date
1	Import of naphtha is free.		
2	Import of SKO shall be allowed through State Trading Enterprises (STEs) i.e. IOC, BPCL, HPCL and IBP for all purposes with STC being nominated as a State Trading Enterprise (STE) for supplies to Advance Licence holders. Advance Licence holders shall however, have the option to import SKO from the above mentioned STEs including STC		
3	Import is restricted in terms of Interim PIC Procedure of Rotterdam Convention on Prior Informed Consent procedure for hazardous chemicals and pesticides.		
4	Automobile industries, having RandD registration, are allowed to make free import of reference fuels (Petrol and Diesel) which are not manufactured in India, up to maximum of 5 KL per annum, subjects to the condition that the said imported reference fuels shall be used for RandD and emission testing purposes only		
5	Import allowed through IOC subject to para 2.21 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NGs Resolution No. P23015/1/2001-MKT. Dated 8.3.2002 including HPCL, BPCL and IBP who have been marketing transportation fuels before this date.	08/2023	29/05/2023

4.6 As per Schedule 1 Import Policy under ITC (HS), 2022 for Chapter-27 (Mineral Fuels, Mineral Oils, etc.), import of "***Gas oil and oils obtained from gas oil: ---- Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460***" covered under HS Code 27101944, is restricted into India, and the same can only be imported subject to Policy Condition No. 5 of Chapter 27.

4.7 Therefore, it emerges that the said importer has attempted to import restricted goods i.e. "***Automotive Diesel Fuel conforming to standard IS: 1460***" by mis-declaring the same as "Distillate Fuel Oil conforming IS 16731: 2019 (ISO: 8217:2017) (Class F - Fuels and Fuel Oil)" in respect of the aforesaid two consignments. Accordingly, under the reasonable belief that the said goods are liable for confiscation under the provisions of Section 111 of the Customs Act, 1962, the same were placed under seizure under Section 110 of the Customs Act, 1962, vide Seizure Memo dated **28.03.2026 (RUD-5)**.

5. INQUIRY / INVESTIGATION:

5.1 STATEMENT OF AUTHORIZED PERSON / CEO OF THE IMPORTER :

During the course of investigation, Statement of Shri Jay Nileshbhai Mandaviya, Authorized Person / Chief Executive Officer (CEO) of M/s. Aparajita Energy Private Limited, 38, Radhe Krishna Industrial Park, Post - Mota Jalundra, Taluka - Dehgam, Gandhinagar - 382305 was recorded under Section 108 of the Customs Act, 1962 on 07.04.2026 **(RUD-6)**, during which he interalia stated that

5.1.1 He is an Authorized Person / Chief Executive Officer (CEO) of M/s. Aparajita Energy Private Limited, Gandhinagar - 382305. He is associated with M/s. Aparajita Energy Private Limited, Gandhinagar since 2024 and is holding all the responsibilities of the company under the role of CEO. The company was established in the year 2024 and having CIN No. U46102GJ2024PTC. Shri Manish Kumar Patel and Shri Hemal Kumar Patel are acting as Director of the company since 2024 & 2025 respectively.

5.1.2 Being a CEO of the company, his responsibilities includes Business Development, Procurement and Marketing, Compliances and Legal activities i.e. Import Purchase, Customs Clearance and handling, all Government Legalities in the Trade circle. Both the Directors i.e. Shri Manish Kumar Patel and Shri Hemal Kumar Patel have the responsibilities of Finance and Trade approval.

5.1.3 On being asked regarding the final authority for the procurement / purchase of the imported goods vide Bill of Entry No. 7807595 dated 28.02.2026 and No. 7834154 dated 02.03.2026, he stated that being CEO of the company, he is responsible for the procurement / purchase for the

company after taking financial approval from Shri Manish Kumar Patel, Director of the company.

5.1.4 The company is engaged in import of Petroleum Oils i.e. Fuel Oil, Distillate Oil and also engaged in trading of these goods, however, the company is not engaged in any manufacturing activity.

5.1.5 On being asked about the process for purchase / procurement of raw-materials or goods by way of import or local procurement and details of Contract(s) or Agreement(s) or Purchase Order(s), if any, executed with suppliers for such transactions, he stated that they are having a verbal commitment / agreement with their overseas supplier i.e. M/s. Ocean Oil Power FZC, UAE for the impugned consignments and they have placed their order through a personal meeting in UAE on 18-20 February, 2026 for these consignments. They have purchased 07 consignments including these two consignments from M/s. Ocean Oil Power FZC, UAE. There is no written Contract or Agreement or Purchase Order executed with the suppliers.

5.1.6 On being asked about the status of the suppliers / sellers, he stated that M/s. Oceanic Oil Power FZC, UAE is their only Supplier of the imported goods i.e. Distillate Fuel Oil, and the Supplier is a Merchant Trader.

5.1.7 On being asked about the correctness and authenticity of the description of the goods agreed for purchase and goods supplied at the time of import, he stated that they agreed with the supplier on such terms of appointment of Third Party Inspection by International Recognized Agency like SGS, AMSPEC, INTERTEK, GEOCHEAM, BEURO VERITAS at the time of bulk cargo loading. The Inspection Agency takes composite sample from every tank of vessel and the Test Reports issued by such agency are the basis to confirm the description of the goods, for specification of the respective Indian Standard and Technical Legalities. He also produced copies of Certificate of Analysis (COA) in respect of both consignments issued by agency.

5.1.8 On being asked about the details of the goods imported vide Bill of Entry No. 7807595/28.02.2026 and Bill of Entry No. 7834154/02.03.2026, he stated that M/s. Aparajita energy Private Limited Gandhinagar have imported Distillate Fuel Oil conforming to IS 16731:2019 (ISO 8217:2017) (Class F Fuels and Fuel Oil). On being specifically asked about the principal uses of the said imported goods / consignments, he stated that they are traders and not aware of the End-use of the imported goods.

5.1.9 On being specifically asked about the Contract / Agreement / Purchase

Order executed with the overseas Sellers / Suppliers in respect of the subject imported goods / consignments claimed to be Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017)(Class-F and Fuel Oil), he stated that there is no written Contract or Agreement or Purchase Order executed with the suppliers.

5.1.10 On being further asked about the Parameters / Characteristics / Specifications of the subject imported goods / consignments declared to be of Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017) (Class-F and Fuel Oil), he referred to Certificate of Analysis (CoA) report submitted earlier and stated that they ensure correctness and authenticity of the description of the goods on the basis of the said Certificate of Analysis (CoA).

5.1.11 He claimed that M/s. Aparajita Energy Private Limited purchased the subject imported goods / consignments of Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017) (Class-F and Fuel Oil) from a trader and on being further asked to submit Test Reports / Chemical Analysis reports issued by the Manufacturers / Refiners, he stated that they are not in possession of any such report. Their supplier refused to share any such report to ensure secrecy of the trading business.

5.1.12 On being asked to submit the Technical Catalogue / Literature of the subject imported goods / consignments declared to be of Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017)(Class-F and Fuel Oil), he stated that it is not readily available with him.

5.1.13 He perused Test Memo No. 34 to 37 dated 28.02.2026 and Test Reports dated 27.03.2026 issued by the CRCL, Visakhapatnam in respect of the sample drawn from the goods / consignments imported vide BoE No. 7807595 / 28.02.2026 and BoE No. 7834151 /02.03.2026. The CRCL opined in the said Test Reports that the samples do not confirm to Distillate Marine Fuel of IS 16731, with respect to Cloud Point and Lubricity, upto the extent of parameters tested and the samples meet all stringent parameters of Automotive Diesel Fuel not containing bio-diesel (IS 1460) except Sulphur content and Lubricity (Lubricity is increased due to addition of Sulphur) and that the sample is most akin to Automotive diesel Fuel not containing bio-diesel (IS 1460) and samples also meet all the stringent parameters of HFHSD (IS 16861) except Flash Point (i.e. less than the required 66°C), Lubricity and sulphur Content. The CRCL also opined that the samples have exceptionally high Sulphur which is not common in these types of distillates. The CRCL further opined that the samples appear to be Adulterated Automotive Diesel Fuel. On being asked to comment on the same, he stated that they do not agree with the report of

CRCL Visakhapatnam. He further stated that they have conveyed their disagreement on the findings of CRCL Visakhapatnam in the Test Report vide email dated 29.03.2026.

5.2 INQUIRY AT THE BUSINESS PREMISES OF THE IMPORTER & STATEMENT OF THE DIRECTOR OF THE COMPANY:

During the course of investigation, a search was carried out at the business premises of M/s. Aparajita Energy Private Limited located at 38, Radhe Krishna Industrial Park, Post - Mota Jalundra, Taluka - Dehgam, Gandhinagar -382305 and incriminating documents were resumed under Panchnama dated 09.04.2026 (**RUD-7**) in presence of Shri Manish Kumar Narsihbhai Patel, Director of the company. A Statement of Shri Manish Kumar Narsihbhai Pate, Director of M/s. Aparajita Energy Private Limited, 38, Radhe Krishna Industrial Park, Post - Mota Jalundra, Taluka - Dehgam, Gandhinagar -382305 was recorded under Section 108 of the Customs Act, 1962 on 09.04.2026 (RUD-8), during which interalia he stated that -

5.2.1 He is designated as Director of M/s Aparajita Energy Private Limited, Gandhinagar and holds all the responsibilities regarding Finance and HR related issue of the company. M/s. Aparajita Energy Private Limited is incorporated as a Private Limited company in Year 2024. He and his son Shri Hemal Patel are acting as Directors of the company since 2024 & 2025 respectively. He further stated that his role and responsibilities in the company include arranging finance, taking loans for the purchase of the goods and managing the HR related issue of the company. His son, Shri Hemal Patel is learning the business activities of the company and has not been allotted any role so far.

5.2.2 On being asked about the final decision making authority for import of goods, supplier selection and pricing for the company, he stated that he does not have much technical knowledge and Shri Jay Nileshbhai Mandaviya, CEO of M/s. Aparajita Energy Private Limited, Gandhinagar is taking the decision regarding import of goods, supplier selection and pricing.

5.2.3 On being asked about who was the final authority for the procurement / purchase of the imported goods vide BE No. 7807595 / 28.02.2026 and 7834154 / 02.03.2026, he stated that Shri Jay Mandaviya is responsible for the procurement / purchase of the goods for the company after taking procurement approval from him.

5.2.4 On being asked about the nature of business activities being carried out by the company i.e. engagement in Manufacturing / Trading /

Service, he stated that his company is engaged in Import of Petroleum Oils i.e. Fuel Oil, Distillate Oil and in trading of these goods and the company is not engaged in any manufacturing activity.

5.2.5 On being asked about the process of purchase / procurement of raw-materials / goods (Import or Local procurement), he stated that they have a verbal commitment / agreement with their overseas supplier i.e. M/s. Oceanic Oil Power FZC UAE for the imported consignments and no written Contract or Agreement or Purchase order is executed between them.

5.2.6 On being asked about the status of suppliers / sellers for the imported consignments i.e. Manufacturers or Traders, he stated that M/s. Oceanic Oil Power FZC, UAE is a Merchant Trader.

5.2.7 On being asked, he stated that he was aware of the fact that the goods were declared as Distillate Fuel Oil (IS 16731:2019) and that he has not verified the correctness of classification before filing Bill of Entry as it involves technical knowledge and the same was dealt by Shri Jay Mandaviya, CEO of the company.

5.2.8 On being asked about his understanding of the nature and usage of the imported goods, he stated that as per his knowledge, the imported goods are Distillate Fuel Oil which is used in industry.

5.2.9 On being asked as to who ensures availability of Test Reports / Chemical Analysis reports at the time of import, he stated that all these things are dealt by Shri Jay Mandaviya, CEO of his company.

5.2.10 On being asked about the mechanism to verify the authenticity of the goods, he stated that they rely on the Test Reports / Chemical Analysis Reports provided by their overseas suppliers and if the test reports meet all the specifications of Indian Standards, they approve the consignment for loading from supplier side.

5.2.11 On being asked to submit copy of Contract / Agreement / Purchase Order executed with the overseas Sellers / Suppliers in respect of the imported goods / consignments declared to be of Distillate Fuel Oil conforming IS 16731:2019 (SO 8217:2017) (Class F fuels and Fuel Oil), he stated that there is no written Contract or Agreement or Purchase Order executed with the suppliers and all the consignments are imported on credit with suppliers on verbal basis. He further stated that they make the payment in instalments to the overseas supplier through bank by SWIFT transfer after the sale of the imported goods

in the local market.

5.2.12 On being asked to submit the Technical Catalogue / Literature of the subject imported goods / consignments of goods declared to be Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017) (Class-F and Fuel Oil), he stated that the same is not readily available with him.

5.2.13 He perused Test Memo No. 34 to 37 dated 28.02.2026 and Test Reports dated 27.03.2026 issued by CRCL, Visakhapatnam in respect of the sample drawn from the goods / consignments imported vide BoE No. 7807595 / 28.02.2026 and BoE No. 7834151 /02.03.2026. On being asked, he stated that he does not agree with the Test Report of CRCL Visakhapatnam which has opined the imported goods to be most akin to Automotive Diesel Fuel not containing bio-diesel (IS:1460) and all stringent parameters of HFHSD (IS:16861). He reiterated that they have imported the Distillate Fuel Oil confirming to IS 16731:2019(ISO 8217:2017) and claimed that the same is confirmed in the CRCL Vadodara Test Report also.

5.3 FURTHER, STATEMENT OF AUTHORIZED PERSON / CEO OF THE IMPORTER:

During the course of investigation, further Statement of Shri Jay Nileshbhai Mandaviya, Authorized Person / Chief Executive Officer (CEO) of M/s. Aparajita Energy Private Limited, 38, Radhe Krishna Industrial Park, Post - Mota Jalundra, Taluka - Dehgam, Gandhinagar - 382305 was recorded under Section 108 of the Customs Act, 1962 on 04.05.2026 (**RUD-9**), during which he interalia stated that –

5.3.1 On being asked to produce copy of Purchase Order / Contract / Agreement of the subject two consignments, he reiterated his earlier reply and stated that they have verbal commitment / agreement with their overseas supplier i.e. M/s. Oceanic Oil Power FAC, UAE and placed the order in a personal meeting in UAE on 18-20 February, 2026 and also reiterated that there is no written Purchase Order / Contract / Agreement executed. He also stated that the goods have been purchased vide Invoice No. OPF/CI/024/2026 dated 23.022026 and Invoice No. NAR-0226001 date 26.02.2026 wherein payment term has been mentioned as "As per Agreement" and they have not made the payment to the supplier till date. He further stated that they don't have Test Report or chemical Analysis Report issued by the Manufacturer / refiner pertaining to these goods.

5.3.2 On being confronted that Payment Terms mentioned as "As per Agreement" in Invoice which is contradictory to his version that No Written Agreement / Contract/Purchase Order is executed with supplier, he explained that the word "As per Agreement" mentioned in Invoice means a verbal agreement with supplier.

5.3.3 On being specifically asked about the use of the Distillate Fuel Oil conforming to IS 16731:2019 (ISO 8217:2017) (Class F Fuels and Fuel Oil) by the company, he reiterated his earlier version that they are traders and are not aware of the End-use of these goods.

5.3.4 On being asked about the major buyers of Distillate Fuel Oil imported by their company and its use by these buyers, he stated name of two buyers viz. (1) M/s. Mahakali Exim LLP, and (2) M/s. Sigma Petrochem and stated that they are also traders.

5.3.5 On being asked about the content of incriminating documents resumed under Panchnama dated 09.04.2026 from the business premises of his company, he explained documents viz. (1) Import Documents files - contains Invoice, Packing List, Bill of Entry etc. of Distillate Fuel Oil, Fuel Oil and General Purpose Spindle Oil and stated that DFO is imported both in Containers & Bulk, General Purpose Spindle Oil is imported in containers only and Fuel Oil is imported in Bulk only, (2) Sales Documents files - contains Sales Invoice, E-way Bill, Weighment Slip, Lorry Receipt etc., (3) Inward Way Bills files - contains E-Way Bills which are issued in case of import of containerized cargo for its movement from Port to Storage Tanks, (4) Made-up file contains misc. documents, and (5) Executive Diary contains Business planning, Market Survey, Reminders, Updation, Stock, Daly routine working and Note Point etc.

5.3.6 On being specifically asked about the difference observed in the description of the goods in Sales Bills as Distillate Fuel Oil (27101961) and D.O.M (27101961), he stated that description "Distillate Fuel Oil" is mentioned in case of Distillate Fuel Oil imported in bulk, and D.O.M. (27101961) which stands for Distillate Oil Marine is mentioned in Sales Invoice in case of Distillate Fuel Oil imported in Containers.

6 FINDINGS OF THE INVESTIGATION & EVIDENCES COLLECTED:

6.1 M/s. Aparajita Energy Private Limited, Gandhinagar have imported two consignments weighing 2760.387 MTs & 6651.372 MTs at the Port of Pipavav

(INPAV1) and declared the same as Distillate Fuel Oil confirming IS to 16731 : 2019 (ISO 8217:2017) (Class F Fuels and Fuel Oil) in the Bill of Entry No. 7807595 dated 28.02.2026 and Bill of Entry No. 7834154 dated 02.03.2026 respectively, on the strength of Commercial Invoice, Packing List, Bill of Lading and Certificate of Analysis, and self-assed the goods by classifying under Custom Tariff Item 2710 19 61 of the Customs Tariff (Import Tariff).

6.2 The Directorate of Revenue Intelligence (DRI) Regional Unit Jamnagar (under DRI Ahmedabad) initiated investigation in respect of the subject two consignments based on the specific intelligence that "Restricted Goods" were being attempted to be imported by way of mis-declaration of the goods as "Distillate Fuel Oil" which is Free for import as per the Foreign Trade Policy.

6.3 In all, total 04 (four) representative samples of the goods were drawn, as per Test Memo No. 34 to 37 all dated 07.03.2026, in respect of the above stated two consignments, in the presence of the importer and witnesses under Panchnama for its chemical analysis, to ascertain the correct description of the imported goods. Specific parameters to be tested and queries to be replied on the basis of tested parameters have been elaborately mentioned in the Test Memos. The Customs Revenue Laboratory, Visakhapatnam issued 04 (four) Test Reports all dated 27.03.2026 wherein all relevant parameters viz. Flash Point, Density, Kinematic Viscosity, Sulphur Content, Distillation Range, Cetane Index, Cloud Point, Lubricity, FAME Content, Water etc. have been tested.

6.4 The Chemical Examiner, Custom House Laboratory, Visakhapatnam have, based on the result of the tested parameters, replied to all the queries raised and determined the correct and exact description of the goods. The result of the Chemical Tests in respect of all 04 (four) Test Reports is similar and revealed that the sample does not confirming to Distillate Marine Fuel of IS 16731 with respect to Cloud Point and Lubricity and meets all the stringent parameters of Automotive Diesel Fuel not containing Bio-diesel (IS 1460) and HFHSD (IS 16861). The sample is most akin to Automotive diesel Fuel not containing bio-diesel and it is an adulterated Automotive Diesel Fuel.

6.5 The specimen of one such Test Report is scanned below for better understanding of the total parameters tested by the laboratory in order to arrive at the scientific evaluation of the sample of the goods.

भारत सरकार
वित्त मन्त्रालय, राजस्व विभाग
सीमा शुल्क प्रयोगशाला
5वींमंजिल, सीमा शुल्ककार्यालय
पोर्टएरिया,विशाखापत्तनम- 530 001

Government of India
Ministry of Finance
Department of Revenue
CUSTOM HOUSE LABORATORY
5th FLOOR
CUSTOM HOUSE, PORT AREA
VISAKHAPATNAM – 530 001.
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TEST REPORT

Date: 27.03.2026

Lab No: 793/DRI
Test Memo No: 35/2025-26 — Date: 11.03.2026
F. No.: DRI/JRU/INQ-10/2025-26
B. E. No: 7834154 — Date: 07.03.2026
Sample Marked as: T-108/GP/X — Date: 02.03.2026
Tank No.: T-108
Sample Received from: Senior Intelligence officer, (DRI), Sub Regional Unit, Bhavnagar.
Description of Sample: Distillate Fuel Oil confirming IS 16731:2019 (ISO 8217:2017) Class F-Fuels and Fuel Oil
Date of Receipt: 11.03.2026
Sample Plan: Sample not Drawn by this laboratory
Report: The sample is in the form of pale yellow coloured, free flowing oily liquid. It is mainly composed of petroleum hydrocarbons, having mineral oil content more than 70% by wt. It is having following characteristics.

1.	Appearance	= Clear & bright
2.	Total Acid Number (mg of KOH/gr)	= less than 0.2%
3.	Ash content	= Nil
4.	Carbon residue on 10% Residue	= Less than 0.30% by wt.
5.	Flash Point (Abel),°C	= 54°C
6.	Density at 15°C	= 0.818 g/ml
7.	Kinematic Viscosity at 40°C	= 2.07 cSt
8.	Sulphur Content	= 2344 ppm
9.	Distillation-IBP, °C	= 167.4°C
	Temperature at 50% recovery	= 239.8°C
	% Recovery at 350°C	= More than 85% by vol.
	% Recovery at 360°C	= More than 95% by vol.
10.	Cetane Index	= 52.5
11.	Cetane Number	= To be done at refinery end
12.	Pour point	= Less than 15°C
13.	Copper strip corrosion	= Class 1
14.	Cold Filter Plugging Point	= -8°C
15.	Cloud point	= -7°C
16.	Oxidation stability	= Parameter is to be determined at manufacturers end only (Refer to IS 1460)
17.	Oxidation stability (for diesel fuel having FAME above 2%)	= Not applicable as sample is free from FAME
18.	Lubricity	= 590
19.	FAME content	= Absent
20.	PAH % by max	= Less than 8% by mass
21.	Water	= Less than 200 ppm

Point wise reply to queries raised is as the following:
B. The sample does not confirming to Distillate Marine Fuel of IS 16731, with respect to Cloud point and Lubricity, up to the extent of parameters tested.
C. The sample meets all the stringent parameters of Automotive Diesel Fuel not containing bio-diesel (IS 1460) except Sulphur content and Lubricity (Lubricity is increased due to addition of sulphur). The sample is most akin to Automotive Diesel Fuel not containing bio-diesel (IS 1460).
The sample also meets all the stringent parameters of HFHSD (IS 16861) except Flash Point (12°C less than the required 66°C), Lubricity and Sulphur content.
D. The sample has exceptionally high sulphur (0.23%), which is not common in this type of distillates. It is appear to be an adulterated Automotive Diesel Fuel.
E. It is non-hazardous.
Sealed remnant sample returned herewith.

27/3/26

End of the Report

प्रदीप मारु / PRADEEP MAROO
रसायन परीक्षक ग्रेड-1
Chemical Examiner Grade-1
सीमा शुल्क प्रयोगशाला
Custom House Laboratory
सीमा शुल्क सदन, विशाखापत्तनम-530 035
Custom House-Visakhapatnam-530 035

Note 1: The results relate only to the items tested.
Note 2: Sample not Drawn by this laboratory.
Note 3: The report shall not be reproduced except in full without approval of this laboratory.
Note 4: Remnant sample should be collected within 30 days otherwise it will be disposed off

6.6 The Test Reports in respect of all 04 samples categorically mentioned that the sample does not confirm to Distillate Marine Fuel of IS 16731, with respect to Cloud Point and Lubricity. The parameters of Cloud Point is (-16°C, Max.) and Lubricity is (520 µm, Max.) prescribed under IS 16731:2019 (ISO 8217:2017) and Test Reports indicate that these two parameters do not match in respect of all 04 (four) samples tested by the CRCL, Visakhapatnam. All 04 (four) Test Reports indicate the Cloud Pont as (-7 °C) and Lubricity between 530 µm to 590 µm,

therefore, the imported goods appear to be not fulfilling the two vital parameters, prescribed under IS 16731:2019. The imported goods should fulfill all the parameters prescribed under IS 16731:2019 to qualify the goods for classification of the imported goods under Customs Tariff Item 27101961 of Customs Tariff (Import Tariff) whereas in the present case sample of the imported goods are not fulfilling two vital parameters, as described above. Hence, the imported goods appear to be not as per the declared description of the goods and appear to be mis-declared as "Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217L2017) (Class-F Fuel and Fuel Oil) and mis-classified under Customs Tariff Item 2710 19 61 of the Customs Tariff (Import Tariff).

6.7 The Test Reports in respect of all 04 samples categorically mentioned that the sample meets all the stringent parameters of Automotive Diesel Fuel not containing bio-diesel (as per IS 1460), except Sulphur Content and Lubricity. Thus, in respect of the 21 parameters prescribed under IS 1460, the sample meets all stringent parameters as per IS 1460, except Sulphur and Lubricity. As regards the parameters of Sulphur and Lubricity, the Chemical Examiner has, on the basis of tested parameters and technical expertise, given clear findings that "Lubricity is increased due to addition of Sulphur". The Chemical Examiner also observed that samples have exceptionally high Sulphur (i.e. 0.22%, 0.23%, 0.37% & 0.31%) which is not common in these types of distillates. The Test Report in respect of all 04 samples also categorically mentioned that the they meet all the stringent parameters of High Flash High Speed Diesel (HFHSD) as per IS 16861, except Flash Point (14°C, 12°C, 11°C, & 12°C less than the required 66°C), Lubricity and Sulphur Content. Thus, based on the tested parameters and analytical findings, the Chemical Examiner has opined that the Sample is most akin to **"Automotive Diesel Fuel not containing bio-diesel (IS 1460:2025)"** and it appears to be an **"adulterated Automotive Diesel Fuel"**.

6.8 It is observed from the Test Reports that all relevant parameters mandated by the Hon'ble Supreme Court in ***Gastrade International v. Commissioner of Customs, Kandla***, have been duly tested by the laboratory and the Chemical Examiner have made scientific analysis of the tested parameters and provided analytical and logical conclusion to determine the true and exact nature and description of the imported goods. Thus, the Test Report of CRCL Visakhapatnam has unequivocally brought out that the imported goods are, in fact, "Adulterated Automotive Diesel Fuel" and are "most akin" to "Automotive Diesel Fuel conforming to IS 1460" and not "Distillate Fuel Oil" confirming to IS 16731:2019 (ISO 8217:2017) (Class-F Fuels or Fuel Oil) as declared in the Bill of Entry No. 7807595 dated 28.02.2026 and No. 7834154 dated 02.03.2026. .

6.9.1 As per the Test Reports issued by CRCL, Visakhapatnam, the parameters of imported goods align to ***IS: 1460 i.e. "Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460", therefore,*** the imported goods are actually classifiable under CTI 2710 1944 instead of CTI 2710 1961. Further, as

per Schedule 1 Import Policy under ITC (HS), 2022 for Chapter-27 (Mineral Fuels, Mineral Oils, etc.), import of "***Gas oil and oils obtained from gas oil: ---- Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460***" covered under CTI 27101944, is restricted into India, and the same can only be imported subject to Policy Condition No. 5 of Chapter 27.

6.9.2 The classification of the goods is governed by the General Rules for the Interpretation (GIR) of the Harmonized Systems. Rule 4 of GIR further provides that goods which cannot be classified in accordance with the above rules shall be classified under the heading appropriate to the goods to which they are ***"most akin".***

Thus, in view of the Test Reports and General Rule of Interpretation, it appears that said importer has imported restricted goods i.e. "***Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460***" by mis-declaring the same as 'Distillate Fuel Oil' under the said two onsignments. Accordingly, the said imported goods in two consignments are liable for confiscation under the provisions of Section 111(m) of the Customs Act, 1962 and appropriately placed under seizure under Section 110 of the Customs Act, 1962 vide Seizure Memo dated **28.03.2026.**

6.10 The above test reports in respect of Bill of Entry No. 7807595 dated 28.02.2026 and Bill of Entry No. 7834154 dated 02.03.2026 clearly reveal the gist of intelligence of attempted import of restricted goods in as much as Automotive Diesel Fuel (ADF), conforming to the parameters and specifications of **IS 1460** is RESTRICTED for import as per the Foreign Trade Policy issued by the DGFT.

6.11.1 During the course of inquiry / investigation, the importer stated the following facts pertaining to import of subject two consignments: -

a) The importer is importing Petroleum Oils i.e. Fuel Oil, Distillate Oil for trading purpose only and is not involved in any manufacturing activity

b) The importer has purchased / procured these two consignments of Distillate Fuel Oil on the basis of verbal commitment / agreement with the overseas supplier i.e. M/s. Ocean Oil Power FZC, UAE. The said supplier / sellers of the above two consignments is a Merchant Trader and not a manufacturer or refiner of the goods. There is no written Contract or Agreement or Purchase Order executed between the importer and the supplier for above two consignments. The goods have been purchased, on credit, from supplier on verbal basis with a liberty to make the payment in instalments after the sale of the imported goods in the local market.

c) The importer does not possess any Technical Literature, Catalogue, Test Report, Chemical Analysis of Products issued by the Manufacturer or

Refiner of the goods in support of the true and correct description of the goods. The importer is solely relying on the Certificate of Analysis (COA) issued by the Recognized Third Party Inspection Agency in support of description of the goods, though, there is no express contracting condition for the same. There is no other documents or mechanism to show the authenticity of the goods supplied by the supplier and imported by the importer in respect of these two consignments, except Certificate of this Analysis (COA).

d) The goods are being purchased / procured by the importer from the overseas suppler are traders only. The goods are further sold / supplied in India to traders only. Thus, the importer is also not aware of the exact End-use of the imported goods.

6.11.2 In view of the above factual matrix of transaction between the importer and supplier of the imported goods of above two consignments, there appears to be no due diligence shown by transacting parties to demonstrate the true and correct nature of the goods under import. Moreover, absence of written agreement indicating the accurate Description of the Goods, Payment Terms, Quality & Quantity measures etc. makes the subject two transactions of import of goods unusual, uncommon and abnormal, so far as authenticity of the goods is concerned.

7 RELEVANT LEGAL PROVISIONS:

7.1 Adulterated diesel is dangerous, threatening and harmful to the people and environment, and by importing Adulterated Diesel, the importer has attempted to jeopardize the efforts and intent of the government to promote cleaner fuels in the country. The word "adulteration" is defined under the Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005, *as the introduction of any foreign substance into motor spirit or high speed diesel illegally or unauthorizedly with the result that the product does not conform to the requirements of Bureau of Indian Standards specifications number IS 2796 and IS 1460 for motor spirit and high speed diesel respectively or any other requirement notified by the Central Government from time to time.*

7.2 As per Section 2(f) of the said Order, Malpractices include adulteration. In view of the above, the imported goods are rendered prohibited under Section 11(1) and 11(3) of Customs Act, 1962 read with Section 3(3) and Section 3(2) of the Foreign Trade (Development and Regulations) Act, 1992 and Chapter 2.03 (a) of the Foreign Trade Policy 2023 which states that compliance of Imports with Domestic Laws / Rules / Orders / Regulations / technical specifications /environmental / safety and health norms applicable to domestically produced goods shall apply, mutatis mutandis, to imports, unless specifically exempted.

7.3 Policy Condition No. 5 of Chapter 27 of the Customs Tariff is reproduced as below:

"Import allowed through IOC subject to para 2.21 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NGs Resolution No. P23015/1/2001-MKT. Dated 8.3.2002 including HPCL, BPCL and IBP who have been marketing transportation fuels before this date."

7.4 Para 2.21 of the Foreign Trade Policy, 2023 reads as under:

2.21 State Trading Enterprises (STEs)

(a) State Trading Enterprises (STEs) are governmental and non-governmental enterprises, including marketing boards, which deal with goods for export and /or import. Any good, import or export of which is governed through exclusive or special privilege granted to State Trading Enterprise (STE), may be imported or exported by the concerned STE as per conditions specified in ITC (HS). The list of STEs notified by DGFT is in Appendix-2J.

(b) Such STE(s) shall make any such purchases or sales involving imports or exports solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation and other conditions of purchase or sale in a non-discriminatory manner and shall afford enterprises of other countries adequate opportunity, in accordance with customary business practices, to compete for participation in such purchases or sales.

(c) DGFT may, however, grant an authorisation to any other entity to import or export any of the goods notified for exclusive trading through STEs.

7.5 Relevant Sections of the Customs Act, 1962:

SECTION 111. Confiscation of improperly imported goods, etc. –

The following goods brought from a place outside India shall be liable to confiscation: -

(a) ...

(b) ...

(c) ...

(d) any goods which are imported or attempted to be imported or are brought within the Indian customs waters for the purpose of being imported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;

...

(f) any dutiable or prohibited goods required to be mentioned under the regulations in an 1 [arrival manifest or import manifest] or import report which are not so mentioned;

...
...
...

(l) any dutiable or prohibited goods which are not included or are in excess of those included in the entry made under this Act, or in the case of baggage in the declaration made under ***section 77****;*

(m) any goods which do not correspond in respect of value or in any other particular] with the entry made under this Act, or in the case of baggage with the declaration made under ***section 77*** *[in respect thereof, or in the case of goods under trans-shipment, with the declaration for trans-shipment referred to in the proviso to sub-section (1) of* ***section 54****;*

SECTION 112 of the Customs Acts. Penalty for improper importation of goods, etc. *- Any person, -*

(a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act, or

(b) who acquires possession of or is in any way concerned in carrying, removing, depositing, harbouring, keeping, concealing, selling or purchasing, or in any other manner dealing with any goods which he knows or has reason to believe are liable to confiscation under section 111,

shall be liable, -

(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding the value of the goods or five thousand rupees, whichever is the greater;

(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher :

Provided *that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;*

(iii) in the case of goods in respect of which the value stated in the entry made under this Act or in the case of baggage, in the declaration made under section 77 (in either case hereafter in this section referred to as the declared value) is higher than the value thereof, to a penalty not exceeding the difference between the declared value and the value thereof or five thousand rupees, whichever is the greater;

(iv) in the case of goods falling both under clauses (i) and (iii), to a penalty not exceeding the value of the goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest;

(v) in the case of goods falling both under clauses (ii) and (iii), to a penalty not exceeding the duty sought to be evaded on such goods or the difference between the declared value and the value thereof or five thousand rupees, whichever is the highest.

*SECTION 114AA. **Penalty for use of false and incorrect material.** - If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.*

SECTION 2(23), 2(25), 2(33) & 2(39) OF THE CUSTOMS ACT, 1962:

- *Section 2(23) – "**import**", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;*
- *Section 2(25) – "**imported goods**" means any goods brought into India from a place outside India, but does not include goods which have been cleared for home consumption;*
- *Section 2(33) – "**prohibited goods**" means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force, but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with;*
- *Section 2(39) – "**smuggling**", in relation to any good, means any act or omission which will render such goods liable to confiscation under Section 111 or Section 113;*

7.6 Relevant Provisions of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007:

*"**Rule 4. Transaction value of identical goods.** - (1) (a) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of identical goods sold for export to India and imported at or about the same time as the goods being valued;*

.....

(3) In applying this rule, if more than one transaction value of identical goods is found, the lowest such value shall be used to determine the value of imported goods.

*"**Rule 5. Transaction value of similar goods .** - (1) Subject to the provisions of rule 3, the value of imported goods shall be the transaction value of similar goods sold for export to India and imported at or about the same time as the goods being valued:*

Provided that .....

(2) The provisions of clauses (b) and (c) of sub-rule (1), sub-rule (2) and sub-rule (3), of rule 4 shall, mutatis mutandis, also apply in respect of similar goods.

Rule 7 of the CVR, 2007, stipulates that:-

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about

the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

(i) either the commission usually paid or agreed to be paid or the additions usually made for profits and general expenses in connection with sales in India of imported goods of the same class or kind;

(ii) the usual costs of transport and insurance and associated costs incurred within India;

(iii) the customs duties and other taxes payable in India by reason of importation or sale of the goods.

(2) If neither the imported goods nor identical nor similar imported goods are sold at or about the same time of importation of the goods being valued, the value of imported goods shall, subject otherwise to the provisions of sub-rule (1), be based on the unit price at which the imported goods or identical or similar imported goods are sold in India, at the earliest date after importation but before the expiry of ninety days after such importation.

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

(b) In such determination, due allowance shall be made for the value added by processing and the deductions provided for in items (i) to (iii) of sub-rule (1).

Rule 8 of the CVR, 2007, stipulates that:-

Subject to the provisions of rule 3, the value of imported goods shall be based on a computed value, which shall consist of the sum of:-

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to India;

(c) the cost or value of all other expenses under sub-rule (2) of rule 10.

Rule 9 of the CVR, 2007, stipulates that:-

(1) Subject to the provisions of rule 3, where the value of imported goods cannot be determined under the provisions of any of the preceding rules, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules and on the basis of data available in India;

Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place

of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.

(2) No value shall be determined under the provisions of" this rule on the basis of –

(i) the selling price in India of the goods produced in India;

(ii) a system which provides for the acceptance for customs purposes of the highest of the two alternative values;

(iii) the price of the goods on the domestic market of the country of exportation;

(iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;

(v) the price of the goods for the export to a country other than India;

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

***Rule 12. Rejection of declared value** . - (1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any imported goods, he may ask the importer of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such importer, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, it shall be deemed that the transaction value of such imported goods cannot be determined under the provisions of sub-rule (1) of rule 3.*

8 MISDECLARATION AND MISCLASSIFICATION OF THE IMPORTED GOODS:

8.1 The importer imported two consignments of Distillate Fuel Oil claimed to be confirming to IS 16731:2019 (ISO 8217:2017) (Class F Fuels and Fuel Oil) and declared the same in the Bill of Entry by classifying under CTI 27101961 of the Customs Tariff (Import Tariff).

8.2 As discussed in detail in the forgoing paras, the testing of the representative samples of the import consignments by Custom House Laboratory (CRCL), Visakhapatnam revealed that the sample does not confirming to Distillate Marine Fuel of IS 16731 with respect to Cloud Point and Lubricity and meets all the stringent parameters of Automotive Diesel Fuel not containing Bio-diesel (IS 1460) and HFHSD (IS 16861). The sample is most akin to Automotive diesel Fuel not containing bio-diesel and it is an adulterated Automotive Diesel Fuel.

8.3 It is forthcoming from the laboratory findings that lubricity is increased due to addition of Sulphur, therefore, the impugned goods appears to be Diesel Fuel mixed with other foreign substances like Sulphur Content which satisfies the definition of adulteration as per the Motor Spirit and High-

Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005. Thus, the imported goods have been rendered be prohibited for importation under the provisions of Section 11 (1) and 11 (3) of the Customs Act, 1962 read with Section 3 (3) and 3 (2) of the Foreign Trade (Development and Regulations) Act, 1992 and Chapter 2.03 (a) of the Foreign Trade Policy 2023. The smuggling of adulterated diesel into the country by way of mis-declaration is a threat to the national security, economy and environment. Further, the importer appears to have resorted to malpractices by importing Adulterated Diesel and violated the provisions contained in Section 2 and 3 of Motor Spirit & High-Speed Diesel (Regulation of Supply, Distribution & Prevention of Malpractices) Order, 2005.

8.4.1 As discussed in foregoing paras, by virtue of Rule (4) of GIR read with Test Report issued by CRCL, Visakhapatnam, the imported goods are "most akin" to ***IS: 1460 i.e. "Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460", therefore,*** *the said goods are* classifiable under CTI 2710 1944 instead of declared CTI 2710 1961. Further, as per Schedule 1 Import Policy under ITC (HS), 2022 for Chapter-27 (Mineral Fuels, Mineral Oils, etc.), import of "***Gas oil and oils obtained from gas oil: ---- Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460***" covered under CTI 27101944, is restricted into India, and the same can only be imported subject to Policy Condition No. 5 of Chapter 27 by state trading enterprises.

8.4.2 Further, import of the said goods is subject to policy condition 5, which is reproduced below:

(5) Import allowed through IOC subject to para 2.20 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NG's Resolution No. P23015/1/2001-MKT dated 08.03.2002 including HPCL, BPCL & IBP who have been marketing transportation fuels before this date.

8.4.3 Thus it is evident that the Automotive Diesel Fuel as per IS-1460 covered under CTI 27101944, is allowed to be imported only by the State Trading Enterprises. Further the policy conditions stipulate that import is allowed through IOC subject to para 2.20 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P & NG's Resolution No. P 23015/1/2001-MKT dated 08.03.2002 including HPCL, BPCL & IBP who have been marketing transportation fuels before this date.

8.4.4 Thus, M/s. Aparajita Energy Private Limited have imported Automotive Diesel Fuel and declared the same as Distillate Fuel Oil, thereby, mis-

declaring the imported goods as well as mis-classifying the same under CTI 27101961 instead of the correct classification under CTI 27101944. Thus, the importer has violated the provisions of Foreign Trade Policy and Customs Act, 1962.

8.5 In terms of Para 2.20 of the Foreign Trade Policy 2015-2020, State Trading Enterprises (STEs) are governmental and non-governmental enterprises, including marketing boards, which deal with goods for export and/or import. M/s. Aparajita Energy Private Limited, has not submitted any evidence indicating that they qualify in terms of the above statutory provision for import of Automotive Diesel Fuel as per IS 1460. Thus, the goods in the instant case appear to have been imported in clear violation of the Policy notified vide Notification No. 36/2015-2020 dated 17/01/2017 issued under Section 5 of the Foreign Trade (Development &Regulation) Act, 1992 read with Para 2.01 of the Foreign Trade Policy, 2015-2020.

8.6 The Policy Conditions are also stipulated under Section 3 of the Foreign Trade (Development and Regulation) Act, 1992. Further in terms of Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992, 'All goods to which any Order under sub-section (2) applies shall be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 and all the provisions of that Act shall have effect accordingly'.

8.7 Further, in terms of Section 2 (33) of the Customs Act, 1962 "**prohibited goods**" means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with.

8.8 It emerges from the above that import of "***Automotive Diesel Fuel conforming to standard IS:1460***" into India is subject to Policy Condition No. 5 of Chapter 27 of Customs Tariff, therefore, the importer has violated the provisions of import of the said imported goods, since the importer is neither STE nor possesses a license to import the same. Therefore, it clearly emerges that the importer has violated the provisions of the Customs Act, 1962, by importing restricted import goods, as discussed in foregoing paras, and rendered the said goods liable for confiscation under the Customs Act, 1962.

9 VALUATION:

9.1 From the foregoing paras, it is evident that M/s. Aparajita Energy Private

Limited, was involved in mis-declaration of goods in terms of description and classification, therefore, the declared value in the corresponding Bills of Entry appears to be not acceptable as true transaction value and merits rejection in terms of Section 14 of Customs Act, 1962 read with Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. As such, the value is required to be re-determined by sequentially proceeding from Rules 4 to 9 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Since exact comparative data in respect of the import goods covered under the subject consignment are not available in absence of clear descriptions and mis-declaration on the part of the importer, the value of the subject import consignments cannot be determined as per the provisions of Rule 4 to Rule 8 to the Customs Valuation (Determination of value of Imported goods) Rules, 2007. Since the goods cannot be fully compared with similar/identical imports as the same are restricted goods, their value appears to be determinable under Rule 9 (Residual method) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with sub-section (1) of Section 14 of Customs Act, 1962 and on the basis of objective and quantifiable data available in India. For valuation of the seized goods-ADF, the prevailing market rates of the goods in the 3rd week of March-2026 were taken, such as invoices generated by M/s Nayara Energy Limited, ADF-**Rs 54006.17/KL (RUD-10).** Accordingly, in terms of Rule 9 of the Customs Valuation Rules, 2007, the same is proposed to be adopted for the offending goods in this case.

9.2 Further, import of "**Automotive Diesel Fuel *(ADF) as per IS 1460:2025***", is restricted into India, and the same can only be imported subject to Policy Condition No. 5 of Chapter 27 of Customs Tariff, which stipulates that only '*import is allowed through IOC subject to para 2.21 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NGs Resolution No. P23015/1/2001-MKT. Dated 8.3.2002*' to import the same. It therefore transpires that said importer mis-declared restricted goods i.e. "**Automotive Diesel Fuel *(ADF) as per IS 1460:2025***" as "Distillate Fuel Oil" in the subject consignments.

9.3 As discussed above, the consignment covered under Bill of Entry No. 7807595 dated 28.02.2026 and No. 7834154 dated 02.03.2026 were reported as "***Automotive Diesel Fuel (ADF) as per IS 1460:2025***" by the Custom Laboratory, Vishakhapatnam. The outcome of the test reports indicate that the invoice value declared by the importer does not reflect the actual value of the goods. Since the goods were mis-declared in the respective Bills of Entry, the declared assessable value of **Rs.11,41,82,451/-** and **Rs.27,51,31,697/-** in the Bills of Entry cannot be accepted as the true "transaction value" under Section 14 of the Customs Act, 1962, and is liable to rejection under Rule 12 of the CVR, 2007.

9.4 Accordingly, for valuation purpose, to arrive at a fair and reasonable value within the framework of law and procedures under the Valuation Rules, ADF data

dated 14.03.2026 from the M/s Nayara Energy Limited was referred. The base price was noted as **Rs. 54006.17/KL**. Based on this, the re-determined value of the consignments of "***Automotive Diesel Fuel (ADF) as per IS 1460:2025***", by way of conversion from MTS into KL using average density of as reported by Custom House Laboratory, Visakhapatnam), is **Rs. 62,13,67,341/-**, in terms of provisions of Rule 9 of the CVR, 2007, as per calculation given below in the Table. Thus, the value of the goods i.e. Automotive Diesel Fuel (ADF) as per the test reports of the CRCL, Visakhapatnam, is determined as below:

Table-IV

Sl. No.	**Bill of Entry No. & date**	**Sample Test Result**	**Declared Description**	**Quantity (in MTs & in KLs)**	**Declared value as per BoE**	**Approx. Market Value (In Rs.)**
01	7807595 dated 28.02.2026	Automotive Diesel Fuel (ADF)	Distillate Fuel Oil	2760.387 MTS /0.8205 = 3364.274 KL	11,41,82,451/-	18,16,91,554/-
02.	7834154 dated 02.03.2026	Automotive Diesel Fuel (ADF)	Distillate Fuel Oil	6651.372 MTS /0.8170 = 8141.214 KL	27,51,31,697/-	43,96,75,787/-
Total				**9411.759 MTS = 11,506.488 KL**	**38,93,14,148/-**	**62,13,67,341/-**

Therefore, the said goods having declared value of Rs. **38,93,14,148/-**and re-determined value of **Rs. 62,13,67,341/-** as per Table-IV, appear to be liable for confiscation under Section 111(d) and 111(m) of the Customs Act, 1962.

10 ROLE AND LIABILITY OF PERSONS INVOLVED:

10.1 During the course of inquiry / investigation, the importer stated the following facts pertaining to import of subject two consignments:-

a) The importer is importing Petroleum Oils i.e. Fuel Oil, Distillate Oil for trading purpose only and is not involved in any manufacturing activity involving such

imported goods.

b) The importer has purchased / procured the two consignments of Distillate Fuel Oil on the basis of verbal commitment / agreement with the overseas supplier i.e. M/s. Ocean Oil Power FZC, UAE. The said supplier / seller is a Merchant Trader and not a Manufacturer or Refiner of the goods. There is no written Contract or Agreement or Purchase Order executed or entered into between the importer and the supplier. The goods have been purchased, on credit, from supplier on verbal basis with a liberty to make the payment in instalments after the sale of the imported goods in the local market.

c) The importer does not possess any Technical Literature, Catalogue, Test Report, Chemical Analysis of Products issued by the Manufacturer or Refiner of the goods in support of the true and correct description of the goods. The importer is solely relying on the Certificate of Analysis (COA) issued by the Recognized Third Party Inspection Agency in support of description of the goods, though; there is no express contracting condition for the same. There is no other documents or mechanism certify the authenticity of the goods supplied by the supplier and imported by the importer in respect of these two consignments, except Certificate of Analysis (COA).

d) The goods are being purchased / procured by the importer from the overseas suppler who is trader. Further, the goods are sold / supplied in India to traders. Thus, the importer is not aware of the exact End-use of the imported goods.

In view of the above factual matrix of transaction between the importer and supplier of the imported goods, it is evident that no due diligence has been shown by transacting parties to demonstrate the true and correct nature of the goods under import.

10.2 It thus appears from the above that written contract, for import of the goods, have not been executed between transacting parties in order to circumvent allegation of mis-declaration on the part of importer. Further, the importer denied any knowledge about End-use of the product, thus, it also strengthen the belief that the mis-declaration of the goods is done with an ulterior motive to import RESTRICTED goods and for its unauthorized / non-permissible usage. Thus, from the investigation carried out by the DRI, it has been revealed that the imported goods covered under Bill of Entry No. 7807595 dated 28.02.2026 and Bill of Entry No. 7834154 dated 02.03.2026 filed at Pipavav are to be mis-declared by M/s. Aparajita Energy Private Limited to circumvent the applicable import restrictions and consequent clearance of the goods for unauthorized usage.

10.3 Further, in terms of Section 46(4) of the Customs Act, 1962, the importer has to certify the truth of the contents of the Bills of Entry. In the instant case the importer was fully aware of the actual goods imported by them in as much as they mis-declared the imported goods as Distillate Fuel Oil confirming to IS

16731:2019 (ISO 8217:2017)(Class-F Fuels& Fuel Oil) and accordingly classified the goods under CTI 2710 1961 in the Bill of Entry filed before the Customs authorities instead of declaring it as 'Automotive Diesel Fuel' and classified it under CTI 2710 1944. Thus, in view of the facts discussed in the foregoing paras and material evidences available on records, it has emerged clearly that M/s Aparajita Energy Private limited have contravened the provisions of Section 46(4) of the Customs Act, 1962, in as much as they had intentionally mis-declared the description of the goods imported by them.

10.4 In view of the facts discussed in foregoing paras and the material evidences available on record, M/s Aparajita Energy Private limited made a deliberate attempt to illicitly smuggle **9411.759 MTS = 11,506.488 KL** Automotive Diesel Fuel having declared assessable Value of Rs. **38,93,14,148/-** (re-determined value of Rs. 62,13,67,341/-), under the cover of two Bill of Entry No. 7807595 dated 28.02.2026 and Bill of Entry No. 7824154 dated 02.03.2026 in the guise of Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017)(Class-F Fuels and Fuel Oil).

10.5 The Automotive Diesel Fuel was imported by resorting to mis-declaration of the same as "Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017) (Class-F Fuels and Fuel Oil)" in the Bill of Entry No. 7807595 dated 28.02.2026 and Bill of Entry No. 7824154 dated 02.03.2026 filed under Section 46 of the Customs Act, 1962 and accordingly the Automotive Diesel Fuel imported in the guise of Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017)(Class-F Fuels& Fuel Oil) having declared assessable Value of Rs. **38,93,14,148/-**(re-determined value of Rs. 62,13,67,341/-), is liable to confiscation under the provisions of Section 111 (d) and 111 (m) of the Customs Act, 1962 in as much as the goods have been imported in clear violation of restriction/prohibition imposed under the Import Policy as discussed supra and by mis-declaring the description of the goods with a view to evade detection. Such an act of import in violation to the provisions of Customs Act has rendered the goods liable to confiscation under Section 111(d) & 111(m) and constitutes "Smuggling" as defined under Section 2 (39) ibid. Accordingly M/s Aparajita Energy Private limited have rendered themselves liable to penalty under Section 112 (a) and (b) of the Customs Act, 1962.

10.6 The importer filed Bill of Entry No. 7807595 dated 28.02.2026 and Bill of Entry No. 7824154 dated 02.03.2026 for total clearance of **9411.759 MTS = 11,506.488 KL** of declared imported goods, namely, Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017)(Class-F Fuels& Fuel Oil) under CTI 27101961 totally valued at **Rs. 62,13,67,341/-** (declared value of **Rs. 38,93,14,148/-)** which has turned out to be Automotive Diesel Fuel as per the test reports of CRCL, Visakhapatnam. 'Automotive Diesel Fuel as per IS 1460' is restricted for import and is allowed to be imported only by the State Trading Enterprises as discussed in foregoing paras. Thus, The importer have done

various acts of commission and omission which have rendered the goods liable to confiscation under Section 111 of the Customs Act, 1962 and consequentially they are liable to penalty under Section 112 (a) and (b) of the Customs Act 1962. Further, the importer has indulged in presenting documents falsifying the true identity of the goods, before the Customs authorities for import of the goods. Thus, they have knowingly and intentionally made a declaration in the Bill of Entry filed under Section 46 of the Customs Act, 1962, which is false and incorrect. Hence, they have committed offences of the nature as described under the Section 114AA of the Customs Act, 1962 and have consequentially rendered themselves liable to penalty under Section 114AA of the Customs Act, 1962.

11 CONTRAVENTION OF PROVISIONS OF THE CUSTOMS ACT, 1962 AND OTHER ALLIED ACT:

11.1 Vide Finance Act, 2011, "Self-Assessment" has been introduced w.e.f. from 08.04.2011 under the Customs Act, 1962. **Section 17** of the said Act provides for self-assessment of duty on import and export goods by the importer or exporter himself by filing a Bill of Entry or Shipping Bill, as the case may be, in the electronic form, as per Section 46 or 50, respectively. Thus, under self-assessment, it is the responsibility of the importer or exporter to ensure that he declares the correct classification, applicable rate of duty, value, benefit or exemption notification claimed, if any, in respect of the imported/exported goods while presenting Bills of Entry or Shipping Bill.

11.2 In the present case, the importer, has deliberately contravened the above said provisions with a malafide intention to circumvent the RESTRICTION imposed on the import of Automotive Diesel Fuel not containing bio-diesel (ADF) (IS : 1460) and tried to clear the said goods solely on the basis Commercial Invoice, Certificate of Analysis (COA) & Bill of Lading made available by the Supplier which contained incorrect declaration about the description of the imported goods.

12 CONFISCATION OF SEIZED GOODS U/S 111 OF THE CUSTOMS ACT, 1962:

12.1 M/s Aparajita Energy Private Limited imported two consignments, covered under Bill of Entry No. 7807595 dated 28.02.2026 and Bill of Entry No. 7824154 dated 02.03.2026 filed at Pipavav, which was declared as "Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017)(Class-F Fuels & Fuel Oil)", classified under CTI 2710 1961. On testing of the samples drawn from the said consignment, the import goods were found to be "***Automotive Diesel Fuel, not containing biodiesel, conforming to standard IS 1460***", falling under CTI 2710 1944. Therefore, the said mis-declared goods having declared value of **Rs. 38,93,14,148/-**and re-determined value of **Rs. 62,13,67,341/-** are liable for confiscation under Section 111(d) and 111(m) of the Customs Act, 1962.

12.2 Further, import of "***Automotive Diesel Fuel, not containing biodiesel, conforming to standard IS 1460***", is restricted into India, and the same can only be imported subject to Policy Condition No. 5 of Chapter 27 of Customs Tariff, which stipulates that only '*import is allowed through IOC subject to para2.21 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NGs Resolution No. P23015/1/2001-MKT. Dated 8.3.2002*' to import the same. Therefore, it clearly emerges that the said importer has imported restricted goods i.e. "***Automotive Diesel Fuel, not containing biodiesel, conforming to standard IS 1460***" by mis-declaring the same as "Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017)(Class-F Fuels & Fuel Oil)" under the said two consignments, Therefore the said goods having declared value of **Rs. 38,93,14,148/-** and re-determined value of **Rs. 62,13,67,341/-**, are liable for confiscation under Section 111(d) of the Customs Act, 1962.

13 ROLE PLAYED BY SHRI JAY NILESHBHAI MANDVIYA, CEO & SHRI MANISHKUMAR NARSIHBHAI PATEL, DIRECTOR OF M/S APARAJITA ENERGY PRIVATE LIMITED:

13.1 From the investigation carried out by the DRI, it was revealed that the imported goods covered under Bill of Entry No. 7807595 dated 28.02.2026 and Bill of Entry No. 7824154 dated 02.03.2026 filed at Pipavav, were mis-declared by M/s. Aparajita Energy Private Limited to circumvent import restrictions. Therefore, it appears that M/s. Aparajita Energy Private Limited, by filing incorrect declarations and failing to ensure proper classification of the goods.

13.2 Shri Jay Nileshbhai Mandavya, CEO of M/s. Aparajita Energy Private Limited, in his statement recorded on 07.04.2026, deposed that as CEO of the company, his responsibilities included Compliances and Legal activities i.e. Import Purchase, Customs Clearance, all Government Legalities in the Trade circle and that he is responsible for import of goods under Bill of Entry No. 7807595 dated 28.02.2026 and No. 7834154 dated 02.03.2026 for the company, after taking financial approval from Shri Manish Kumar Patel, Director of the company. He also deposed that there is a verbal agreement with the supplier i.e. M/s. Ocean Oil Power FZC, UAE for these two transactions and no written documents have been executed for the same. He also deposed that the supplier is Merchant Trader and not a Manufacturer or Refiner of the goods and he does not possess any literature / catalogue /test report of the imported goods from the manufacturer or refiner of the goods. He further deposed that Certificate of Analysis (COA) issued by the Third Party Inspection Agency is relied upon for the declaration of the goods and there is no written agreement for appointment for appointment of such Third Party Inspection Agency. He further deposed in his statement that his company is engaged in trading of the imported goods and their responsibilities is limited to trading activities and the End-Use of the product does not fall within their scope and compliances or liability. He also stated his disagreement on the

findings of CRCL Visakhapatnam in the Test Reports. It appears from the above that Shri Jay Nileshbhai Mandaviya, CEO of the company did not enter into written contract for purchase of the goods and did not insist upon for manufacturer's report to verify the authenticity of the goods imported by the importer. Thus, no due diligence has been shown by him with transacting parties to demonstrate the true and correct nature of the goods under import. Moreover, absence of any written agreement expressing Description of the Goods, Payment Terms, Quality & Quantity measures etc. make the subject two transactions of import of goods as unusual, uncommon and abnormal, so far as authenticity of the goods is concerned. He also stated to have no knowledge of End-use of the imported goods. Thus, from the facts discussed hereinabove, it appears that Shri Jay Nileshbhai Mandaviya was fully aware that the import of Automotive Diesel Fuel conforming to IS 1460, which is 'Restricted' for import and can be imported only through State Trading Enterprises, as per the prevailing Foreign Trade Policy provisions. Further, it appears that the import was attempted/carried out by way of misdeclaration and by use of import documents/declarations which did not correctly declare the true nature and specification of the goods before Customs authorities, with an intention to evade the applicable legal restrictions and to facilitate clearance of the goods. By his active involvement in the preparation, submission and/or use of such false and incorrect declarations and documents in the course of Customs proceedings, Shri Jay Nileshbhai Mandaviya appears to have knowingly and intentionally signed, used and caused to be used declarations, statements and documents which were false and incorrect in material particulars. Therefore, Shri Jay Nileshbhai Mandaviya appears liable to penal action under Section 114AA of the Customs Act, 1962.Further, by his acts of omission and commission, he has rendered the impugned goods liable to confiscation under Section 111(d) of the Customs Act, 1962 and therefore he also appears liable to penalty under Section 112(a) and 112(b) of the Customs Act, 1962.

13.3 Further, Shri Manishkumar Narsinhbhai Patel being Director of the company has given ascent and approval on each and every act of Shri Jay Nileshbhai Mandaviya, CEO of the company. Therefore, Shri Manishkumar Narsinhbhai Patel also appears liable to penal action under Section 114AA of the Customs Act, 1962.Further, by his acts of omission and commission, he has rendered the impugned goods liable to confiscation under Section 111(d) of the Customs Act, 1962 and therefore he also appears liable to penalty under Section 112(a) and 112(b) of the Customs Act, 1962.

14.1 Now therefore, the importer, viz. **M/s. APARAJITA ENERGY PRIVATE LIMITED (IEC No. ABACA2092G),** located at **38, RADHE KRISHNA INDUSTRIAL PARK, POST - MOTA JALUNDRA, TALUKA - DEHGAM, GANDHINAGAR - 382305,** are hereby called upon to show cause to the Additional / Joint Commissioner of Customs, Customs (Preventive) Commissionerate, Jamnagar having his office situated at 3rd Floor, 'SEEMA

SHULK BHAVAN", Jamnagar-Rajkot Highway, Near Victoria Bridge, Jamnagar, PIN: 361001, within 30 days of receipt of this notice, as to why:-

(i) The description and classification of goods covered under Bill of Entry No. 7807595 dated 28.02.2026 and Bill of Entry No. 7824154 dated 02.03.2026 filed at Pipavav Port, declared as "Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017) (Class-F Fuels & Fuel Oil)" under CTI 2710 1961, should not be rejected and the same should not be re-classified as 'Automotive Diesel Fuel, not containing biodiesel, conforming to standard IS 1460' under CTI 2710 1944.

(ii) The total declared value of the said goods declared as "Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017) (Class-F Fuels & Fuel Oil)" in respect of above two Bills of Entry, as **Rs.38,93,14,148/-** should not be rejected in terms of Rule 12 of the CVR, 2007 and the same should be re-determined as **Rs. 62,13,67,341/-**, as discussed at Para number 9.4.

(iii) The goods declared as "Distillate Fuel Oil confirming to IS 16731:2019 (ISO 8217:2017) (Class-F Fuels & Fuel Oil)" and imported under two Bill of Entry No. 7807595 dated 28.02.2026 and Bill of Entry No. 7824154 dated 02.03.2026 filed at Pipavav Port, should not be held liable for confiscation under Section 111(d) and 111(m) of the Customs Act, 1962.

(iv) Penalty should not be imposed upon the importer M/s. APARAJITA ENERGY PRIVATE LIMITED under Sections 112(a), 112(b) and 114AA of the Customs Act, 1962, separately.

14.2. Shri Jay Nileshbhai Mandaviya, CEO of M/s. Aparajita Energy Private Limited, is hereby called upon to show cause to the Additional / Joint Commissioner of Customs, Customs (Preventive) Commissionerate, Jamnagar having his office situated at 3rd Floor, 'SEEMA SHULK BHAVAN", Jamnagar-Rajkot Highway, Near Victoria Bridge, Jamnagar, PIN: 361001, within 30 days of receipt of this notice, as to why:--

(i) Penalties under Sections 112(a), 112(b) and Section 114AA of the Customs Act, 1962, should not be imposed upon him, separately.

14.3. Shri Manishkumar Narsinhbhai Patel, Director of M/s. Aparajita Energy Private Limited, is hereby called upon to show cause to the Additional / Joint Commissioner of Customs, Customs (Preventive) Commissionerate, Jamnagar having his office situated at 3rd Floor, 'SEEMA SHULK BHAVAN", Jamnagar-Rajkot Highway, Near Victoria Bridge, Jamnagar, PIN: 361001, within 30 days of receipt of this notice, as to why:--

(i) Penalties under Sections 112(a), 112(b) and Section 114AA of the Customs

Act, 1962, should not be imposed upon him, separately.

15. This show cause notice is being issued under Section 124 of the Customs Act, 1962 without prejudice to any other action that may be taken against the Noticee or any other persons concerned in respect of the aforesaid goods under the Customs Act, 1962 and / or any other law for the time being in force. The aforesaid Noticees are directed to submit their reply to this Notice within thirty days from the receipt of this Notice. They are also required to produce all evidence upon which they intend to rely in support of their defense. They are further required to indicate in their written reply as to whether they desire to be heard in person before the case is adjudicated.

16. If no cause is shown within the stipulated period or if no specific mention is made about the requirement of personal hearing in the written reply or if they do not appear before the adjudicating authority as and when the case is posted for hearing, it shall be presumed that they do not wish to be heard in person and the case is liable to be adjudicated, ex-parte, on the basis of facts and evidences available on record, without further reference to them.

17. Department reserves its right to amend, modify or supplement this notice at any time prior to the adjudication of the case. The list of Relied upon Documents is as per the Annexure attached.

(N. Srujan Kumar)
Additional Commissioner
Customs (Preventive), Jamnagar

फाइल क्रमांक: CUS/3073/2026-Adjn. Date: 10.06.2026

By Speed Post A.D. / E Mail

To,

(1) M/s. APARAJITA ENERGY PRIVATE LIMITED (IEC No. ABACA2092G),
38, RADHE KRISHNA INDUSTRIAL PARK,
POST - MOTA JALUNDRA, TALUKA -DEHGAM,
GANDHINAGAR - 382305.

(2) Shri Jay Nileshbhai Mandaviya,
CEO of M/s. Aparajita Energy Private Limited,
38, RADHE KRISHNA INDUSTRIAL PARK,
POST - MOTA JALUNDRA, TALUKA -DEHGAM,
GANDHINAGAR - 382305.

(3) Shri Manishkumar Narsinhbhai Patel,
Director of M/s. Aparajita Energy Private Limited,

38, RADHE KRISHNA INDUSTRIAL PARK,
POST - MOTA JALUNDRA, TALUKA -DEHGAM,
GANDHINAGAR - 382305.

Copy to:

1. The Deputy Director, Directorate of Revenue Intelligence, Jamnagar Regional Unit, "Shri Hari Building, 4th & 5th Floor, Opp. Bank of Maharashtra, P. N. Marg, JAMNAGAR -361002.
2. The Deputy Commissioner, Custom House, Pipavav.
3. Guard File.

ANNEXURE

LIST OF RELIED UPON DOCUMENTS (RUDS) TO THE INVESTIGATION REPORT IN RESPECT OF IMPORT MADE BY M/S. APARAJITA ENERGY PRIVATE LIMITED

RUD No.	Description	Remarks
1	Copy of Bill of Entry No. 7807595 dated 28.02.2026	Copy attached.
2	Copy of Bill of Entry No. 7824154 dated 02.03.2026	Copy attached.
3	Copy of Panchnama dated 07.03.2026	Copy attached.
4	Copy of 04 Test Memos and 04 Test reports from CRCL Vishakhapatnam dated 27.03.2026	Copy attached.
5	Copy of Seizure memo dated 28.03.2026	Copy attached.
6	Copy of Statement of Shri Jay Nileshbhai Mandaviya, CEO of M/s. Aparajita Energy Private Limited dated 07.04.2026	Copy attached.
7	Copy of Panchnama dated 09.04.2026 recorded at the business premises of M/s. Aparajita Energy Private Limited	Copy attached.
8	Copy of Statement of Shri Manishkumar Narsinhbhai Patel, Director of M/s. Aparajita Energy Private Limited dated 09.04.2026	Copy attached.
9	Copy of Statement of Shri Jay Nileshbhai Mandaviya, CEO of M/s. Aparajita Energy Private Limited dated 04.05.2026	Copy attached.
10	Copy of Sample Tax Invoice from Nayara Energy Limited dated 14.03.2026	Copy attached.