	प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, मुन्द्रा **OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS,** **CUSTOM HOUSE: MUNDRA, KUTCH** **MUNDRA PORT & SPL ECONOMIC ZONE, MUNDRA-370421** ई-मेल/ E-Mail: adj-mundra@gov.in	
A	फा. सं./ FILE NO.	GEN/ADJ/ADC/307/2025-Adjn-O/o Pr Commr-Cus-Mundra
B	मूल आदेश सं. ORDER-IN- ORIGINAL NO.	MCH/ADC/ZDC/66/2026-27
C	द्वारा पारित किया गया PASSED BY	**Dipak Zala,** Additional Commissioner of Customs, Custom House, Mundra
D	आदेश की तिथि DATE OF ORDER	05-05-2026
E	जारी करने की तिथि DATE OF ISSUE	05-05-2026
F	कारण बताओ नोटिस सं. एवं तिथि SCN NO. & DATE	GEN/ADJ/ADC/307/2025-Adjn dated 28.01.2025
G	नोटिसी/पार्टी / आयातक NOTICEE/PARTY/ IMPORTER	**1.** M/s A.A. Cable Layers (IEC-AARFA0902A) **2.** Shri Gurmeet Singh, Partner, M/s A.A. Cable Layers **3.** M/s Gaurav M.Jhaveri **4.** M/s Continental Shipping Services **5.** Ms. Shanmuga Jayashree, Partner M/s Continental shipping Services **6.** M/s Krishna Logistics **7.** Shri Satish Maheshwari **8.** M/s Shivshakti Shipping **9.** Shri Ruparel Ketan **10.** M/s Ashirwad Shipping & Logistics **11.** M/s Versatile Logistics
H	डिन DIN	20260571MO000052045E

1. यह अपील आदेश संबन्धित को नि:शुल्क प्रदान किया जाता है।
This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 6(1) के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 129A(1) के अंतर्गत प्रपत्र सीए 3-में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-
Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:
"सीमा शुल्क आयुक्त (अपील), चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद 380009"
"The Commissioner of Customs (Appeals), Mundra, 4TH Floor, Hudco Building, Ishwar Bhuvan Road, Navrangpura, Ahmedabad-380009."

3. उक्त अपील यह आदेश भेजने की दिनांक से तीन माह के भीतर दाखिल की जानी चाहिए।
Appeal shall be filed within three months from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-
Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must accompanied by –

5. उक्त अपील पर न्यायालय शुल्क अधिनियम के तहत 5/- रूपये कोर्ट फीस स्टाम्प जबकि इसके साथ संलग्न आदेश की प्रति पर अनुसूची- 1, न्यायालय शुल्क अधिनियम, 1870 के मदसं°-6 के तहत निर्धारित 0.50 पैसे की एक न्यायालय शुल्क स्टाम्प वहन करना चाहिए।
The appeal should bear Court Fee Stamp of Rs.5/- under Court Fee Act whereas the copy of this order attached with the appeal should bear a Court Fee stamp of Rs.0.50 (Fifty paisa only) as prescribed under Schedule-I, Item 6 of the Court Fees Act, 1870.

6. अपील ज्ञापन के साथ ड्यूटि/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये। Proof of payment of duty/fine/penalty etc. should be attached with the appeal memo.

7. अपील प्रस्तुत करते समय, सीमाशुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के सभी मामलों में पालन किया जाना चाहिए।
While submitting the appeal, the Customs (Appeals) Rules, 1982 and the Customs Act, 1962 should be adhered to in all respects.

8. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (Appeals) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।
An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

BRIEF FACTS OF THE CASE

A specific intelligence was garnered that M/s A.A. Cable Layers (IEC-AARFA0902A) Mohalla Asdullahpur, Milak, Milak- 244901 (hereinafter referred to as the "importer" or "AA Cable") were importing restricted products falling under Customs Tariff Heading (CTH) 2710 which, as per the import policy can be imported by State Trading Enterprises (STEs) only. All goods, import of which is permitted only with an Authorisation /Permission/ License or in accordance with the procedure prescribed in a notification / public notice are 'Restricted' goods. Restricted items are importable under certain conditions with the necessary approvals from the relevant CA. According to intelligence, the said entities were resorting to the said illicit import by mis-declaring the consignments as "*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed Hydrocarbon Oil (For Industrial Use Only)*" *and mis-classifying them under Customs Tariff Item (CTI) 27101990* wherein the import policy is *"Free",*. Acting on the said intelligence66 containers covered under 5 Bills of Entry, pertaining to the importer were put on hold by DRI Noida Regional Unit (hereinafter referred to as "DRI") for examination by officers of DRI on 29.01.2024 for examination.The details of the containers are given as below:

Sl. No.	BE Number	BE date	Name of the Importer	Container Number	CHA
1	9783769	23-01-2024	A.A. Cable Layers	APZU3171135	Continenta
2		23-01-2024	A.A. Cable Layers	ASLU5009124	l Shipping

3		23-01-2024	A.A. Cable Layers	ASLU5011374	
4		23-01-2024	A.A. Cable Layers	ASLU5016587	
5		23-01-2024	A.A. Cable Layers	ASLU5023082	
6		23-01-2024	A.A. Cable Layers	ASLU5031703	
7		23-01-2024	A.A.Cable Layers	ASLU5035421	
8		23-01-2024	A.A.Cable Layers	ASLU5038821	
9		23-01-2024	A.A.Cable Layers	ASLU5045883	Service
10		23-01-2024	A.A.Cable Layers	ASLU5047124	
11		23-01-2024	A.A.Cable Layers	ASLU5050344	
12		23-01-2024	A.A.Cable Layers	BSIU3176372	
13		23-01-2024	A.A.Cable Layers	GLDU2941510	
14		23-01-2024	A.A.Cable Layers	TCKU3947555	
15		23-01-2024	A.A.Cable Layers	ASLU5003358	
16		23-01-2024	A.A.Cable Layers	ASLU5004550	
17		23-01-2024	A.A.Cable Layers	ASLU5004610	
18		23-01-2024	A.A.Cable Layers	ASLU5049744	
19		23-01-2024	A.A.Cable Layers	ASLU5057884	
20	9783627	23-01-2024	A.A.Cable Layers	CSCU3032348	Continenta l Shipping Service
21		23-01-2024	A.A.Cable Layers	IPXU2118461	
22		23-01-2024	A.A.Cable Layers	OOLU1231300	
23		23-01-2024	A.A.Cable Layers	ASLU5028778	
24		23-01-2024	A.A.Cable Layers	ASLU5044790	
25		23-01-2024	A.A.Cable Layers	TCLU2354418	
26		23-01-2024	A.A.Cable Layers	TTNU3555680	
27		21-01-2024	A.A.Cable Layers	ASLU5020822	
28		21-01-2024	A.A.Cable Layers	ASLU5038210	
29		21-01-2024	A.A.Cable Layers	ASLU5043710	
30		21-01-2024	A.A.Cable Layers	ASLU5046853	
31		21-01-2024	A.A.Cable Layers	ASLU5047356	
32		21-01-2024	A.A.Cable Layers	ASLU5049343	
33	9765080	21-01-2024	A.A.Cable Layers	CRSU1326852	Gaurav M. Jhaveri
34		21-01-2024	A.A.Cable Layers	IALU2249864	
35		21-01-2024	A.A.Cable Layers	TLLU2696851	
36		21-01-2024	A.A.Cable Layers	MEDU2383663	
37		21-01-2024	A.A.Cable Layers	TCLU2515359	
38		21-01-2024	A.A.Cable Layers	TRDU7809500	
39		21-01-2024	A.A.Cable Layers	TRHU2527216	
40		21-01-2024	A.A.Cable Layers	VSTU2008995	
41	9765081	21-01-2024	A.A.Cable Layers	CSCU3028754	Gaurav M. Jhaveri
42		21-01-2024	A.A.Cable Layers	ASLU5025450	
43		21-01-2024	A.A.Cable Layers	ASLU5051802	
44		21-01-2024	A.A.Cable Layers	ASLU5050220	

45		21-01-2024	A.A.Cable Layers	CNSU2017505	
46		21-01-2024	A.A.Cable Layers	CRXU1827624	
47		21-01-2024	A.A.Cable Layers	TCKU1962822	
48		21-01-2024	A.A.Cable Layers	UNDU5012018	
49		21-01-2024	A.A.Cable Layers	ASLU5018342	
50		21-01-2024	A.A.Cable Layers	ASLU5023267	
51		21-01-2024	A.A.Cable Layers	ASLU5023415	
52		21-01-2024	A.A.Cable Layers	ASLU5024094	
53		23-01-2024	A.A.Cable Layers	ASLU2199118	
54		23-01-2024	A.A.Cable Layers	ASLU5013382	
55		23-01-2024	A.A.Cable Layers	ASLU5023673	
56		23-01-2024	A.A.Cable Layers	ASLU5025085	
57		23-01-2024	A.A.Cable Layers	ASLU5037384	
58		23-01-2024	A.A.Cable Layers	ASLU5057159	
59	9788458	23-01-2024	A.A.Cable Layers	ASLU5058601	Continental Shipping Service
60		23-01-2024	A.A.Cable Layers	BSIU2861181	
61		23-01-2024	A.A.Cable Layers	ASLU5064395	
62		23-01-2024	A.A.Cable Layers	BSIU3002679	
63		23-01-2024	A.A.Cable Layers	MEDU2173013	
64		23-01-2024	A.A.Cable Layers	TCLU3676595	
65		23-01-2024	A.A.Cable Layers	TCLU3882410	
66		23-01-2024	A.A.Cable Layers	VSBU2016950	

2. Thereafter, the said containers covered under the above-mentioned 5 Bills of Entry were subjected to examination on 02.02.2024 and 03.02.2024 in the presence of the following persons/representatives detailed below:

S.no	Bill Of Entry No	No Of container	Examination date	CHA/ Authorised Representative	Container Freight Station	Representative of CFS
1	9765080 Dt. 21.01.2024	14	02.02.2024	Shri Rafiq Odheja, authorized representative of M/s Gaurav M Jhaveri	CWC CFS Mundra	Shri Anil Tiwari, Manager Operations
2	9765081 Dt. 21.01.2024	12	02.02.2024			
3	9788458 Dt. 23.01.2024	14	03.02.2024	Shri Sayed Salim, G Card Holder of M/s Continental Shipping Services	Mundra CFS	Shri Gurpreet Singh, Sr. manager Operation
4	9783769 Dt. 23.01.2024	14	03.02.2024			
5	9783627	12	03.02.2024			

	Dt. 23.01.20					

2.1 And whereas, during the examination, Shri Rafiq Odheja, Authorized Representative of M/s Gaurav M Jhaveri and Shri Sayed Salim, 'G' Card Holder of M/s Continental Shipping Services provided the relevant documents viz Bills of Entry along with the corresponding Invoice and packing list (ANALYSIS REPORTS) The details of the consignments as per the documents provided are detailed as under:

S.NO	Bill Of Entry No	Goods Description (as per Bill of Entry)	Name of the Supplier (as per Bill of Entry)	Chapter Heading (as per Bill of Entry)	Ass. Value (In Rupees)	Gross Weight (KGs)
1	9765080 Dt. 21.01.2024	Mixed Hydrocarbon Oil	M/s Ecofuel Nexus FZC	27101990	1,04,83,148/-	271090
2	9765081 Dt. 21.01.2024			27101990	90,49,052/-	233990
3	9788458 Dt. 23.01.2024	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	27101990	1,16,15,822/-	270350
4	9783769 Dt. 23.01.2024			27101990	1,14,99,620/-	267670
5	9783627 Dt. 23.01.2024			27101990	98,75,400/-	229860
TOTAL					**5,25,23,042/-**	**1272960**

2.2 And whereas during the course of examination, it was observed that Flexi bags containing yellow colored liquid substance were kept inside the containers. The images of the container along with the flexi bag are given below:

(Pictures of the flexibag containers in the consignment)

(Graphical representation of a Flexi bag container- picture taken from open source)

2(iii). Representative samples were drawn from one randomly selected container per Bill of Entry. The samples were drawn in triplicate from the container using one-litre aluminum sample containers. After collecting the samples, the DRI Officer resealed the container with the bottle seal provided by the custodian. The proceedings were documented in panchnamas dated02.02.2024 and 03.02.2024.

3. Samples were sent to the lab of IOCL, Panipat for testing purpose. The details of the samples sent to the IOCL Lab are as detailed below:

S.No	Bill Of Entry No and date	Sample No
1	9765080 Dt. 21.01.2024	AB3-344709
2	9765081 Dt. 21.01.2024	AA1-344704

3	9788458 Dt. 23.01.2024	AE2-344681
4	9783769 Dt. 23.01.2024	AD1-344683
5	9783627 Dt. 23.01.2024	AC2-344688

4. And whereas IOCL Panipat tested the samples and sent the respective Test Reports of the above samples on 08.04.2024**.** The test reports as provided by IOCL Panipat are reproduced as below

PANIPAT REFINERY
Quality Control Laboratory

Date: 08.04.2024

Report No. : PR/QC/DRI/2024/1

Test Report

		Product	[redacted]	Kerosene	[redacted]	Kerosene	Kerosene	[redacted]
		Name		AC2		AE2	AD1	
		Seal No		344688		344681	344684	
S.No	Parameters	Method				ults		
1	Appearance			Clear and bright		Clear and bright	Clear and bright	
2	Clour Saybolt			27		27	27	
3	Density, Auto, 15 °C (g/mL))	ASTM D4052		0.7832		0.7831	0.7831	
4	Distillation (Manual)	ASTM D86						
a	Distillation, Manual, IBP (°C)			160		160	160	
b	Distillation, Manual, 5% (°C)			168		168	168	
c	Distillation, Manual, 10% (°C)			169		170	170	
d	Distillation, Manual, 20% (°C)			172		172	172	
e	Distillation, Manual, 30% (°C)			175		175	175	
f	Distillation, Manual, 40% (°C)			177		178	177	
g	Distillation, Manual, 50% (°C)			180		180	180	
h	Distillation, Manual, 60% (°C)			183		182	182	
i	Distillation, Manual, 70% (°C)			186		185	185	
j	Distillation, Manual, 80% (°C)			190		190	190	
k	Distillation, Manual, 90% (°C)			198		197	198	
l	Distillation, Manual, 95% (°C)			203		207	207	
m	Distillation, Manual, FBP (°C)			230		230	230	
n	Distillation, Manual, % Loss (%)			1		1	1	
o	Distillation, Manual, % Resid (%)			1		1.5	1.8	
5	Flash Point,°C	IS 1448 P:20		51		52	52	
6	Sulphur, ppm	ASTM D5453		2.0 ppm		2.0 ppm	2.0 ppm	
7	Smoke point, mm	IP 598		27.1		27.2	27.3	
8	Copper Strip Corrosion for 3h @50°C	IS 1448 P:15		1b		1b	1b	
9	Acidity , inorganic, mg KOH/g	ISO 6618		Nil		Nil	Nil	
10	Aromatic Content, %V	ASTM D 6379		14.3		14.9	14.5	
11	Residue on Evaporation, mg/100 ml	IS 1448 P:29		10.6		92.2	5	
12	Burning quality							
	Char Value, mg/kg of oil consumed	IS 1448 P:5		< 20		< 20	< 20	
	Bloom on glass Chimney			Not darker than grey		Not darker than grey	Not darker than grey	

Dr. Y.S.Jhala
DGM (QC)

डॉ यजुवेंद्र सिंह झाला
उप महाप्रबंधक (गुणवत्ता नियंत्रण)
Dr Yajuvendra Singh Jhala
Dy General Manager (QC)
पानीपत रिफाइनरी (आई.ओ.सी.एल.) 132140
Panipat Refinery (I.O.C.L.) 132140

IndianOil

PANIPAT REFINERY
Quality Control Laboratory

Date: 08.04.2024

Report No. : PR/QC/DRI/2024/2

Test Report

	Product Name		Diesel AA1	[redacted]	Diesel AB3	[redacted]
	Seal No		344704		344709	
S.No	Parameters	Method			esults	
1	Appearance		Clear and bright		Clear and bright	
2	Density, Auto, 15 °C (g/mL))	ASTM D4052	0.8230		0.8230	
3	Distillation (Manual)	ASTM D86				
a	Distillation, Manual, IBP (°C)		165		168	
b	Distillation, Manual, 5% (°C)		186		190	
c	Distillation, Manual, 10% (°C)		200		200	
d	Distillation, Manual, 20% (°C)		212		212	
e	Distillation, Manual, 30% (°C)		225		225	
f	Distillation, Manual, 40% (°C)		237		240	
g	Distillation, Manual, 50% (°C)		252		254	
h	Distillation, Manual, 60% (°C)		270		272	
i	Distillation, Manual, 70% (°C)		290		292	
j	Distillation, Manual, 80% (°C)		312		314	
k	Distillation, Manual, 90% (°C)		340		344	
l	Distillation, Manual, 95% (°C)		345		360	
m	Distillation, Manual, FBP (°C)		360		365	
n	Distillation, Manual, % Loss (%)		0.5		0.5	
o	Distillation, Manual, % Resid (%)		2		2	
4	Flash Point,°C	IS 1448 P:20	50		48	
5	Sulphur, ppm	ASTM D4294	2724		2973	
6	KV @ 40 °C	ASTM D7042	2.215		2.216	
7	Cetane index	ASTM D4737	53.3		53.6	
8	Cetane Number	IS 1448 P:9	52.1		52.1	
9	Pour Point, °C	IS 1448 P:10	-18		-18	
10	water Content, mg/kg	ISO12937	174		170	
11	Copper Strip Corrosion for 3h @100°C	IS 1448 P:15	1b		1b	
12	CFPP,°C	ASTM D6371	-12		-12	
13	Oxidation Stabilty	ASTM D2274	12		12	
14	PAH, %m	ASTM D6591	4.63		4.48	
15	Total Aromatics	ASTM D6591	23.9		23.88	
16	Lubricity	ISO 12156	460		460	
17	FAME Content	IROX	Nil		Nil	
18	Acidity, total, mg KOH/g	IS 1448 P:2	0.02		0.02	
19	Ash Content, %m	IS 1448 P:4	0.005		0.005	
20	Carbon residue on 10 % volume distillation residue, %m	ISO10370	0.11		0.11	
21	Total Contamination	EN12662	14		14	14 14

Dr. Y.S.Jhala
DGM (QC)

डॉ यजुवेंद्र सिंह झाला
उप महाप्रबंधक (गु
Dr Yajuvendra Singh Jhala
Dy. Gener
गुणवत्ता नि
Per

5. And whereas the parameters of the Test Reports suggested that the goods being imported in the said containers were Keroseneas per IS:1459 of Bureau of Indian Standards (BIS) and Gas Oil. Further, Gas Oil which is appropriately classifiable under Customs Tariff Heading 27101941 does not stipulate any import condition of conforming to any BIS standard. However, the parameters of Gas oil as per BIS IS: 17789:2022 have been taken here for reference purposes. The specifications of Gas Oil as per IS:17789 are reproduced below:

Table 1 Requirements for Gas Oil

(*Clauses Foreword,* 4.3 *and* 7.1)

Sl No.	Characteristic	Requirement	Methods of Test, Ref to Part of IS 1448/ISO
(1)	(2)	(3)	(4)
i)	Density at 15 °C, kg/m^3	780 to 900	Part 167/ Part 16[1)]
ii)	Kinematic viscosity at 40 °C, mm^2/s, *Max*	10	Part 25/Sec 1
iii)	Total sulphur, mass percent	0.004-3.5	Part 153 (For sulphur range – 30 to 500 ppm) ISO 8754 (For sulphur range – 0.03 percent to 3.5 percent)
iv)	Flash point, °C, *Min.*	40.0	Part 20[1)]/Part 21
v)	Pour point, °C, *Max*	+ 24	Part 10/Sec 2
vi)	Distillation:		
	a) 10 percent recovery at °C (T-10)	To report	Part 18
	b) 50 percent recovery at °C (T-50)	To report	
	c) 90 percent recovery at °C (T-90), *Max.*	390	
vii)	Cetane index, *Min*	30	Part 174
viii)	Water and sediments, volume percent	To report	Part 41

[1)] In case of dispute, this shall be the referee method.

Specifications of Gas Oil as per IS 17789

Furthermore, as per the amendment to the Gas Oil Standard BIS IS 17789 dated January 2023, the sulphur content range has been revised to 1.5-3.5. However, it is mentioned in the amendment that Indian refineries may opt for a lower sulphur content based on mutual agreement between the seller and the purchaser. Accordingly, it can be inferred that the sulphur content in Gas Oil is not a characteristic parameter and may vary according to usage and agreements between the user and the seller. The amendment of Gas Oil dated January 2023 is reproduced below for ready reference.

AMENDMENT NO. 1 JANUARY 2023

TO

IS 17789 : 2022 GAS OIL — SPECIFICATION

(*Page* 2, *Clause* **3.1**, *Para* 2, *line* 2) — Add following line at the end:

'This gas oil used as refinery intermediate and not intended to be used as a fuel.'

[*Page* 2, *Table* 1, *Sl No.* (iii), *col* 2] — Substitute 'total sulphur, mass percent[2)]' *for* 'Total sulphur, mass percent'

[*Page* 2, *Table* 1, *Sl No.* (iii), *col* 3] — Substitute '1.5-3.5' for '0.004-3.5'

(*Page* 2, *Table* 1) — Add the following below Table 1,[1)]:

'[2)] Indian refineries may opt for lower sulphur content on the basis of agreement between seller and purchaser.'

Amendment to Gas Oil dated January 2023

Further, the specifications of Kerosene as per IS 1459 of Bureau of Indian Standards (BIS)are reproduced below:

Table 1 Specification for Kerosene

(*Clause* 4.2)

Sl. No.	Charecteristic	Requirement		Test Method Refer to [P:] of IS 1448/ISO/ASTM/IP/ Annex IS 1459
		Grade A	Grade B	
(1)	(2)	(3)	(4)	(5)
i)	Appearance	Clear and bright. Free from un-dissolved water, foreign matter and other visible impurities	Clear and bright. Free from un-dissolved water, foreign matter and other visible impurities	Visual
ii)	Acidity, inorganic	Nil	Nil	ISO 6618/ASTM D974[1)]/ IP 139
iii)	Burning quality[2)]			[P : 5][1)]/IP 10
	a) Char Value, mg/kg of oil consumed, *Max*	20	20	
	b) Bloom on glass Chimney	Not darker than grey	Not darker than grey	
iv)	Colour			
	a) Saybolt (in case of undyed Kerosene)[3)], *Min*	10	10	[P : 14][1)]/ASTM D 156
	b) Visual (in case of dyed Kerosene)	Blue	Blue	Visual/Annex A[1)]
v)	Copper strip corrosion for 3 h at 50°C	Not worse than No. 1	Not worse than No. 1	[P : 15][1)]/ ASTM D 130 / IP 154
vi)	Density at 15°C, kg/m3	Not limited, but to be reported	Not limited, but to be reported	[P : 16][1)]/ISO 12185/ ASTM D 1298/ ASTM D 4052
vii)	Distillation			[P : 18][1)]/ISO 3405/ASTM D 86
	a) Percent recovered below 200°C, percent (v/v), *Min*	20	20	
	b) Final boiling point, °C, *Max*	300	300	
viii)	Flash point (Abel), °C, *Min*	35	35	[P : 20][1)]/ISO 13736/ IP 170
ix)	Smoke Point[4)], mm, *Min*	18	18	P : 31/ISO 3014[1)]/ ASTM D1322/ IP 598
x)	Total Sulphur Content, percent, m/m, *Max*	0.10	0.20	[P : 34]/ISO 8754[1)] /ASTM D4294/ D 2622/ D 5453

6. And whereas on analysis of the parameters detailed in the Test Reports vis-à-vis the parameters stipulated in the BIS standards of Gas Oil (IS 17789) and Kerosene (IS 1459), it appeared that in accordance with the intelligence, the goods being imported appeared to be mis-declared and the following conclusion appeared to flow from the analysis:

Sl. No.	Bill of Entry No.	Date of Bill of Entry	No. of containers	Product description as per the analysis of the Test report
1.	9765080	21.01.2024	14	Gas Oil
2.	9765081	21.01.2024	12	Gas Oil
3.	9788458	23.01.2024	14	Kerosene conforming to standard IS 1459
4.	9783769	23.01.2024	14	Kerosene conforming to standard IS 1459
5.	9783627	23.01.2024	12	Kerosene conforming to standard IS 1459

Thus, it appeared that the samples drawn from consignments pertaining to two BEs viz - 9765080 and 9765081 conform to limits stipulated in IS: 17789:2022 specifications which pertains to the Indian Standard of Gas Oil, while consignments pertaining to the

remaining 3 BOEs 9788458, 9783769 and 9783627 appear to conform to specification of IS:1459 which pertains to Kerosene. Gas Oil which is appropriately classifiable under Customs Tariff Heading 27101941 does not stipulate any import condition conforming to IS 17789:2022 and the aforementioned parameters of IS: 17789:2022 have been taken for reference purposes only and that the items viz kerosene and Gas Oil are restricted and can be imported by the State Trading Enterprises(STEs) only.

7. In the light of the parameters of the Test Reports of the IOCL, the goods imported under BEs 9765080 and 9765081 appear to be liable to be classified under CTH: 27101941 under the description Gas Oil while the goods imported under BEs 9788458, 9783769 and 9783627 appeared to be liable to be classified under CTH 27101932 under the description of Kerosene conforming to standard IS 1459. The relevant description of CTH 27101941 and 27101932 as per Customs Tariff Act'1985 are as below:

2710 19 39	--- Aviation turbine fuels, kerosene type conforming to standard IS 1571	kg.	5.00	5.00	—	11.00	0.50	17.105	State Trading Enterprises	*Exemption: See Ntfn 52/2017-Cus. dated 30.06.2017 Import as per Policy Condition (5) of Chapter 27 ACD Nil by Ntfn 32/2022-Cus. Excise Duty by Ntfn 11/2017-CE dated 30.06.2017*
	-- Gas oil and oils obtained from gas oil:									
2710 19 41	--- Gas oil	kg.	5.00	5.00	—	18.00	0.50	24.490	State Trading Enterprises	*Import as per Policy Condition (5) of Chapter 27*
[illegible]	[illegible]	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 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*

Chapter Heading 27101941

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HS CODE (1)	ITEM DESCRIPTION (2)	UNIT (3)	BASIC (4)	EFFECTIVE (5)	PRF. (6)	IGST (7)	SWS (8)	TOTAL (9)	POLICY (10)	REMARKS (11)
2710 12 90	--- Other	kg.	5.00	5.00	—	14% + Rs. 15 per litre			State Trading Enterprises	*Import as per Policy Condition (5) of Chapter 27*
2710 19	-- Other:									
2710 19 20	--- Solvent 125/240 (petroleum hydrocarbon solvent) as specified under standard IS 1745	kg.	5.00	5.00	—	18.00	0.50	24.490	State Trading Enterprises	*Import as per Policy Condition (5) of Chapter 27*
	--- Kerosene intermediate and oils obtained from kerosene intermediate:									
2710 19 31	---- Kerosene intermediate	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 32	---- Kerosene conforming to standard IS 1459	kg.	5.00	5.00	—	18.00	0.50	24.490	State Trading Enterprises	*Import as per Policy Condition (5) of Chapter 27*

Chapter Heading 27101932

8. 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 "*Kerosene intermediate and oils obtained from kerosene intermediate: -- Kerosene conforming to standard IS 1459" and "Gas Oil"* 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 "*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*". The screenshots of the relevant extracts are as below:

27101932	---	"Kerosene intermediate and oils obtained from kerosene intermediate: ---- Kerosene conforming to standard IS 1459"	State Trading Enterprise	Import as per Policy Condition (5) of Chapter 27.

27101941	---	Gas oil and oils obtained from gas oil: ---- Gas oil	State Trading Enterprise	Import as per Policy Condition (5) of Chapter 27.

Product Description and 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

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

9. Further, during the course of the investigation, it appeared that the CHAs were actively involved in assisting and facilitating the improper import and clearance of the restricted goods namely "Gas Oil" and "Kerosene conforming to standard IS 1459" as mentioned above, therefore searches were conducted at the premises of CHAs viz. M/s Continental Shipping Services and M/s Gaurav M. Jhaveri on 30.04.2024. The proceedings of the searches were recorded under panchnamas dated 30.04.2024**.**

10. The voluntary statement of Shri Satish Maheshwari s/o Shri Rayshi Bhai Maheswari aged 44 years, near GEB Office, Bhatt Pad, Bhachau, Kachchh, Gujarat, 370140, Aadhar Card No- 548545219204 Mobile No. 9913038991, Authorised Representative of M/s Krishna Logistics was recorded on 30/04/2024 under Section 108 of the Customs Act 1962 wherein he inter-alia stated:

- *Question 1: Please state about yourself? Also state what are the other firms associated with you?*

  Ans: My name is Satish Maheshwari S/o Shri Rayshi bhai Maheswari resident, near GEB Office, Bhatt Pad, Bhachau, Kachchh, Gujarat, 370140. I have done my graduation in B.Sc.(Physics) from Adipur Arts and Science, college in the year of 1999. In 2000 due to earthquake we were not working till 2007. After that I started carrier as Driver till 2009. After that I joined Adani Power as Supervisor, I used to look after Transportation in Adani Power. After that in 2009, I joined Premier Transport Limited as Supervisor, my job was route Survey from one location to destination i.e. to check the route in respect of Load carrying capacity and expected time as per the load of the consignment till December 2014. I grew my expertise in heavy consignments in project logistics and transport from Paradip, Haldi port, Dahej, Hazira, Mundra, Kandla, Pipava Port to Destination at various locations in India majorly for various power plants. After that from 2015, I joined CHA firm M/s. Swati Enterprises as H-Card and assisted in Examination at Mundra Port, thereafter on 28.08.2017, I left M/s. Swati Enterprises.

  In 2021, I have been authorized by the CHA firm M/s. Continental Shipping Services, CHA No AAEFC9583GCH001 (copy authorization letter and CHA license both duly signed by me are enclosed herewith as annexure 1 running in 5 pages) to look after all operations for Munda port i.e. overall in-charge. M/s. Continental Shipping Services, CHA appointed Shri Sayed Salim, G Card holder G/MNDR1/20234082 to look after work related activities of import (copy enclosed as annexure 2 running in two pages duly signed by me).

  I am also the authorized person of M/s. Shri Krishna Logistics registered in the name of Mrs Savita Ramesh Shiju. M/s. Shri Krishna Logistics provides handing and forwarding service to our various customer like Shree Nandsai Steel Pvt Ltd, Shree Ashapura Tradelink Pvt and M/s. Global Natural Petro Industries etc. I am enclosing Three Sample invoice raised by M/s. Shri Krishna Logistics for your ready reference copy is enclosed herewith as annexure 3 running in 3 duly signed by me. If required, I will provide documents related to M/s. Shri Krishna Logistics as and when required by your good office.

- *Question 2: Please state about M/s. Continental Shipping Services? Also please state about your responsibilities?*

  Ans: M/s. Continental Shipping Services, CHA No AAEFC9583GCH001, is a CHA firm who deal in import only, Mrs Shanmuga Jayashree and Mrs Radha are the managing/authorized partners of this CHA firm. As stated above, I have been authorized by the CHA firm M/s. Continental Shipping Services, to look after all operations for Munda port i.e. overall in-charge and handle day to day activities of M/s. Continental Shipping Services.

- *Question 3: Please state about the Business Nature/operation/Turnover and the Commodities being dealt with by M/s. Continental Shipping Services? Please provide the Details of staff and responsibilities*
  Ans: We majorly deals with Mixed Hydrocarbon oil, Fuel oil, Base oil and stock lot of paper/plastic. Apart from me, Shri Sayed Salim, G Card Contact number 9537281289, holder are working for M/s. Continental Shipping Services. Shri C N Rajender Kumar is F Card, holder appointed is enclosed herewith for your ready reference as annexure 4 running in 1 pages duly signed by me. Earlier Shri Naresh Sodham, H-card Holder CHM/H/150/21-22(copy enclosed as annexure5 running in 1 pages duly signed by me), contact detail 8866872222, also looked after all the operation related to M/s. Continental Shipping Services. He has left this office 15 days back.

- *Question 4: Please provide the past imports and items imported handled by M/s. Continental Shipping Services?*
  Ans: This branch of M/s. Continental Shipping Services looks after import activities of Mundra port, I am enclosing the list of import from Mundra port as annexure 6 running in 4 pages duly signed by me are enclosed herewith. Other port import activates are not dealt by this branch of M/s. Continental Shipping Services.

- *Question 5: Please state about the firms namely M/s. SkyFalcon Minerals and Chemicals Private Ltd?*
  Ans: M/s. SkyFalcon Minerals and Chemicals Private Ltd (hereinafter referred to as "Skyfalcon"), is a company who is involved in the import of Mixed Hydrocarbon Oil (herein after referred to as "MHO"). Shri Sellappan Ramaniah and Shri R V Shanmugham and Shri Srinivasan Sudhakar are the Partners in Skyfalcon Minerals and Chemicals Private Ltd. The contact person in Skyfalcon is Shri Mahesh, contact detail is 9840081520, later when the consignment were hold by DRI Noida then we also came to know that Shri Raju Pillai was the Real beneficial owner of Skyfalcon.
  For Skyfalcon our CHA firm has imported 54 consignments, I am enclosing list of all these imports as annexure 7 running in 1 page duly signed by me. Out of these 54 import consignments 42 were given out of charge but rest of the 12 import consignments were put-on hold by DRI NOIDA.

- *Question 6: Please state about the firms namely M/s. A.A. Cable Layers?*
  Ans: M/s. A. A. Cable Layers is a company which is involved in the import of Mixed Hydrocarbon Oil (herein after referred to as "MHO"). The contact person in A. A. Cable Layers is Shri Gurmeet Singh and Rajinder Pal Singh are the Partners in A. A. Cable Layers. The contact detail is 9870107007, later when the consignment were hold by DRI Noida then we also came to know that Shri Gurmeet Singh was the Real beneficial owner of A. A. Cables Layers.
  For M/s. A. A. Cable Layers our CHA firm has imported 7 consignments, I am enclosing list of all these imports as annexure 8 running in 1 page duly signed by me.

Out of these 7 import consignments 4 were given out of charge but rest of the 3 import consignments were put-on hold by DRI NOIDA.

- *Question 7: Please provide the Test Reports relating to past reports provided by the supplier/ relating to test conducted by the CRCL?*
  Ans: No such test report were provided by the suppliers. Further all the previous import, test reports of the samples drawn by Customs are uploaded in e-sanchit then only the import consignments are cleared by the Customs Authorities, all these reports can be retrieved from there. Also the same will be provided as and when required to be submitted to your good office.

- *Question 8: Who files the Bill of Entry? And also state what the basis of filing of Bill of entry is.Also state who decides under which CTH the good would fall?*
  Ans: Shri Sayed Salim, G Card, files the bills of entry (on behalf of importers) and the same is filed on the basis of document provided by these importers through M/s. Versatile Logistics. These documents are received on the email id namely Krishnalogistics889@gmail.com.

- *Question 9: It appears that these documents are emailed by email of importers not related to M/s. Continental Shipping Services?*
  Ans: We use email of M/s. Continental Shipping Services for bill of Entry filing purpose only. The bill of entry is filed by Shri Sayed Salim, G Card, I am enclosing the copy of authorization letter issued by Skyfalcon to M /s. Continental Shipping Services as annexure 9 running in 2 pages duly signed by me. And authorization letter issued by M/s. A.A. Cable Layers as annexure 10 running in 2 pages duly signed by me.

- *Question 10: Please provide the details of shipping companies related to the imports done by M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers?*
  Ans: I am enclosing the list of shipping companies related to the imports done by M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers as annexure 11 running in 3 pages duly signed by me (page 1 and 2 are in respect of M/s. SkyFalcon Minerals and Chemicals Private Ltd, whereas the page 3 of annexure is of M/s. A.A. Cable Layers). Moreover these shipping lines are always mentioned in the Bill of Lading or each import consignment.

- *Question 11: Please provide the details of suppliers/items imported?*
  Ans: The details of supplier and items imported are available in the bill of entry filed by us, the same can be retrieved from E-Sanchit. And if the same is further required I will submit the same as and when the same is required by your office.

- *Question 12: Please state how the orders are placed and who in your CHA firm gives the order to supplier?*
  Ans: The orders are placed by the importer itself, we CHA onlyfiles these bills of entryon the basis of documents provided by respective importers, we as CHA have no role to play with supplier.

- *Question 13: Please state how do you receive the documents for filing the Bill of entry and who provides these documents, what is the means of getting these documents related to M/s. SkyFalcon Minerals and Chemicals Private Ltd andM/s. A.A. Cable Layers?*
  Ans: As stated above we receive these documents on our email address krishnalogistics889@gmail.com. We received these documents from email versatileimpt@gmail.com. The email is of M/s. Versatile logistics, another clearing and forwarder firm having address as office no. 124, 1st floor, Shiv Centre, Sector 17, Plot No 72, Vashi, Navi Mumbai- 400705, mob: 9870107007.Shri Ravi Sawant is the Proprietor of M/s Versatile Logistics(Mobile No-9833391681).

- *Question 14: It appears that the documents for filing the bills of entry are not provided by the importers namely M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers. How do you verify the authenticity of these documents so provided by M/s. Versatile Logistics? It appears that the bills of entry are improperly filed by your CHA firm. How did you conduct the Know Your Customer i.e. KYC of these importers in such scenario when the documents are not provided by the importers themselves? What is the process adopted by your CHA firm for filing the bills or entry? And who makes the payment of duties?*
  Ans: We have been associated in trade terms with other firms who provide us any work related to this Mundra port along with all necessary documents for filing the Bill of entry. We were provided documents by M/s. Versatile logistics we prepared check list. We prepare the check list, then send it back to M/s. Versatile logistics. They then get the same verified from the importer. Thereafter the bill of entry is filed, after assessment of Bill of entry we inform to M/s. Versatile logistics to get the duty paid by the importer i.e. M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers then login to their Icegate account and make the payment of duty directly while making the payment, the importer can always check the Bill of entry filed.
  We get KYC the verified through M/s. Versatile logistics, such verified KYC is enclosed as annexure 12 running in 7 pages duly signed by me and annexure 13 running in 6 pages duly signed by me.

- *Question 15: Please state what is Mix Hydrocarbon Oil, what is its Chemical Composition? Please state end use of mixed hydrocarbon Oil imported?*
  Ans: It is one type of oil, and on the basis of documents provided we file the Bill of entry. Samples are drawn by the Customs Authority. And only after the sample report

these consignments are cleared by the Customs authority. About the chemical composition the importer are having full knowledge. We file Bill of Entry only on the basis of documents. End use of mixed hydrocarbon Oil so imported is for heating purpose and the same can be answered by the importer.

- *Question 16: Does this Mix Hydrocarbon Oil requires any import regulation in terms of its packaging? Please state in respect of M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers, is there any violation in respect of Import in flexi bags or violation of petroleum regulation?*
  Ans: Yes, the requirements are Flexi Bag and ISO tank. All these consignments are imported in Flexi Bags. No, there is no violation in respect ofImport in flexi bags or violation of petroleum regulation.

- *Question 17: have you ever imported diesel or kerosene?*
  Ans: No, We have never imported diesel or kerosene.

- *Question 18: Please state what is the basis of classification of mix Hydrocarbon Oil?*
  Ans: We file the Bill of entry on the basis of Supplier's documents like Commercial Invoice, Packing list Bill of lading etc. later the Customs department check it respect to sample analysis report then clear the import consignments.

- *Question 19: Please state whether goods i.e. Mix Hydrocarbon Oil so imported in consignments/containersputon hold by DRI and imported in earlier consignments are same?*
  Ans: Yes sir, as per my understanding they are the same.

- *Question 20: Please state what are the BIS parameters applicable on the item i.e. Mix Hydrocarbon Oil?*
  Ans: No BIS standards are applicable on this imported item i.e. Mix Hydrocarbon Oil.

- *Question 21: Please state whether Mix Hydrocarbon Oil is fuel or not?*
  Ans: No, it is not Fuel.

- *Question 22: Please provide the list of buyers of Mix Hydrocarbon Oil vis-a vis end use?*
  Ans: We are not aware who the buyer are. After getting the out of charge, we inform M/s. Versatile logistics. They then inform the importer. The importer then arranges the vehicle for logistics.

- *Question 23: Please state the container wise vehicle of such consignments cleared for M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers?*

Ans: I am enclosing a sample gate pass and weighment slip so issued by Custodian bearing number ILDW014153/23-24W dated 04.01.2024 as annexure 14 running in 2 pages duly signed by me. We also maintain such details in our record register of delivery of import containers in the name of "By Road Register". The documents and register are taken over during the proceedings of search today.

- *Question 24: Please state how the imported item in the name of Mix Hydrocarbon Oil is sold , is it sold by any of the firms related to you be it* M/s. Continental Shipping Services or M/s. Shri Krishna Logistics.
  Ans: The import consignments are handed over to importers only and the same is never sold to any party or anyone else.

- *Question 25: Please state have you made any payments to the supplier of Mix Hydrocarbon Oil or have received any payment from the buyers? If so please provide the Bank Details for the same?*
  Ans: No, we have never made any payments to the supplier of Mix Hydrocarbon Oil nor have received any payment from the buyers.

- *Question 26: Please provide the certified copy of Chemical Analysis report or Test report of consignments of Mix Hydrocarbon Oil provided by the supplier.*
  Ans: No such certified copy of Chemical Analysis report or Test report of consignments of Mix Hydrocarbon Oil is provided by the supplier. Such Chemical Analysis report or Test report is irrelevant since the Customs does not clear the import consignment on the basis of such reports. The Customs does not clear such Bill of entry through RMS. The Bill of Entries are cleared only on the basis of chemical analysis report of samples drawn by Customs Authorities.

- *Question 27: Please provide the certified copy of Buyer-seller agreement for the consignments?*
  Ans: No such buyer seller agreement is available with us.

- *Question 28: Please state about the overseas supplier of Mix Hydrocarbon Oil whether the same is a trader or manufacturer. Also provide the communication (emails/letters etc.) with the overseas supplier's w.r.t. the consignments.*
  Ans: We have not made any such enquiry about the overseas suppliers whether they are manufacturer or trader, we have not made any communication with supplier, if required we may be allowed some time get the information from our clients.

- *Question 29: Please provide the copy of Invoice for each consignment, including itemized description, quantities, values, and any applicable discounts or rebates.*
  Ans: The required documents are uploaded in e-sanchit.

- *Question 30: Please state whether M/s. Continental Shipping Services or M/s. Shri Krishna Logistics have any warehouse or any Customs bonded warehouse in their name, or has been hired on lease for the consignment?*
  Ans: No, M/s. Continental Shipping Services or M/s. Shri Krishna Logistics do-not have any warehouse or any Customs bonded warehouse in their name, or has been hired on lease for the consignment.

- *Question 31: Do you want to say anything.*
  Ans: No, nothing to add on further.

11. Voluntary statement of Shri Ruparel Ketan S/o Late Shri Shiv Ji aged 51 years, resident of 137, Rameshwar Nagar, Ward-12, Anjar, Kachchh, Anjar, Gujarat-370110, (Aadhar Card No:894385983194), Partner of M/s Shivshakti Shipping was recorded on 01/05/2024 under Section 108 of the Customs Act 1962**,** wherein he inter-alia stated:

- *Question 1: Please state about yourself. Also state what are the other firms associated with you?*
  Ans: I am Ruparel Ketan S/o Late Shri Shiv Ji, permanent resident of House no 137, Rameshwar Nagar, Ward-12, Anjar, Kachchh, Anjar, Gujarat-370110. My age is 51 years and my educational qualification is B.Com from SIS college Bombay. My wife's name is Neeta Ruparel, I have one daughter and one son who live with us at the above-mentioned address. I have been authorized by the CHA firm M/s. Gaurav M. Jhaveri, CHA No AGRPJ9989QCH001 to look after the work of customs filing and clearance work related to Oil consignments for the CHA- Gaurav M Jhaveri and operate from the premises of M/S Ashirwad Shipping & Logistics. I have been doing this Customs filing and facilitation work for M/s. Gaurav M. Jhaveri Since 2017. I am a partner in the firm M/s Shivshakti Shipping and a partner in the firm KRD Logistics. I will provide documents related to M/s Shivshakti Shipping and KRD logistics as and when required by your good office.

- *Question 2: Please tell us about M/s Ashirwad Shipping & Logistics?*
  Ans: The business of M/s Ashirwad Shipping & Logistics is being looked after by Shri Deepak Majethiya, Contact no- 9879517194, husband of the proprietor Ms Alka Majhetiya. M/s Ashirwad Shipping & Logistics conducts the work of container handling facilitation, fuel pumping facilitation and local transportation of the containers at the Customs port area.

- *Question 3: Please tell us about M/s. Gaurav M. Jhaveri? Also please state about your responsibilities.*
  Ans: M/s. Gaurav M. Jhaveri, CHA No AGRPJ9989QCH001, is a CHA firm, based in Mumbai that deals in import and export of consignments. Shri Gaurav M. Jhaveri is the proprietor of this CHA firm. As stated above I have been authorized by the CHA

firm M/s. Gaurav M. Jhaveri, to look after all operations related to oil imports at Mundra port. However, I don't have any authorisation letter with me currently, however, the authorization letter in original will be submitted to you.

- *Question 4: Please state about the nature of business /operation/turnover and the commodities being dealt with by M/s. Gaurav M. Jhaveri? Please provide the details of staff and responsibilities*
  Ans: M/s. Gaurav M. Jhaveri deals in importing and exporting of various products such as ceramic Tiles, Engine spare parts, Stone slabs and minerals etc however in import they majorly deal in Mixed Hydrocarbon oil, Fuel oil, Base oil, Industrial Oil, Distillate oil and Naptha. Apart from me, Shri Bharat Parmar, G Card Contact number 9909947041, holder is working for M/s. Gaurav M. Jhaveri.

- *Question 5: Please provide the details of the imports that are being handled by you for M/s. Gaurav M. Jhaveri?*
  Ans: I only look after import activities related to the import of various oils as mentioned in the question above at Mundra port, I am enclosing the list of import consignments currently live at Mundra port as Annexure I. Other port import activities apart for oils are not dealt by me.

- *Question 6: Please tell us about the firms namely M/s A.A. Cable Layers, M/s Shree Hari Krupa Petrochem and M/s Shree Shyam Fuelco Private Limited.*
  Ans: I am providing you the KYC documents of the importers as mentioned in the question above as Annexure II. I talk to the representative of the importer only once or twice initially, just to finalise the charges for filing the customs paperwork after that Shri Barri Praveen (9909843346), who works in the Ashirwad Shipping & logistics looks after the documentation of the importer. I monitor the whole process and supervise as and when required. Further all of these importers are into the import of Mix Hydrocarbon Oil. M/s Shree Shyam Fuelco Private Limited has imported 5 consignments, M/s A.A. Cable Layers has imported 27 consignments and M/s Shree Hari Krupa Petrochem has imported 41 consignments through M/s Gaurav M Jhaveri. I am enclosing a list (annexure III) of all these imports along with the E-mail communication of my office with M/S Gaurav M Jhaveri regarding the filing of BOE.

- *Question 7: Who files the Bill of Entry on behalf of the importer? And also state the Basis of filing of Bill of entry.*
  Ans: M/s Gaurav M Jhaveri, files the bills of entry (on behalf of importers) and the same is filed on the basis of documents provided by the importers only, we just collect and forward the documents received from importers. These documents are received on WhatsApp of Shri Barri Praveen which are further forwarded to M/s Gaurav M Jhaveri Through our office mail id i.e info.shivshakti1121@gmail.com.

- *Question 8: Please state what is Mix Hydrocarbon Oil, what is its Chemical Composition? Please state end use of Mix Hydrocarbon Oil imported.*
  Ans: It is a type of petroleum oil, which is a mixture of Hydrocarbon oils and is used mainly for industrial purposes. We file the bill of entry of the product as per the details given by the importer. Also, sometimes the importer provides the chemical analysis report related to the subject consignment and sometimes not. As far as end use of the product, we are not aware of that. We just file the bill of Entry on behalf of the Importer and the end use of the product may be known to the importer only.

- *Question 9: Please provide the Chemical Analysis report/Test reports relating to past imports of the importers mentioned in the question no 6 above?*
  Ans: It may be noted that as answered above, the chemical analysis reports are not always submitted by the importer and hence cannot be provided for all the consignments. Further, all the reports which are submitted by the importer are uploaded in E-Sanchit and can be retrieved as and when required.

- *Question 10: What is the whole process of customs clearance of the consignments of Mix hydrocarbon Oil?*
  Ans: First of all the importer sends a Bill Of Lading (Usually By WhatsApp), which we further E-mail to the shipping line to know the estimated time of arrival of the consignment and the CFS to which the consignment is scheduled to be placed. After knowing the ETA and CFS the documents received from the importer are further sent to M/s Gaurav M Jhaveri, who files the Bills of Entry on behalf of the importer.

- *Question 11: Please provide the details of shipping companies related to the imports done by M/s A.A. Cable Layers, M/s Shree Hari Krupa Petrochem and M/s Shree Shyam Fuelco Private Limited.*
  Ans: I am enclosing the list of shipping companies related to the imports done by M/s A.A. Cable Layers, M/s Shree Hari Krupa Petrochem and M/s Shree Shyam Fuelco Private Limited as Annexure IV.

- *Question 12: Please provide the details of suppliers/items imported.*
  Ans: The details of the supplier and items imported are available in the bill of entry filed by us, the same can be retrieved from E-Sanchit. And if the same is further required I will submit the same as and when the same is required by your office.

- *Question 13: Please state how the orders are placed and who in your CHA firm give the order to supplier?*
  Ans: The orders are placed by the importer itself, we CHA only file these bills of entry on the basis of documents provided by respective importers, we as CHA have not role to play with the supplier.

- *Question 14: Please peruse the E-mail communications copies of your office with Geo-chem lab (Annexure V) and see the test report of Geo Chem lab about various MHO samples wherein the sulphur levels have been declared between 7 PPM and 20 PPM*
  Ans: The importer sometimes asks for testing of some specific parameters of some consignments which we ask Geo-Chem lab to test the sample for the desired parameters. The test results are then shared with the importer through WhatsApp by Shri Deepak Majethiya. The sulphur levels indicated in the lab report are as per the testing and further the same are shared with the importer.

- *Question 15: Please refer to the question 14 above and state whether sulphur can be in the range as specified in the question above in case of Mix Hydrocarbon Oil?*
  Ans: About this I have a very little idea. We just do as told by the importer.

- *Question 16: Please state how do you receive the documents for filing the Bill of entry and who provided these documents related to M/s A.A. Cable Layers, M/s Shree Hari Krupa Petrochem and M/s Shree Shyam Fuelco Private Limited?*
  Ans: We receive the documents for filing the Bill of entry through WhatsApp only. The importer himself or a representative of the importer sends the relevant documents to Shri Barri Praveen. The details of persons who sends the documents are mentioned below in table :

S.No	*Importer*	*Contact person name*	*Mobile No.*
1	*M/s A.A. Cable Layers*	*Praveen*	*9811234553*
		Vipin	*8860160031*
2	*M/s Shree Hari Krupa Petrochem*	*Amit*	*9601768136*
3	*M/s Shree Shyam Fuelco Private Limited*	*Chirag Gupta*	*8826689311*

- *Question 17: Is there any Standard or Literature that defines your product i.e. " Mix Hydrocarbon Oil"?*
  Ans:. Mix Hydrocarbon Oil is generally a blend of 2 or 3 different oils and as per my knowledge there is no specific standard to define the same.

- *Question 18: Is there any import regulation that has to be followed for importing the said commodity i.e. "Mix Hydrocarbon Oil"*
  Ans:. I am not aware of any such regulation for importing the commodity in question.

- *Question 19: Please state can this Mix Hydrocarbon Oil be imported in Flexi bags, Is there any violation of the Petroleum Act?*
  Ans: As it is a routine product and all the importers are importing the commodity in Flexi Bags and according to me there is no violation in respect ofImport in flexi bags. Further I am not aware of any violation of the petroleum Act.

- *Question 20: Have the importers viz. M/s A.A. Cable Layers, M/s Shree Hari Krupa Petrochem and M/s Shree Shyam Fuelco Private Limited have ever imported diesel or kerosene?*
  Ans: No, as per my knowledge, the consignments which were custom cleared by M/s Gaurav M Jhaveri in respect of these three parties have never imported diesel or kerosene.

- *Question 21: Please state whether goods i.e. Mix Hydrocarbon Oil so imported in consignments/containers hold by DRI and imported in earlier consignments are same?*
  Ans: Yes sir, as per my understanding they are the same.

- *Question 22: Please state what are the BIS parameters applicable on the item i.e. Mix Hydrocarbon Oil?*
  Ans: No BIS standards are applicable on this imported item i.e. Mix Hydrocarbon Oil.

- *Question 23: Please state whether Mix Hydrocarbon Oil is fuel or not?*
  Ans: As per my understanding MHO is fuel only.

- *Question 24: What is the process once the Container are OOC at the port?*
  Ans: Once the containers are OOC we receive a delivery order from the shipping line, which we forward to CFS to get NOC from the surveyor. Surveyor then checks the validy of delivery order and issues NOC for the containers. The NOC is then handed over to CFS. After that, the importer sends a tanker truck to load the cargo. Our office then provides a pump to load the oil from flexi-tanks to the tanker truck. The tanker truck is then sent for weighment at the weighment bridge and the weighment slip is sent to the importer through WhatsApp for information and further instruction if any.

- *Question 25: Please see the documents in Annexure VI related to Shakti Amba tank storage, what is the role of a storage facility after the OOC of the containers from the port?*
  Ans: Sometimes the importers do not get orders from the prospective buyers immediately and hence then require the facility to store the already OOC tankers.

- *Question 26: Please mention the partners of the firm Shakti Amba Tank Storage.*
  Ans: Ms. Neeta Ketan Ruparel W/o Sh. Ruparel Ketan and Ms Alka Deepak Majethiya W/O Sh Deepak Majethiya, are the two partners in Shakti Amba Tank Storage facility. Further it has a total capacity to store 3200 KL Liquid.

- *Question 27: Please state have you made any payments to the supplier of Mix Hydrocarbon Oil or have received any payment from the buyers? If so please provide the Bank Details for the same?*
  Ans: No, we have never made any payments to the supplier of Mix Hydrocarbon Oil nor have received any payment from the buyers.

- *Question 28: Please provide the certified copy of Buyer-seller agreement for the consignments.*
  Ans: No such buyer seller agreement is available with us.

- *Question 29: Please state whether the overseas suppliers of MHO Oil, are traders or manufacturers. Also provide the communication (emails/letters etc.) with the overseas supplier's w.r.t. the consignments.*
  Ans: I am not aware of the fact that the overseas suppliers are trader or manufacturer. We are not in touch with any of the suppliers or trader overseas.

- *Question 30: Please provide the copy of Invoice for each consignment, including itemized description, quantities, values, and any applicable discounts or rebates.*
  Ans: The required documents are uploaded in e-sanchit.

- *Question 31: Do you want to say anything.*
  Ans: No, nothing to add on further.

12. In view of the Test Reports and voluntary statements, it appeared that the imported goods were mis-declared as *"Mixed Hydrocarbon Oil"* and mis-classified under CTH: 27101990 instead of CTH: 27101941 and CTH: 27101932 by the importer with the intent of importing "*Gas Oil*" and "Kerosene as per IS:1459" which are restricted commodities and *can be imported by STEs only as per the import policy as brought out above.* As a result, it seems that they attempted to import the restricted commodities by mis-declaring the same. Consequently, the imports made by the importer under BE No. 9765080 dated 21.01.2024, BE No. 9765081 dated 21.01.2024, BE No. 9788458 dated 23.01.2024, BE No. 9783769 dated 23.01.2024, and BE No. 9783627 dated 23.01.2024 appeared to be illicit and in gross violation of the relevant provisions of the Foreign Trade Policy 2023, the Import Policy conditions, and the Customs Act of 1962. Therefore, the goods imported under the aforementioned Bills of Entry at Mundra Port seemed liable for confiscation under the provisions of Section 111(d), (f), (l), and (m) of the Customs Act, 1962. As a result, the consignments were seized vide Seizure memos as detailed below:

S. No	Bill Of Entry No and Date	Seizure memo DIN no.	Seizure date
1	9788458 dt. 23.01.2024	202405DDZ80000116241	07/05/2024
2	9783627 dt. 23.01.2024		
3	9783769 dt. 23.01.2024	202405DDZ80000666F1F	27/05/2024
4	9765080 dt. 21.01.2024	202405DDZ80000555BC4	27/05/2024

5	9765081 dt. 21.01.2024		

13. And whereas, summons were also issued to CHAs M/s Continental Shipping Services and M/s Gaurav M. Jhaveri on 05.07.2024 for appearance on 10.07.2024&12.07.2024 respectively. Shri Gaurav M. Jhaveri appeared in the office in compliance of the summons served upon him and tendered his voluntary statement on 10.07.2024.

14. Voluntary statement of Shri Gaurav Madhusudan Jhaveri S/o Late Shri Madhusudan Jhaveri aged 44 years, resident of 105/7, 4th Floor, Damodar Building, Princess Street, Kalba devi, Mumbai, Maharashtra-400002-, proprietor of firm M/s Gaurav M Jhaveri was recorded on 10/07/2024 under Section 108 of the Customs Act 1962 wherein he inter-alia stated:

- *I completed my B.COM Graduation from the University of Bombay in the year 2000, after that I completed my diploma in import and export management from Indian merchant Chambers in the year 2001. Then I started my career with Niranjan Shipping Agency India Pvt Ltd in Bombay, where I worked from 2001 to 2004. After that, I switched my job to ASR Logistics, India Private Limited and I worked there till 2012. I cleared my CHA exam in the year 2011 and was issued F-card in the year 2012. Since then I have been providing customs clearance services to various customers. I am living with my wife MsRitka G. Jhaveri along with my mother and 2 kids, one son and one daughter on the above-mentioned subject.*

- *Question 1: Please explain the business of M/s Gaurav M. Jhaveri?*
  Answer: M/s Gaurav M Jhaveri is a proprietorship firm, in which I am a proprietor. As stated by me above the firm is engaged in the custom clearance of import and export consignments at various ports.

- *Question 2: Please give details of your F Card and also state the customs formation which has issued you the F card.*
  Answer: My F-card bearing no. 4106/2022, has been issued by the office of the Principal Commissioner of Customs (General), New Custom House, Ballard Estate, Mumbai. I am submitting a copy of the said F-card for information under my signature.

- *Question 3: Please state the present location of your firm.*
  Answer: Presently my office is located at 305/306 Sai Sadan 3rd floor 76/78 Modi Street fort Mumbai. However, earlier my office was located at 105/7, 4th Floor, Damodar Building, Princess Street, Kalbadevi, Mumbai, Maharashtra-400002 which I shifted to this address in May 2013, which I intimated to the Customs Association Bombay. And the same is updated in the record of customs Mumbai.

- *Question 4: It is seen that the address mentioned in your F card remains unchanged. please clarify in the light of question no 3 above.*
  Answer: The address in the F card remains unchanged at which the F card is issued at the first time. If there is any change in the official address the same is communicated through a letter to the customs dept. as well as Bombay Customs Broker Association (BCBA). I will submit a copy of the same for information.

- *Question 5: How many people are working in your firm. Please provide their details, designation, responsibilities and Mobile no*
  Answer: A total of 4 people work in my firm whose details are as under:

Name	*Designation/ Work Assigned*	*Mobile No.*
Sh Ramesh Patva	*Accountant*	*9820862895*
Sh Sahil Chavan	*Documentation handling*	*9594493674*
Sh Ajay Kumar Gaur	*G card holder- handles field work at the CFS and Customs examination*	*9322526924*
Sh. Rahul thakur	*Field work at the CFS/Customs*	*7304633611*
Sh Ravi Kumar	*H-Card Holder*	*6377584097*

- *Question 6: Please name the companies/firms for whom you are providing customs clearance services?*
  Answer: Our major clients include:
  - *M/s Sunalco Alloys India Pvt Ltd, Mumbai.*
  - *M/s Padmini Innovative marketing solutions Pvt Ltd, Mumbai.*
  - *M/s AA Cable Layers, Milak- Rampur*
  - *M/s Hindustan Copper Ltd.*
  - *M/s Impulse Pharma Pvt Ltd.*

- *Question 7: What are the ports where you are providing customs clearance services?*
  Answer: Our major business is at Nhava Sheva and Mundra however we also do conduct small business at Bombay Sea Port, Sahar Air Cargo complex, Ahmedabad ICD etc.

- *Question 8: How do you provide customs clearance facilities? Please explain the same with regard to the functioning of your firm.*
  Answer: Our client forwards the import documents on our email- gauravjhaveri80@gmail.com/ docsgmj@gmail.com which are examined by the staff who later on prepare check list which is sent to the client for approval.

Once the checklist is approved, the bill of entry is filed online on the ICEGATE website. After it is approved, the examination of the cargo by the customs officers is conducted in the presence of the G-card holder of the firm. After the examination and out-of-charge given by the customs the documents are handed over to the transporter who is engaged by the importer only for delivery at the designated address.

- *Question 9: Have you authorised companies/firms to provide customs clearance work? If so name the firms/companies who have been authorized to provide customs clearance services by using your F Card.*
  Answer: In order to bring more business at the local level of the port, we have an understanding with some business firms who are associated with us but do not have the requisite F-Card for customs clearance. These firms contact clients and send documents through their email to us for filing online at the ICEGATE portal after verification and analysis of the documents by our staff. After approval and generation of the documents, the same is provided to the associate firms who then inform the importer/exporter. After customs clearance, the associate firms receive the payment and after deducting their share, the balance amount is electronically transferred to us. The names of such associated firms are given below:
  - *M/s Shiv Shakti Shipping at Mundra, which is being handled by Sh Ketan Ruparel.*
  - *M/s Kinjal Logitrans India Pvt Ltd at Mundra is being handled by Sh Bharat Parmar.*

- *Question 10: How did you come across these associate firms that are being handled by Sh Ketan Ruparel and Sh Bharat Parmar?*
  Answer: Sh Bharat Parmar was my office colleague in M/s ASR Logistics India Pvt Ltd in 2009, from there we became good friends, hence this associate firm. I met with Ketan Ruparel in 2015 as he was a mutual friend of Bharat Parmar. Then me and Ketan Ruparel also became friends and I got connected with his firm M/s Shiv Shakti Shipping.

- *Question 11: How the firms named in the question No 9 above have been authorized to conduct the business of customs clearance?*
  Answer: These firms only bring business and forward the documents for further customs-related work to us only. There is no written agreement and we conduct business together on the basis of oral and verbal understanding.

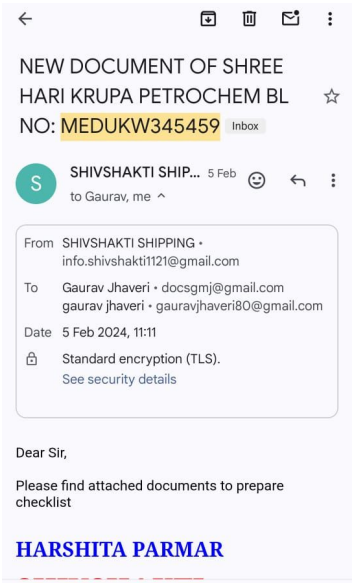
- *Question 12: Please name the companies related to Sh. Ketan Ruparel who are provided custom clearance services by your firm.*
  Answer: Some of the major companies include:
  - *M/s AA Cable Layers*

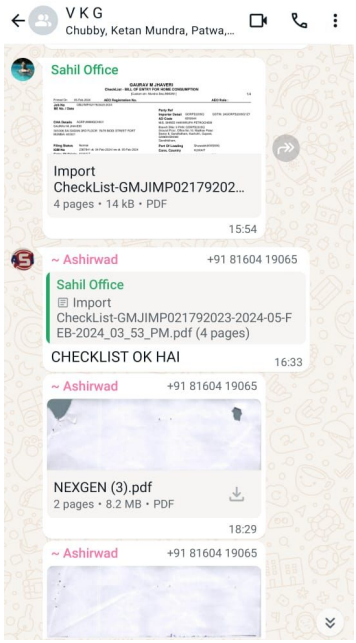
- *M/s Shree Harikrupa Petrochem*
- *M/s Divya Petrochem*
- *M/s Rainbow Corporation*
- *M/s Shree Shyam Fuelco*
- *M/s Mainline Global Energy Pvt Ltd, Etc*

- *Question 13: Please state which goods are dealt by Sh Ketan Ruparel at Mundra for which he provides the documentation.*
  Answer: Sh Ketan Ruparel looks after the clients who import Oil and other petroleum products at Mundra Port.

- *Question 14: Please elaborate as to how customs clearance services are provide to the companies mentioned in the reply to the question 12 above.*
  Answer: First of all Sh. Ketan Ruparel, contacts the clients who wish to get the consignments cleared at Mundra Port. He negotiates the terms and conditions on our behalf with the client. After the terms are finalized and is approved by me, the importer sends the documents related to the import consignment on the E-mail id of M/s Shiv Shakti Shipping, which are then forwarded to us for analysis and examination as per the customs provisions. After analysis and examination, a checklist is prepared which is sent back to M/s Shiv Shakti Shipping via mail/WhatsApp, who then further forwards it to the importer. After the importer gives approval to the checklist, the Bill of entry is filed on the ICEGATE Portal. After the BOE is approved the Duty is paid by the Importer. After the payment of Duty, the consignment is examined by customs. Since the firms being dealt with by M/s Shiv Shakti Shipping, imports MHO, samples are drawn which are sent for testing. After the test reports are received the consignment are given out of charge by the customs and handed over to the customer.

- *Question 15: Your kind attention is invited to your reply to Question 14 above wherein you mentioned that once the importers approve the checklist then your office files Bill of Entry on behalf of the importer. Please state by what medium you get the approval and kindly provide a copy of the same.*
  Answer: As stated above M/s Shiv Shakti Shipping sends the checklist to the importer for approval. After receiving approval from the importer M/s Shiv Shakti Shipping confirms the approval to us for filing of Bill of Entry. These approvals are done usually on WhatsApp or through mail. I am providing screenshots of one such approval for your information





- *As can be seen from the screenshots attached above, the documents pertaining to BL no MEDUKW345459 pertaining to M/S Shree Hari Krupa Petrochem were sent to our Email i.e. Docsgmj@gmail.com by M/s Shiv Shakti Shipping. After receiving the documents a checklist is prepared with the help of a software namely Live Impex. The Checklist is then forwarded to M/s Shiv Shakti Shipping for approval from the client. After receiving approval from the client through M/s Shiv Shakti Shipping, Bill of entry is filed by our firm. In this case, BOE no 9999773 dated 06.02.2024 was filed on behalf of the importer. I am submitting the screenshots and documents attached in the mail along with the checklist for your perusal.*

- *Question 16: Please define your payment terms/agreements with the associate firms namely M/s Shiv Shakti Shipping and M/s Kinjal Logitrans India Pvt Ltd.*
  Answer: There is no written agreement or terms for payment with the associate firms, as both the persons namely Sh ketal Ruparel of M/s Shiv Shakti Shipping and Sh Bharat Parmar of M/s Kinjal Logitrans India Pvt Ltd are old friends. However, we have decided the rates per container, verbally. M/s Kinjal Logitrans India Pvt Ltd usually handles documentation with the clients related to Export and M/s Shiv Shakti Shipping generally handles the documentation for Import. For import, we charge a fee of Rs 750 per container from the importer through M/s Shiv Shakti Shipping and for export, we charge a fee of Rs 100 per container from the exporter through M/s Kinjal Logitrans India Pvt Ltd.

- *Question 17: Please state how much commission you give to the associate firm M/s Shiv Shakti Shipping for the documentation handling for import consignments.*
  Answer: As stated above, we have a fixed charge policy for filing BOE with our associate firms. We charge Rs 750/- per container from M/s Shiv Shakti Shipping for which the invoice is raised by M/s Shiv Shakti Shipping. We are not concerned about the commission that M/s Shiv Shakti Shipping might be getting from the importer.

- *Question 18: Who files the BOE in respect of the companies for whom M/s Shiv Shakti Shipping, provides necessary documents?*
  Answer: As stated by me in the answer to above question, M/s Shiv Shakti Shipping provides documents related to the import of the consignments, after that the BOE is filed at the office of M/s Gaurav M. Jhaveri by Sh. Sahil, an employee of the firm through the ICEGATE ID of M/s Gaurav M. Jhaveri.

- *Question 19: Please state, who gets the examination conducted at the port for the import consignment of your clients?*
  Answer: The examination at the port is conducted by Sh. Ravi Kumar, an employee, of M/s Gaurav M. Jhaveri, holding H-Card, who has been appointed by the firm for facilitating customs clearance at Mundra Port.

- *Question 20: During the examination and sampling process of the consignments that were put on hold by DRI NRU, Shri Ravi Kumar H-Card holder was not present and due to which the whole proceeding was conducted in the presence of Sh Rafiq your authorized representative. Please elaborate.*
  Answer: As far as I can remember at the time of examination of consignments by DRI Officers Sh Ravi Kumar H card holder was on leave and hence Shri Rafiq was made the authorized representative of the firm to witness the proceedings.

- *Question 21: Are you aware that some containers which have been declared to contain MHO have been put on hold by the DRI Noida Regional unit at Mundra port?*
  Answer: Yes I am aware of the fact that DRI Noida Regional Unit has put on hold some consignments of MHO of our various clients as detailed below:

S.NO	*IEC Name*	*BOE No*	*No of containers*
1	*M/S A. A. Cable Layers*	*9765080 Dt. 21.01.2024*	*14*
		9765081 Dt. 21.01.2024	*12*
2	*M/S Shree Hari*	*2083192*	*10*

	Krupa Petrochem	*Dt. 10.02.2024*	
		2100062 Dt. 12.02.2024	*10*
		9999773 Dt. 06.02.2024	*10*
		2043286 Dt. 08.02.2024	*10*
		2148664 Dt. 15/02/2024	*10*
3	*M/S Shree Shyam Fuelco Private Limited.*	*2131398 Dt. 14.02.2024*	*10*

- *Question 22: Since the Bills of Entry have been filed by you on behalf of the above mentioned importers, please state how did these importers come in contact with you*
  Answer: The importers mentioned in the answer to question number 15 above are clients of our associate, Ms Shiv Shakti Shipping. The customs related work in respect of these firms, has come thorough Ms Shiv Shakti Shipping.

- *Question 23: What were the documents that were provided by the importers mentioned by you in reply to question no 15 above and from whom they were received when you filed the BOE on their behalf.?*
  Answer: These Importers forwarded invoices, packing list and Bill of Lading to M/s Shiv Shakti through mail which were subsequently forwarded to us through mail on the basis of which we file the respective bill of entry. I am submitting copies of 2 such emails for your perusal.

- *Question 24: What is the Item "MHO/ Mix Hydrocarbon Oil/Mixed Hydrocarbon Oil/Mineral Hydrocarbon Oil", mentioned in the Bills of entries filed by you on behalf of these importers.*
  Answer: As per my understanding and information provided by the importers it is a type of petroleum product.

- *Question 25: Please state, what is the use of MHO?*
  Answer: As per the information provided by the importer it is for industrial Use.

- *Question 26: Please specifically state and clarify the industrial use as mentioned in your reply to question no 26 above.*
  Answer: I am not aware of the specific industrial use of the product. This can be clarified by the importer only.

- *Question 27: Please state whether you have been provided with any chemical analysis report/ test report of the product by the importer issued by the supplier.*
  Answer: No, we have not been provided with any chemical analysis report or test report by the importer issued by the importer.

- *Question 28: If no chemical analysis report/ test report of the product is submitted by the importer then what was the basis of classification of the product under Chapter Heading 27101990 in the category of item "Others"*
  Answer: As per our understanding and experience in customs clearance since there was no specific entry for the item, it was classified under CTH 27101990 which pertains to others.

- *Question 29: Please refer to Question no 29 above and state who classifies the goods to be filed in the Bill of Entry. Further without any chemical analysis report or test report how do you come to the conclusion to classify the product as MHO in the Bill of Entry?*
  Answer: The classification of the goods is done by our firm only and the goods are classified under CTH 27101990-"others". However, the classification is based on the documents such as Bill of lading Invoice and packing list provided by the importer, our knowledge as well as the practice being followed at the ports for clearing similar goods. I am submitting all the documents provided by the importer for the consignments that have been put on hold by DRI Noida Regional Unit.

- *Question 30: Did you ask the importer or insist upon them, for providing chemical analysis report /test reports?*
  Answer: No, we did not insist upon them for any chemical analysis report or test report.

- *Question 31: Please peruse the respective test reports of consignments that have been put on hold by DRI Noida regional Unit and are mentioned in reply to question 15 above. The test results of each of the consignment have been summarized in the table below.*

S.NO	IEC Name	BOE No	No of containers	Sample no.	Test report result	Test Lab
1	M/S A. A. Cable Layers	9765080 Dt. 21.01.2024	14	AB3-3447009	Gas Oil	IOCL
		9765081 Dt.	12	AA1-34470	Gas Oil	IOCL

		21.01.2024		*4*		
2	*M/S Shree Hari Krupa Petrochem*	*2083192 Dt. 10.02.2024*	*10*	*HC1-A217700*	*Automotive Diesel Fuel BS(IV)*	*CRCL*
		2100062 Dt. 12.02.2024	*10*	*HD3-A217692*	*Automotive Diesel Fuel BS(IV)*	*CRCL*
		9999773 Dt. 06.02.2024	*10*	*HB1-A217693*	*Adultered Diesel*	*CRCL*
		2043286 Dt. 08.02.2024	*10*	*HA1-A217686*	*Automotive Diesel Fuel BS(IV)*	*CRCL*
		2148664 Dt. 15/02/2024	*10*	*HE1-A215389*	*Automotive Diesel Fuel BS(IV)*	*CRCL*
3	*M/S Shree Shyam Fuelco Private Limited.*	*2131398 Dt. 14.02.2024*	*10*	*SSA3-A215490 0*	*HFHSD (High Flash High Speed Diesel)*	*CRCL*

Having perused the test reports please offer your comments.

Answer: I have perused each of the test reports detailed above. I have also gone through the parameters mentioned in each of the test reports. I have signed the test reports as a token of having seen the same. On perusal of the test reports, it is seen that the lab has come to a conclusion that the consignment does not consist of MHO but a different oil as mentioned in the Respective report.

- *Question 32: Do you agree with the outcome of the test reports and the result mentioned therein?*

Answer: Having perused each of the test reports as well as the parameters I am in agreement with the conclusion arrived at by the lab as mentioned in the respective test report

- *Question 33: Please give your opinion on whether MHO as declared by you in the bills of entry and the item identified as per the test result of the respective item are same or different?*
  Answer: The goods identified by the laboratory as per the test report and the item description & CTH declared in the Bill of Entry are different.

- *Question 34: Please refer to regulation 10 (e) of the Customs Brokers Licensing Regulations, 2018, wherein it is specifically mentioned that due diligence is to be exercised by customs Broker to ascertain the correctness of any information which is imparted by you to the client with reference to any work related to the clearance of the cargo or baggage. In the light of discrepancies noticed as per test report vis-à-vis declaration made in the Bill of Entry in respect of the goods and its classification, it appears that due diligence has not been exercised to ensure that description of the goods is appropriately given and correctly classified. Please offer your comments.*
  Answer: As per my knowledge and documents provided by the importer, the classification of the goods as MHO and under CTH 27101990 is correct. Further as a general trade practice, MHO is being imported at Mundra Port under CTH 27101990 only. The discrepancy has come to notice only as a result of the test report of the sample submitted by the laboratory. The Importer can only explain the Discrepancy so noticed and is not on the end of my firm.

- *Question 35. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Shyam Fuelco Private Limited wherein the oil has been found to be "HFHSD as per IS 16861:2018" .On the basis of the conclusion of CRCL lab, the goods are actually HFHSD as per IS 16861:2018 and are hence classifiable under CTH 27101949. In the light of the test report and your reply to question No 33 above, do you agree that the HFHSD as per IS 16861:2018 imported in consignment covered under BOE no 2131398 Dt. 14.02.2024 filed by you and imported by M/S Shree ShyamFuelco Private Limited, is correctly classifiable under CTH 27101949 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: In view of the conclusion of the CRCL report, I agree that the correct classification of the goods in the consignment covered under BOE no 2131398 Dt. 14.02.2024 should be under CTH 27101949. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 36. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Hari Krupa Petrochem filed under Bill of Entry no 2083192 Dt. 10.02.2024 wherein the oil has been found to be "Automotive Diesel Fuel as per IS 1460:2017. On the basis of the conclusion of CRCL lab, the goods are actually ADF as per IS 1460:2017 and are hence classifiable under CTH 27101944. In the light of the test report and your reply to question No 33 above, do you agree that the ADF as per IS 1460:2017 imported in consignment covered under Bill of Entry no 2083192 Dt. 10.02.2024 filed by you and imported by M/S Shree Hari Krupa Petrochem is correctly classifiable under CTH 27101944 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: In view of the conclusion of the CRCL report, I agree that the correct classification of the oil in the consignment covered under Bill of Entry no 2083192 Dt. 10.02.2024should be under CTH 27101944. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 37. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Hari Krupa Petrochem filed under Bill of Entry no 2100062 Dt. 12.02.2024 wherein the oil has been found to be "Automotive Diesel Fuel as per IS 1460:2017. On the basis of the conclusion of CRCL lab, the goods are actually ADF as per IS 1460:2017 and are hence classifiable under CTH 27101944. In the light of the test report and your reply to question No 33 above, do you agree that the ADF as per IS 1460:2017 imported by you in consignment covered under Bill of Entry no 2100062 Dt. 12.02.2024 filed by you and imported by M/S Shree Hari Krupa Petrochem is correctly classifiable under CTH 27101944 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: In view of the conclusion of the CRCL report, I agree that the correct classification of the oil in the consignment covered under Bill of Entry no 2100062 Dt. 12.02.2024should be under CTH 27101944. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 38. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Hari Krupa Petrochem filed under Bill of Entry no 2043286 Dt. 08.02.2024 wherein the oil has been found to be "Automotive Diesel Fuel as per IS 1460:2017. On the basis of the conclusion of CRCL lab, the goods are actually ADF as per IS 1460:2017 and are hence classifiable under CTH 27101944. In the light of the test report and your reply to question No 33 above, do you agree that the ADF as per IS 1460:2017 imported in consignment covered under Bill of Entry no 2043286 Dt. 08.02.2024 filed by you and imported by M/S Shree Hari Krupa Petrochem is correctly classifiable under CTH 27101944 and not 27101990 as classified by you in the bill of entry filed by you.*

Answer: In view of the conclusion of the CRCL report, I agree that the correct classification of the oil in the consignment covered under Bill of Entry no 2043286 Dt. 08.02.2024should be under CTH 27101944. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 39. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Hari Krupa Petrochem filed under Bill of Entry no 2148664 Dt. 15/02/2024 wherein the oil has been found to be "Automotive Diesel Fuel as per IS 1460:2017. On the basis of the conclusion of CRCL lab, the goods are actually ADF as per IS 1460:2017 and are hence classifiable under CTH 27101944. In the light of the test report and your reply to question No 33 above, do you agree that the ADF as per IS 1460:2017 imported in consignment covered under Bill of Entry no 2148664 Dt. 15/02/2024 filed by you and imported by M/S Shree Hari Krupa Petrochem is correctly classifiable under CTH 27101944 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: In view of the conclusion of the CRCL report, I agree that the correct classification of the oil in the consignment covered under Bill of Entry no 2148664 Dt. 15/02/2024should be under CTH 27101944. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 40. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Hari Krupa Petrochem filed under Bill of Entry no 9999773 Dt. 06.02.2024 wherein the oil has been found to be adultered diesel fuel. On the basis of the conclusion of CRCL lab, the goods are actually Adultered diesel fuel which as per the parameters, can be classified as GAS oil under CTH 27101941. In the light of the test report and your reply to question No 33 above, do you agree that the GAS oil imported in consignment covered under Bill of Entry no 9999773 Dt. 06.02.2024 filed by you and imported by M/S Shree Hari Krupa Petrochem is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: In view of the conclusion of the CRCL report, I agree that the correct classification of the oil in the consignment covered under Bill of Entry no 9999773 Dt. 06.02.2024 should be under CTH 27101941. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 41. Your kind attention is invited to the conclusion of the test report for the sample of M/S A. A. Cable Layers filed under Bill of Entry no 9765080 Dt. 21.01.2024 wherein as per the parameters given by the IOCL lab the oil has been found to be Gas Oil. On the basis of the parameters given by IOCL lab, the goods are actually Gas Oil which is correctly classified under CTH 27101941. In the light of the test report and your reply to question No 33*

above, do you agree that the GAS oil imported in consignment covered under Bill of Entry no 9765080 Dt. 21.01.2024 filed by you and imported by M/S A. A. Cable Layers is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.
Answer: In view of the conclusion made as per the parameters given by OICL report, I agree that the correct classification of the oil in the consignment covered under Bill of Entry no 9765080 Dt. 21.01.2024 should be under CTH 27101941. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 42. Your kind attention is invited to the conclusion of the test report for the sample of M/S A. A. Cable Layers filed under Bill of Entry no 9765081 Dt. 21.01.2024 wherein as per the parameters given by the IOCL lab the oil has been found to be Gas Oil. On the basis of the parameters given by IOCL lab, the goods are actually Gas Oil which is correctly classified under CTH 27101941. In the light of the test report and your reply to question No 33 above, do you agree that the GAS oil imported in consignment is covered under Bill of Entry no 9765081 Dt. 21.01.2024 filed by you and imported by M/S A. A. Cable Layers is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: In view of the conclusion made as per the parameters given by OICL report, I agree that the correct classification of the oil in the consignment covered under Bill of Entry no 9765081 Dt. 21.01.2024 should be under CTH 27101941. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 43: Please take cognizance of your reply to the question no 35-42 above and state whether the goods declared in the Bills of entries were mis-declared.*
  Answer: I have already admitted that the goods identified by the lab and the one declared in the Bills of entry are different. Though prima-facie it appears to be a case of misdeclaration however I wish to submit that the declaration and classification in the bill of entry was made on the basis of the documents and information provided by the respective importers.

- *Question 44: Please take cognizance of the reply to question no 43 above. The items identified by the lab comprising the consignments and classifiable under the said headings are not freely importable as they are restricted in nature and can only be imported by STEs(State Trading Enterprises). Then why Bill of Entry has been filed by way of misdeclaration for restricted items.*
  Answer: I agree that the items identified by the lab comprising of the said consignments are restricted and can only be imported by STEs. I reiterate that the Bill of entry was filed on the basis of documents and information provided by the importer. Under what circumstance the mis-declared

restricted goods were imported can only be explained by the respective importer.

- *Question 45: Your kind attention is invited to CTH 27101990- "Others" and chapter 27, and that there are a lot of restricted goods in this chapter that can only be imported by STEs. Please state whether this particular CTH 27101990 was chosen by you as the import policyassociatedwit this CTH is "free to import"? And further state as CHA should you not be extra careful that the importer should not bring any restricted item/goods in lieu if free goods?*
  Answer: As stated in different questions above, the basis of classification of the goods under CTH is because the product does not fall under any other CTH in this chapter. Further general trade practice at the port regarding this product is that it is to classified under CTH 27101990. However just to be double sure and being careful about the nature of the goods, we always opt for the first check of the consignment. This allows us to double-check the consignments imported by the importer.

- *Question 46: Do you wish to state anything else?*
  Answer: I wish to submit that my firm has no role in the discrepancies noticed in the consignment. The importer is liable to face any action on account of misdeclaration of the consignment. It is requested that this aspect maybe considered accordingly while concluding the instant case.

15. Subsequent to the receipt of the Test Reports from the IOCL, in order to ascertain the role of Sh. Ruparel Ketan, of M/s Shivshakti Shipping in facilitating illicit import of Gas Oil and Kerosene at Mundra Port, Summons were issued to himon 05.07.2024 for appearance on 10.07.2024 in compliance to which Shri Ruparel Ketan appeared on 10.07.2024 to tender his voluntary statement, his voluntary statement was recorded on 10.07.2024 under section 108 of the customs Act 1962.

16. Voluntary statement of Shri Ruparel Ketan S/o Late Shri Shiv Ji aged 51 years, resident of 137, Rameshwar Nagar, Ward-12, Anjar, Kachchh, Anjar, Gujarat-370110, (Aadhar Card No:894385983194), partner of M/s Shivshakti Shipping was recorded on 10/07/2024 under Section 108 of the Customs Act 1962 wherein he inter-alia stated:

- *Question 1: Please refer to Question no. 1 & 2 of your statement dated 01.05.2024 and explain your relationship with M/s Ashirwad Shipping & Logistics.*
  Answer: As submitted by me in my statement dated 01.05.2024 in reply to question no. 1 that I am utilizing the premises of M/s Ashirwad Shipping & Logistics for conducting Customs related work pertaining to Mundra Port of

my firm M/s Shivshakti Shipping. The proprietor of M/s Ashirwad Shipping & Logistics is a very close friend of mine of more than 20 years and therefore in order to save expenses he has permitted me to use his offices for the conduct of business of my firm. I do not pay any rent or any other charges while using the premises for my work, However I share portion of agency charges which is received for Customs related work. Further, since M/s Ashirwad Shipping & Logistics is into similar business, I also take the services of his staff in conducting the business.

- *Question 2: Please provide details of your own office along with the details of your staff.*
  Answer: it is submitted that I went through a very difficult period about 8 years ago and was under heavy debt. Due to which I lost almost everything. At that time my friends namely; Shri Deepak Majethiya husband of the proprietor of M/s Ashirwad Shipping & Logistics, Shri Gaurav Madhusudan Jhaveri Proprietor of M/s Gaurav M Jhaveri and Shri ApparaoGunti Proprietor of M/s A.R. Shipping & Logistics helped me and supported me during the difficult period from 2016 to 2021. During this period, I used their office premises for conducting business of my own firm as I could not afford rent of an independent office and employees. Since then, I'm still continuing to use their respective premises for conducting my business as well as utilizing the services of their staff also. However, as far as my own staff is concerned, they mostly are doing field work at the Mundra port while some of my staff uses the office premises of M/s A.R. Shipping & Logistics belonging to my friend Shri A.R. Gunti at Plot no.338, Dc-5, Adipur, Katchh. My firm M/s Shivshakti Shipping also is registered at this address only. Further the details of my staff is as under:

Name	*Designation/ Work Assigned*	*Mobile No.*
Rafik Odheja	*Field Work at Mundra Port*	*8758975947*
Lakharam	*Field Work at Mundra Port*	*9680252051*
Tagharam	*Field Work at Mundra Port*	*7976451623*
Rahul Saran	*Field Work at Mundra Port*	*7877498116*
GovindGirdhari Ram	*Field Work at Mundra Port*	*8302921991*
NarayanNarna Ram	*Field Work at Mundra Port*	*8905451800*
Vivek Soni	*Field Work at Mundra Port*	*9979689585*
Devi Lal	*Field Work at Mundra Port*	*9660253347*

- *Question 3: With reference to your statement tendered on 01.05.2024 please explain your relationship with M/s Gaurav M. Jhaveri.*
  Answer: As stated by me in the answer to the previous question, Gaurav M. Jhaveri proprietor of M/s Gaurav M Jhaveri is an old friend of mine who helped me in my difficult period which began in 2016. I bring business for

M/s Gaurav M. Jhaveri and provide documents obtained from the party, which are forwarded through E-mail "info.shivshakti1121@gmail.com" or WhatsApp for Customs clearance related work like filing of Bill of Entry, Examination of consignment, Out of charge of consignment after examination etc.

- *Question 4: After the documents have been forwarded through your email to M/s Gaurav M Jhaveri, who files the Bill of entry on behalf of the importers.*
  Answer: As per my knowledge, an employee by the name of Sahil files online Bill of entry on behalf of the importers on ICEGATE website by using the ID of M/s Gaurav M Jhaveri.

- *Question 5: Please state what is the agreement or payment terms between your firm and M/s Gaurav M Jhaveri?*
  Answer: As stated by me in previous questions, I use office space, office staff and facilities of M/s Ashirwad Shipping & Logistics for agency charges which are negotiated with the importer. Bill is raised first by M/s Ashirwad Shipping & Logistics for the entire amount. Thereafter after deducting the share which is approx. 25% of the total amount, M/s Shiv Shakti Shipping raises bill for this amount upon M/s Ashirwad Shipping & Logistics. Thereafter M/s Gaurav M Jhaveri raised a bill for fixed amount of Rs. 750/- per container which is transferred by me online. The balance amount retained by me after deducting the expenses incurred on port handling. There is no written agreement between M/s Shivshakti Shipping and Gaurav M Jhaveri as well as M/s Ashirwad Shipping & Logistics.

- *Question 6: Why payment is not being made by the importer directly to the CHA firm instead of the manner as stated by you in reply to your question no. 5?*
  Answer: According to me there is nothing wrong in this practice. If there is a forwarder or associate in between the importer and the CHA, he is the contact person who takes responsibility for the realization of the payment from the importer. After realization of the payment, the share of the CHA is paid as per agreed terms for the services of the Customs Clearance rendered by him.

- *Question 7: Please specify the Customs port for which you negotiate with parties with regard to Customs related works.*
  Answer: I negotiate with the clients for getting their Customs related works at Mundra Port.

- *Question 8: What are the commodities being dealt by you for which you are providing services related to Customs work.*

Answer: My firm M/s Shivshakti Shipping deals with the importer who are engaged in the import of petroleum Products

- *Question 9: Please specify the petroleum products as replied by you in answer to Ques no.8.*
  Answer: The Petroleum Products include Mix Hydrocarbon Oil (MHO), Base Oil and Fuel Oil.

- *Question 10: What is the reason for specialization and concentration in petroleum products only?*
  Answer: The clients for whom I am looking after customs related work import only these petroleum Products and I get new business reference in the same field from the existing clients.

- *Question 11: How is the classification of the items Mix Hydrocarbon Oil decided.*
  Answer: The classification is decided on the basis of import documents provided by the importer. After the documents are forwarded online by M/s Shivshakti Shipping, a checklist is prepared which is forwarded on whatsapp group or through mail to the importer. The importer conveys his approval to the checklist back through either whatsapp or mail which is then accordingly communicated M/s Gaurav M Jhaveri, Who afterwards files bill of entry on the basis of the said checklist. As far as classification is concerned the same is done on the basis of the description given in the import documents, provisions of Customs Tariff and practice followed in respect of similar items at the Customs Port.

- *Question 12: Please provide the printout of approval granted by the importer and communicated by you to M/s Gaurav M Jhaveri.*
  Answer: The approval communicated must be available in the Mobile phone resumed on 01.05.2024.

- *Question 13: Your attention is invited to your reply to Question no. 8 of your statement dated 01.05.2024, wherein you have replied that Mix Hydrocarbon Oil is used for industrial purposes. Please specifically state for which industry and the purpose the said Mix Hydrocarbon Oil imported by your clients namely; M/s A.A. Cable Layers, M/s Shree Hari Krupa Petrochem and M/s Shree Shyam Fuelco Pvt Ltd.*
  Answer: The said reply was given on the basis of the information provided by the importer as well as my knowledge that the Mix Hydrocarbon Oilis used in the furnace of various industries.

- *Question 14: Please refer to your further reply to Question no. 8 of your statement dated 01.05.2024, wherein you had stated that "sometimes the importer provides the chemical analysis report related to the subject consignment and sometimes not." In the light of this submission please furnish copies of the said chemical analysis report as you have already stated in reply to Question no. 7 of your statement dated 01.05.2024 that the customer provides documents on whatsapp.*
  Answer: Yes, I admit that I had made the said submissions in my reply to Question no. 7 & 8 of my statement dated 01.05.2024. As far as submission of the copies of the said submission is concerned, as per my knowledge these three parties namely; M/s A.A. Cable Layers, M/s Shree Hari Krupa Petrochem and M/s Shree Shyam Fuelco Pvt Ltd have not provided chemical analysis reports in respect of any of the consignment but apart from these three parties, I look after the Customs related work for several other companies like; M/s Divya Petrochem, M/s Kumar Enterprises, etc. I don't readily remember which party specifically provided chemical analysis report. However, if any party submits chemical analysis report, the same is uploaded with other import documents at the time of filing of the Bill of entry.

- *Question 15: Did you ask the respective importers to provide chemical analysis report/test report/literature in support of the goods declared to be as MHO in the consignment which have been put on hold and currently are in investigation?*
  Answer: I made inquiries with the importer regarding chemical analysis report/test report in support of the goods declared to be as MHO in the import consignment, they informed that no such chemical analysis/Test report was provided by the supplier to them.

- *Question 16: Please refer to your reply to the Question above. If the chemical analysis report in respect of the said three importers namely; M/s A.A. Cable Layers, M/s Shree Hari Krupa Petrochem and M/s Shree Shyam Fuelco Pvt Ltd was not provided by them. then how it was decided to classify the said goods i.e., Mix Hydrocarbon Oil/Mix Mineral oil under the Customs Tariff heading 27101990 pertaining to "others".*
  Answer: Based on the import documents provided by the importer and the practice of the classification being followed at Mundra Port in respect of Mix Hydrocarbon Oil/Mix Mineral oil imported by other parties at the Mundra port, it was decided to classify the consignments accordingly under the Customs Tariff heading 27101990 pertaining to "others".

- *Question 17: Your attention is invited to your reply to Question No. 21 of your statement dated 01.05.2024, wherein on being asked "whether goods i.e., Mix Hydrocarbon Oil so imported in consignments/containers hold by*

DRI and imported in earlier consignments are same" and you had replied that "Yes sir, as per my understanding they are the same". In this regard, please peruse the respective test reports of consignments that have been put on hold by DRI Noida regional Unit. The test results of each of the consignment have been summarized in the table below.

S.NO	IEC Name	BOE No	No of containers	Sample no.	Test report result
1	M/S A. A. Cable Layers	9765080 Dt. 21.01.2024	14	AB3-344709	Gas Oil
		9765081 Dt. 21.01.2024	12	AA1-344704	Gas Oil
2	M/S Shree Hari Krupa Petrochem	2083192 Dt. 10.02.2024	10	HC1-A217700	Automotive Diesel Fuel BS(IV)
		2100062 Dt. 12.02.2024	10	HD3-A217692	Automotive Diesel Fuel BS(IV)
		9999773 Dt. 06.02.2024	10	HB1-A217693	Adultered Diesel
		2043286 Dt. 08.02.2024	10	HA1-A217686	Automotive Diesel Fuel BS(IV)
		2148664 Dt. 15/02/2024	10	HE1-A215389	Automotive Diesel Fuel BS(IV)
3	M/S Shree Shyam Fuelco Private Limited.	2131398 Dt. 14.02.2024	10	SSA3-A2154900	HFHSD (High Flash High Speed Diesel)

Having perused the test reports please offer your comments in the light of your reply to Question No. 21 of your statement dated 01.05.2024.

Answer: I have seen the test reports detailed above as well as the parameters detailed therein. Further, I have also signed all the said test reports as a token of having seen them. On perusal of the test reports, it is seen that contrary to my submission that Mix Hydrocarbon Oil so declared in the bill of entry and sought to be imported in consignments/containers hold by DRI and imported in earlier consignments are same, the lab has come to a conclusion that the consignment does not consist of MHO but a different oil as mentioned in the Respective report.

- *Question 18: Do you agree with the outcome of the test reports and the result mentioned therein?*

Answer: Since the samples have been tested in approved and competent laboratory, I agree with the test reports and the parameters as mentioned in the respective test.

- *Question 19: Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Shyam Fuelco Private Limited wherein the oil has been found to be "HFHSD as per IS 16861:2018".On the basis of the conclusion of CRCL lab, the goods are actually HFHSD as per IS 16861:2018 and are hence classifiable under CTH 27101949. In the light of the test report and your reply to question No 33 above, do you agree that the HFHSD as per IS 16861:2018 imported in consignment covered under BOE no 2131398 Dt. 14.02.2024 filed by you and imported by M/S Shree Shyam Fuelco Private Limited, is correctly classifiable under CTH 27101949 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "HFHSD as per IS 16861:2018". I also agree that the correct classification of the oil in the consignment covered under BOE no 2131398 Dt. 14.02.2024 should be under CTH 27101949. Thus the declaration of the item made in the bill of entry is incorrect and wrong.

- *Question 20. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Hari Krupa Petrochem filed under Bill of Entry no 2083192 Dt. 10.02.2024 wherein the oil has been found to be "Automotive Diesel Fuel as per IS 1460:2017. On the basis of the conclusion of CRCL lab, the goods are actually ADF as per IS 1460:2017 and are hence classifiable under CTH 27101944. In the light of the test report and your reply to question No 33 above, do you agree that the ADF as per IS 1460:2017 imported in consignment covered under Bill of Entry no 2083192 Dt. 10.02.2024filed by you and imported by M/S Shree Hari Krupa Petrochem is correctly classifiable under CTH 27101944 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I again agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Automotive Diesel Fuel as per IS 1460:2017. I also agree that the correct classification of the oil in the consignment covered under BOE no 2083192 Dt. 10.02.202 should be under CTH 27101944. Thus the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 21. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Hari Krupa Petrochem filed under Bill of Entry no 2100062 Dt. 12.02.2024 wherein the oil has been found to be "Automotive Diesel Fuel as per IS 1460:2017. On the basis of the conclusion of CRCL lab, the goods are actually ADF as per IS 1460:2017 and are hence classifiable*

under CTH 27101944. In the light of the test report and your reply to question No 33 above, do you agree that the ADF as per IS 1460:2017 imported by you in consignment covered under Bill of Entry no 2100062 Dt. 12.02.2024 filed by you and imported by M/S Shree Hari Krupa Petrochem is correctly classifiable under CTH 27101944 and not 27101990 as classified by you in the bill of entry filed by you.

Answer: In this case also I am in agreement with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Automotive Diesel Fuel as per IS 1460:2017. I also agree that the correct classification of the oil in the consignment covered under BOE no 2100062 Dt. 12.02.2024 should be under CTH 27101944. Thus the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 22. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Hari Krupa Petrochem filed under Bill of Entry no 2043286 Dt. 08.02.2024 wherein the oil has been found to be "Automotive Diesel Fuel as per IS 1460:2017. On the basis of the conclusion of CRCL lab, the goods are actually ADF as per IS 1460:2017 and are hence classifiable under CTH 27101944. In the light of the test report and your reply to question No 33 above, do you agree that the ADF as per IS 1460:2017 imported in consignment covered under Bill of Entry no 2043286 Dt. 08.02.2024 filed by you and imported by M/S Shree Hari Krupa Petrochem is correctly classifiable under CTH 27101944 and not 27101990 as classified by you in the bill of entry filed by you.*

  Answer: I am in agreement with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Automotive Diesel Fuel as per IS 1460:2017. I also agree that the correct classification of the oil in the consignment covered under BOE no 2043286 Dt. 08.02.202 should be under CTH 27101944. Thus the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 23. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Hari Krupa Petrochem filed under Bill of Entry no 2148664 Dt. 15/02/2024 wherein the oil has been found to be "Automotive Diesel Fuel as per IS 1460:2017. On the basis of the conclusion of CRCL lab, the goods are actually ADF as per IS 1460:2017 and are hence classifiable under CTH 27101944. In the light of the test report and your reply to question No 33 above, do you agree that the ADF as per IS 1460:2017 imported in consignment covered under Bill of Entry no 2148664 Dt. 15/02/2024 filed by you and imported by M/S Shree Hari Krupa Petrochem is correctly classifiable under CTH 27101944 and not 27101990 as classified by you in the bill of entry filed by you.*

Answer: In this case also I am in agreement with the result of the test report in respect of the said consignment and the conclusion that the correct classification of the oil in the consignment covered under Bill of Entry no 2148664 Dt. 15/02/2024 should be under CTH 27101944. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 24. Your kind attention is invited to the conclusion of the test report for the sample of M/S Shree Hari Krupa Petrochem filed under Bill of Entry no 9999773 Dt. 06.02.2024 wherein the oil has been found to be adultered diesel fuel. On the basis of the conclusion of CRCL lab, the goods are actually Adultered diesel fuel which as per the parameters, can be classified as GAS oil under CTH 27101941. In the light of the test report and your reply to question No 33 above, do you agree that the GAS oil imported in consignment covered under Bill of Entry no 9999773 Dt. 06.02.2024 filed by you and imported by M/S Shree Hari Krupa Petrochem is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil". I also agree that the correct classification of the oil in the consignment covered under BOE no 9999773 Dt. 06.02.2024 should be under CTH 27101941. Thus the declaration of the item made in the bill of entry is incorrect and wrong.

- *Question 25. Your kind attention is invited to the conclusion of the test report for the sample of M/S A. A. Cable Layers filed under Bill of Entry no 9765080 Dt. 21.01.2024 wherein as per the parameters given by the IOCL lab the oil has been found to be Gas Oil. On the basis of the parameters given by IOCL lab, the goods are actually Gas Oil which is correctly classified under CTH 27101941. In the light of the test report and your reply to question No 33 above, do you agree that the GAS oil imported in consignment covered under Bill of Entry no 9765080 Dt. 21.01.2024 filed by you and imported by M/S A. A. Cable Layers is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: In view of the conclusion made as per the parameters given by IOCL report, I agree that the correct classification of the oil in the consignment covered under Bill of Entry no 9765080 Dt. 21.01.2024 should be under CTH 27101941. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 26. Your kind attention is invited to the conclusion of the test report for the sample of M/S A. A. Cable Layers filed under Bill of Entry no 9765081 Dt. 21.01.2024 wherein as per the parameters given by the IOCL lab the oil has been found to be Gas Oil. On the basis of the parameters given by IOCL lab, the goods are actually Gas Oil which is correctly classified under CTH*

27101941. In the light of the test report and your reply to question No 33 above, do you agree that the GAS oil imported in consignment is covered under Bill of Entry no 9765081 Dt. 21.01.2024 filed by you and imported by M/S A. A. Cable Layers is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.
Answer: I again agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil". I also agree that the correct classification of the oil in the consignment covered under BOE no 9765081 Dt. 21.01.2024 should be under CTH 27101941. Thus the declaration of the item made in the bill of entry is incorrect and wrong.

- *Question 27: Please take cognizance of your reply to the question no 19-26 above and state whether the goods declared in the Bills of entries were mis-declared.*
  Answer: on consideration of the test result and the declaration made in the bill of entry as well as its classification, it is evident that there is a mis-match between the two and thus the declaration made in the Bill of entry is incorrect and wrong. I have already stated my acceptance with all the test reports shown to me and referred to in Question no. 19-26. Though prima-facie it appears to be a case of mis-declaration however I wish to submit that all the declaration and classification made in the bill of entry were on the basis of the documents provided by the respective importers.

- *Question 28: Please take cognizance of the reply to question no 27 above. The goods identified by the lab comprising the consignments and classifiable under the said headings are not freely importable as they are restricted in nature and can only be imported by STEs (State Trading Enterprises). Then why Bill of Entry has been filed by way of mis-declaration for restricted items.*
  Answer: I agree that the items identified by the lab comprising of the said consignments are restricted and can only be imported by STEs. I again submit that the Bill of entry was filed on the basis of documents and information provided by the importer. The importer can only explain the discrepancy with regard to the declaration given in the import documents in respects of the goods vis-à-vis the goods identified by the Laboratory.

- *Question 29: Do you wish to state anything else?*
  Answer: I wish to request that the facts of the case may be taken into consideration while arriving at the role of my firm. M/s Shivshakti Shipping and that of M/s Gaurav M Jhaveri under whose F-card my firm conducted Custom related work of the companies under investigation.

17. And whereas, summons were issued to M/s Continental Shipping Services on 21.06.2024 for appearance on 02.07.2024. Further, Sh. Sayed Salim Nizamudin, G- Card Holder of M/s Continental Shipping Services appeared on 12.07.2024 in compliance with the summons served upon M/s Continental Shipping Services. However, Sh. Sayed Salim Nizamudin in his voluntary statement submitted that he was very new to the company and hence had very little knowledge of the details related to the case. He also submitted that MrsShanmuga Jayashree, partner of M/s Continental Shipping Services might give the requisite details related to the case. Further Summons dated 25.07.2024 were issued in the name of Mrs Shanmuga Jayashree, partner of M/s Continental Shipping Services for appearance on 19.09.2024.

18. Voluntary statement of Shri Sayed Salim Nizamudin S/o Sayed nizamudin aged 34 years, resident of 162, sector 6, Ganesh Nagar, Gandhidham, Kachchh, Gujarat, 370201 contact details Mobile 9537281289 (Aadhar Card No: 9475 9289 6799) - was recorded on 12/07/2024 under Section 108 of the Customs Act 1962 wherein he inter-alia stated:

- *I submit that I completed my B.COM Graduation from the University of Kachchh in the year 2014. Then I started my career with Anchor Logistics, Gandhidham where I worked till to 2015. Then I switched job to M/s Kandla Logistics and worked there from 2015 to 2017. After that I started freelancing work of Logistics. Then in year 2023 I got my G-card and I started working for M/s Continental Shipping Services as a G card holder. Since then I have been providing customs clearance services to various customers. I am living with my wife MrsShabeena, my son, father and elder brothers family on the above-mentioned Address.*

- *Question 1: Please explain the business of M/s Continental shipping services.*
  Answer: M/s Continental Shipping Services is a partnership firm with partners namely MrsShanmuga Jayashree and Mrs Radha, was established in the year 1999. Sh Rajendra Kumar is the F-card holder in the firm. As stated by me above the firm is engaged in the custom clearance of import and export consignments at various ports.
- *Question 2: Please give details of your G Card and also state the customs formation which has issued you the G card.*
  Answer: My G-card bearing no. G/M/NDR1/20234082, has been issued by the office of the Asst. Commissioner of Customs (General), Mundra Customs. I am submitting a copy of the said G-card for information under my signature.

- *Question 3: Please state the present location of M/s Continental Shipping Services, your present working office in Mundra and head office of M/s Continental Shipping Services.*

Answer: Presently my office is located at Office no 17, Ghanshyam complex, near the bridge, New Adani port road, Dhrab, Kachchh, Gujarat-370421. I work from this office address only. The head office of M/s Continental Shipping Services is at No-112, Bhuvana Towers, S.D. Road, Secunderabad, Hyderabad, Telangana-500003.

- *Question 4: How many people are working in your firm. Please provide their details, designation, responsibilities and Mobile no*
  Answer: Apart for me a total of 19 people work at M/s Continental Shipping Services, Mundra office, whose details are as under:

Sr No	Name	Designation	Mob No
1	Ansari Mamad Hakim	Custom Executive/ Examination	8866396331
2	Arvind Goyal	Operation	9714292635
3	Banvari Bhil	Documentation/ Do Coleection	9879492046
4	Bijaya Kumar Mata	Custom Executive/ Custom House	9348573891
5	Chaiya Durgesh Shamji	Documentation/ Do Coleection	8320380729
6	Grijesh Kumar	Operations	7361849970
7	Hardik Sanatbhai Parikh	Sr.Accountant	7043758849
8	Indra Bhushan Mishra	Documentation	7486086936
9	JaydipJesangNanjar	Operations	7623060541
10	Jeta Ram Benival	Operations	9680090537
11	KunbharAshpakAadam	Operations	8866382732
12	Manohar Lal Jandu	Operations	8955734988
13	MitMadhukant Shah	Custom Executive/ Examination	8141419834
14	Mota Vivek Vinodbhai	Jr.Accountant	8238629102
15	Pura Ram	Operations	7232885220
16	Sanjay Kumar	Documentation	9106507154
17	Sanjeev Kumar Chaudhary	Custom Executive/ Examination	7574967463
18	Sodha ManojkumarKalubha	Custom Executive/ Examination	9726120587
19	Vikash Ranjan Baral	Documentation	6364055 070

- *Further I am not aware of the details of the employees at other locations of M/s Continental Shipping services. These details can either be provided by*

MrsShanmuga Jayashree, partner of M/s Continental Shipping Services or Sh. Rajendra Kumar, the F-card holder of the firm.

- *Question 5: Please state how much salary do you get for working at M/s Continental Shipping Service?*
  Answer: I get a salary of Rs 25000/- from M/s Continental Shipping Services, which I receive in my ICICI bank savings account.

- *Question 6: Please name the companies/firms for whom you are providing customs clearance services.*
  Answer: Our major clients include:

SR. NO	*NAME*
1	*APEX IMPEX*
2	*AVADHOOT ENTERPRISE*
3	*CREATIVE INDIA CO*
4	*SKY FALCON MINERALS PVT LTD*
5	*A.A. CABLE LAYERS*
6	*B J PETROCHEM*
7	*KUSUM PETRO CHEMICALS*
8	*MAA KIRPA*
9	*PITAMBER ORAGANICS*
10	*REVOLUTION PETROCHEM LLP*
11	*SHREE ASHAPURA TRADELINK PVT LTD*
12	*TANISH TRADING CO*
13	*SINDHVAI LUBES*

- *I am again submitting that these are only the major clients of the Mundra branch of M/s Continental Shipping Services. Details of other major clients of M/s Continental Shipping Services can be provided either by MsShanmuga Jayashree, partner of M/s Continental Shipping Services or Sh. Rajendra Kumar, the F-card holder of the firm.*

- *Question 7: What are the ports where you are providing customs clearance services?*
  Answer: As per my knowledge M/s Continental shipping services operates at Nhava Sheva, Chennai and Mundra sea ports.

- *Question 8: How do you provide customs clearance facilities? Please explain the procedure in this regard.*
  Answer: We get Import documents such as Packing list Bill of Lading, and Invoice on our email- continentalmundra@gmail.com as well as by hand, which are then examined by our staff who later on prepare a check list which is then sent to the importers/M/s ShriKrishna logistics for approval. Once the checklist is approved, the bill of entry is filed online on the ICEGATE

website. After it is approved, the examination of the cargo by the customs officers is conducted in the presence of our field executives. I as a G-card holder of the firm, also sometimes present myself at the time of examination if required. Then After the examination and assessment of the consignment, out-of-charge is given by the Customs, the documents are the then handed over to the transporter who is engaged by the importer only, for delivery at the designated address.

- *Question 9: Please refer to your answer to question no. 8 above and please state why do you send the checklist to M/s Shri Krishna Logistics?*
  Answer: M/s Krishna Logistics brings clients for us at the port, related to customs clearance, and therefore as a practice the checklist is routed through M/s Shri Krishna Logistics only.

- *Question 10: Please provide information regarding M/s Shri Krishna Logistics.*
  Answer: M/s Krishna Logistics is a proprietorship firm which is being operated by Sh Satish Maheshwari. M/s Krishna Logistics brings client for M/s Continental Shipping Services, this arrangement has been there before my joining M/s Continental Shipping services.

- *Question 11: Please provide the office address of M/s Shri Krishna Logistics.*
  Answer: M/s Krishna Logistics has its registered office at 215, Zero Point, Kashish arcade, Anan Kapaya, Mundra Kachchh Gujarat- 370421.

- *Question 12: Please submit a copy of agreement regarding terms and conditions of your business with M/s Shri Krishna Logistics.*
  Answer: I am not aware of any such agreement and this can only be clarified by MrsShanmuga Jayashree, partner of M/s Continental Shipping Services or Sh. Rajendra Kumar, the F-card holder of the firm.

- *Question 13: Please provide the contact details of partners of M/s Continental Shipping Services and Sh Rajendra Kumar, F-card Holder?*
  Answer: I only have the mobile no of MrsShanmugan Jayashree- 8925567772, I do not have the mobile nos of other partner or F-card Holder.

- *Question 14: Do you wish to state anything else?*
  Answer: I wish to submit that as already submitted by me that I have joined M/s Continental Shipping Services in year 2023 only and I have limited knowledge of the organization, and whatever information and details were known to me have been provided. If any further information is required apart from this then that can only be provided either by the partners of the firm or Sh Rajendra kumar F-card holder of M/s Continental Shipping Services.

19. And whereas, summons were issued to M/s A.A. Cable on 21.06.2024 for appearance on 02.07.2024. Vide e-mail dated 01.07.2024, Sh. Gurmeet Singh, Authorised representative of M/s AA Cable Layers, expressed his inability to attend to the summons citing his health condition and he requested for some time before his appearance at the office of DRI. Therefore, fresh summons were again issued on 05.07.2024 for appearance on 16.07.2024 to which Sh. Gurmeet Singh vide e-mail dated 16.07.2024 again expressed his inability to attend to the summons due to some family emergency. However, Shri Gurmeet Singh, Partner M/s A.A. Cable layers, voluntarily appeared on 22.07.2024 to tender his voluntary statement. His statement was recorded on 22.07.2024 under section 108 of the Customs Act 1962.

20. Voluntary statement of Shri Gurmeet Singh, Partner M/s A.A. Cable layers resident of 0, Mohalla Asdullapur, behind Tehsil, Milak Rampur, 243701 aged 49 years, (AADHAR No. 683736774667), - was recorded on 22/07/2024 under Section 108 of the Customs Act 1962 wherein he inter-alia stated:

- *I am the Partner of the firm M/s A.A. Cable Layers. The other partner of the firm is Sh Rajinder Pal Singh, he is my younger brother. I look after the overall work related to the firm and Sh Rajinder Pal Singhis however is not involved in the operations related to the firm. M/s A.A. Cable Layers was established in 2010, as a company and is engaged in the Infra projects such as road construction, various govt infra projects etc. In June 2023 M/s A.A. Cable Layers, got its IEC code and got engaged in the import of Mix/Mixed Hydrocarbon Oil. The registered office of the Company is 0, Mohalla Asdullapur, behind Tehsil, Milak Rampur, 243701. There are currently two employees working for the firm, who looks after the accounting and normal routine office work.*
  As far as my personal details are concerned, I am BA Graduate from RP Degree College, Meergunj Bareilly, which I completed in 1996. After completing my graduation I started working with my father in the construction business only. Then in year 2010, I along with my brother registered M/s A.A. Cable Layers. Then in year 2023 I ventured into the Oil Business and started importing Mix Hydrocarbon Oil.
  I am married to Ms Amandeep Kaur, I have 2 sons, I live with my mother, the family of my younger brother and my wife and kids at the above-mentioned address only.

- *Question 1: Please provide a certified copy of the Buyer-seller agreement for the consignments.*
  Answer: There is no buyer-seller agreement between us and the overseas supplier.

- *Question 2: Please state with whom and how do you place an order with the overseas supplier.*
  Answer: The order is generally placed by me with the overseas suppliers over the Mobile phone.

- *Question 3: How many consignments have you imported till now.*
  Answer: We have imported approx. 16-17 consignments of oil till now.

- *Question 4: Please submit the details of the overseas suppliers of MHO (Mineral Hydrocarbon Oil) imported by you which have been put on hold by DRI at Mundra.*
  Answer: We generally import through a limited no of selected suppliers, but mainly from M/s Swathi Smart Ventures FZC and M/s Ecofuel Nexus. I contact a person namely ShriRajlakshmi, in Dubai, who looks after the sales of the M/s Swathi Smart Ventures FZC, on his mobile +97144319010 and similarly Sh. Das ji who looks after the sales of the M/s Ecofuel Nexus on his mobile phone +971569919192.

- *Question 5: What is the status of the overseas supplier of the import of MHO(Mineral Hydrocarbon Oil)?*
  Answer: To my knowledge all the overseas suppliers, are traders only.

- *Question 6: What are your payment terms with the overseas supplier?*
  Answer: Once an order is finalized over the mobile phone, full payment in advance is made via SWIFT to the overseas suppliers who then send the consignment to the designated port in India.

- *Question 7: Please describe your product viz MHO (Mineral Hydrocarbon Oil) and state the characteristic parameters/specifications based on which the declaration has been made.*
  Answer: To my understanding, MHO is Mix Hydrocarbon Oil. As far as the parameters/specification of the product i.e. MHO is concerned I do not know in detail. MHO is used for industrial purposes.

- *Question 8: If you are not aware of the parameters/specifications of the MHO (Mineral Hydrocarbon Oil) then on what basis it is being imported by you?*
  Answer: The requirement of oil (MHO) is communicated to us by our clients and based on the requirement we place orders with the overseas suppliers. After that, we communicate the same requirement to the overseas supplier from Dubai. We are just traders of the product and work on the market demand.

- *Question 9: Please provide certified copies of the Chemical Analysis report or Test report of all the consignments of MHO (Mineral Hydrocarbon Oil) imported by you.*
  Answer: I have submitted copies of the chemical analysis report that has been provided by the supplier in respect of the consignments put on hold.

- *Question 10: In the said reports it has been mentioned that the tests conducted are as per ASTM testing standards. In the light of your reply to question no.05wherein you had mentioned that all your suppliers are traders, is the report of the supplier without any technical qualification mentioned therein, is valid and proper?*
  Answer: I am not aware about his technical qualification and competency to issue the lab report but since it was provided by the supplier, I have submitted the same

- *Question 11: Please state whether the goods pertaining to the said consignment has been declared as MHO in the invoice, packing list on the basis of the parameters mentioned in the chemical analysis report.*
  Answer: I am not sure about but I think the supplier has considered these parameters while declaring the goods declared so in the import documents.

- *Question 12: Do you have any literature or documents that can help you classify your product as MHO according to the chemical analysis report provided by the overseas supplier?*
  Answer: We do not have any documents or literature that helped us in the classification of the product as MHO according to the test report provided by the overseas supplier. Our CHA only guided us in the classification of the same as MHO.

- *Question 13: Please provide the Details of the refinery/oil firm from where each consignment has originated/been manufactured.*
  Answer: I am not aware of the source of purchase of MHO by my overseas supplier.

- *Question 14: Please provide the Chemical Analysis Report issued by the Original manufacturer/refinery/oil firm for each of the consignments that are put on hold by the office of DRI, along with a Certified copy of the invoice generated by the firm to the overseas supplier and Details (contact details and correspondence addresses) of all traders between the overseas supplier and the Original manufacturer/ refinery for each consignment.*
- *Answer: I have submitted copies of the Chemical Analysis Report provided by the overseas supplier for all the BOEs I do not have Chemical Analysis Report provided by the original manufacturer. I have submitted the invoices*

pertaining to the consignments that were put on hold by your office. Further, I am notaware of the address and details of the traders as sought by you.

- *Question 15: In the light of your reply to question no 12 above. Kindly detail the basis of the classification of the consignment under CTI 27101990 and declaration of the same as Mix Hydrocarbon Oil.*
  Answer: We declared the product as MHO (Mineral Hydrocarbon Oil) and classified it under CTH 27101990 as per the discussions with the CHA and as per the general practice of the trade.

- *Question 16: Please provide a Certified copies of each :*
  Load Port reportsurveyor report of the port,Compliance report.
  Answer: No such document or report is available with me, nor has been provided by the overseas supplier.

- *Question 17: Please refer to the reply of Question 02 and 04 above and provide the certified copies of communication (emails/letters etc.) with the overseas suppliers w.r.t. the consignments.*
  Answer: As stated by me above all the communication with the supplier happens telephonically over mobile phone and hence no such copies of communication (emails/letters etc.) are available with me

- *Question 18: Please provide details of key officials (name and designation) of your company.*
  Answer: All the operations of the company are being handled by me only.

- *Question 19: Please provide a Certified copy of the Invoice for each consignment, including itemized description, quantities, values, and any applicable discounts or rebates.*
  Answer: M/s A.A. Cable Layers has imported about 16-17 Consignments of Mix/mixed Hydrocarbon oil since July 2013, including the ones that have been put on hold by DRI. I am submitting the documents such as Bill of Lading, Bill of Entry, invoice and packing list of the consignment that are put on hold by DRI Noida Regional Unit.
- *Question 20: Please provide a Certified copy of bank statement indicating payments made to suppliers for consignments.*
  Answer: I do not have the copy of the bank statement right now however I will provide the same at the earliest.

- *Question 21. Please provide the details of the warehouse/storage place where the imported goods are stored after their import by your firm?*

Answer. M/s A.A. Cable Layers does not have any warehouse/storage place where the imported goods are stored as the MHO imported by the firm after customs clearance is delivered directly to the buyers.

- *Question 22. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered underBOE no 9788458 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Kerosene conforming to standard IS 1459:2018". Please peruse the said report and offer your comments.*
  Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9788458 dated 23/01/2024 pertaining to M/s A.A. Cable Layers and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meets the specifications of "Kerosene conforming to standard IS 1459:2018".

- *Question 23. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 9783627 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Kerosene conforming to standard IS 1459:2018". Please peruse the said report and offer your comments.*
  Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9783627 dated 23/01/2024 pertaining to M/s A.A. Cable Layers and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meets the specifications of "Kerosene conforming to standard IS 1459:2018".

- *Question 24. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 9783769 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Kerosene conforming to standard IS 1459:2018". Please peruse the said report and offer your comments.*
  Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no

9783769 dated 23/01/2024 pertaining to M/s A.A. Cable Layers and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meet the specifications of "Kerosene conforming to standard IS 1459:2018".

- *Question 25. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 9783769 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Gas Oil". Please peruse the said report and offer your comments.*
  Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9765080 dated 21/01/2024 pertaining to M/s A.A. Cable Layers and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meet the specifications of "Gas Oil".

- *Question 26. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 965081 dated 21/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Gas Oil". Please peruse the said report and offer your comments.*
  Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9765081 dated 21/01/2024 pertaining to M/s A.A. Cable Layers and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meet the specifications of "Gas Oil".

- *Question 27. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Kerosene conforming to standard IS 1459:2018". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9788458 dated 23/01/2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.*
  Answer. I agree that the description given in BOE no 9788458 dated 23/01/2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent

wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat, I request that the same may be re-exported back to the supplier.

- *Question 28. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Kerosene conforming to standard IS 1459:2018". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9783627 dated 23/01/2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.*
  Answer. I agree that the description given in BOE no 9783627 dated 23/01/2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat, I request that the same may be re-exported back to the supplier.

- *Question 29. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Kerosene conforming to standard IS 1459:2018". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9783769 dated 23/01/2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.*
  Answer. I agree that the description given in BOE no 9783769 dated 23/01/2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat, I request that the same may be re-exported back to the supplier.

- *Question 30. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Gas Oil". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9765080 dated 21/01/2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.*
  Answer. I agree that the description given in BOE no 9765080 dated 21/01/2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for

Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat, I request that the same may be re-exported back to the supplier.

- *Question 31. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Gas Oil". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9765080 dated 21/01/2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.*
  Answer. I agree that the description given in BOE no 9765081 dated 21/01/2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat, I request that the same may be re-exported back to the supplier
- *Question 32. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be "Kerosene conforming to standard IS 1459:2018" .On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are kerosene conforming to standard IS 1459:2018, classifiable under CTH 27101932. In light of the test report and your reply to question No 27 above, do you agree that the Kerosene conforming to standard IS 1459:2018 imported by you in consignment covered under BOE no 9788458 dated 23/01/2024 is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you?*
  Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9788458 dated 23/01/2024 is under CTH 27101932, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.

- *Question 33. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be "Kerosene conforming to standard IS 1459:2018" .On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are kerosene conforming to standard IS 1459:2018, classifiable under CTH 27101932. In light of the test report and your reply to question No 28 above, do you agree that the Kerosene conforming to standard IS 1459:2018 imported by you in consignment covered under BOE no 9783627 dated 23/01/2024 is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you?*

Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9783627 dated 23/01/2024 is under CTH 27101932, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.

- *Question 34. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be "Kerosene conforming to standard IS 1459:2018" .On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are kerosene conforming to standard IS 1459:2018, classifiable under CTH 27101932. In light of the test report and your reply to question No 29 above, do you agree that the Kerosene conforming to standard IS 1459:2018 imported by you in consignment covered under BOE no 9783769 dated 23/01/2024 is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you?*
  Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9782769 dated 23/01/2024 is under CTH 27101932, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.
- *Question 35. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be "Gas Oil" .On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are Gas Oil, classifiable under CTH 27101941. In light of the test report and your reply to question No 30 above, do you agree that the Gas Oil imported by you in consignment covered under BOE no 9765080 dated 21/01/2024 is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you?*
  Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9765080 dated 21/01/2024 is under CTH 27101941, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.

- *Question 36. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be "Gas Oil" .On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are Gas Oil, classifiable under CTH 27101941. In light of the test report and your reply to question No 31 above, do you agree that the Gas Oil imported by you in consignment covered under BOE no 9765081 dated 21/01/2024 is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you?*
  Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9765081 dated

21/01/2024 is under CTH 27101941, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.

- *Question 37. Please refer to your reply to question number 32,33,34,35 and 36above wherein you have agreed that the correct classification of the oil i.e. Kerosene as per IS 1459 and Gas Oil, are restricted items and can only be imported by STE (State Trading Enterprise). Please offer your comments about this.*
  Answer. Yes, I have been shown the said provisions and I have come to know that Kerosene as per IS 1459 and Gas Oil are restricted items and can only be imported by STE (State Trading Enterprise). In view of this fact and also as stated by me, since it is not as per my order and as requested by me in reply to questions no 32,33,34,35 and 36 above, I once again request that the consignment may be reexported back to the overseas supplier.

21. And whereas, investigation and other proceedings of the case could not be completed within stipulated period of six months, an extension of further six months was sought from the competent authority, which was accordingly granted vide letter dated 27.07.2024.

23. And whereas, summons were issued to Ms. Shanmuga Jayashree for appearance on 03.10.2024. Ms. Shanmuga Jayashree, Partner *M/s Continental shipping Services*, appeared on 03.10.2024 to tender her voluntary statement. Her statement was recorded on 03.10.2024 under section 108 of the Customs Act 1962.

24. Voluntary statement of Ms. Shanmuga Jayashree aged 45 years, resident of 38/66, Purasaiwakkam, Venkatesabakthan Street, Perumalet, VTC: Vepery, PO: Vepery, Chennai, Tamil Nadu-600007, contact details (Aadhar Card No: 8321 5268 3819)), was recorded on 03/10/2024 under Section 108

- *I submit that I got married to Shri Shanmugachetty in 2003. I along with my 15-year-old son and my husband are living at the above-mentioned address. I completed MBA from the Alagappa University, Chennai in the year 2015. In 2019, I along with my sister Radha taken over M/s Continental Shipping Services. We are partners of the company. I hold 80% share of the company. Me and my husband look after the work of M/s Continental Shipping Services.*
- *Question 1: Please explain the business of M/s Continental shipping Services?*

  Answer: M/s Continental Shipping Services is a partnership firm, in which I along with my sister are partner of the firm and I hold 80% share of the firm. The firm is engaged in the custom clearance of import and export consignments at various ports.

- *Question 2: Please give details of your F Card and also state the customs formation which has issued you the F card.*
  Answer: I have not been issued any F-card but one of our employees Shri Rajendra Kumar Chillar has been issued F-card from Hyderabad Customs which is utilised by us in the Customs clearance.

- *Question 3: Please state the present location of your firm.*
  Answer: Our Head office is located at Bharani Complex, Minister Road, Flat No. F-55, 2nd floor, Begampet, Hyderabad. We have branches in Chennai, Mundra, Tuticorin and Kolkata. We had one branch in Mumbai also but the same had been closed now.

- *Question 4: How many people are working in your firm.*
  Answer: A total no. of 15 people works in our firm. Staff position in various branches of our firm is given below:

Branch City	*No. of Employees*
Hyderabad (Head Office)	*1Employee*
Chennai	*2 Employees*
Mundra	*3 Employees*
Tuticorin	*3 Employees*
Kolkata	*6 Employees*

- *Question 5: Please name the companies/firms for whom you are providing customs clearance services?*
  Answer: Our major clients include:
  1) *M/s Sky Falcon Minerals and Chemicals Pvt ltd,*
  2) *M/s Babadev Plastics,*
  3) *M/s AA Cable Layers,*
  4) *M/s Tata International Limited,*
  5) *M/s Prime Industries,*
  6) *M/s Kutch Petrochem Pvt ltd,*
  7) *M/s Ramdev Plastics,*
  8) *M/s Hind Global Energy,*
  9) *M/s Infinity Oil Pvt ltd.*

- *Question 6: What are the ports where you are providing customs clearance services?*
  Answer: Our major business is at Mundra and Kolkata, however we also do conduct small business at Chennai, Tuticorin and Hyderabad port etc.

- *Question 7: How do you provide customs clearance facilities at Mundra? Please explain the same with regard to the functioning of your firm.*

Answer: Our client forwards the import documents to M/s Krishna Logistics, who work is handled by Shri Satish Maheshwari and M/s Krishna Logistics forwards all the document to our firm by hand only which are examined by the staff who later on prepare check list which is sent to the client for approval. Once the checklist is approved, the bill of entry is filed online on the ICEGATE website. After it is approved, the examination of the cargo by the customs officers is conducted in the presence of the G-card holder or Authorised person of the firm. After the examination and out-of-charge given by the customs the documents are handed over to the transporter who is engaged by the importer or sometimes by us or by M/s Krishna Logistics also .

- *Question 8: How the firm named M/s Krishna Logistics is associated with your firm? Is there any written contract?*
  Answer: M/s Krishna Logistics only brings business and forward the documents for further customs-related work to us only. There is no written agreement and we conduct business together on the basis of oral and verbal understanding.

- *Question 9: Please name the companies related to Shri Satish Maheshwari who are provided custom clearance services by your firm.*
  Answer: All the firms/companies whom M/s Continental Shipping services provides Custom Clearance Services at Mundra are associated to Shri Satish Maheshwari only.

- *Question 10: Please state which goods are dealt by Sh Satish Maheshwari at Mundra for which he provides the documentation.*
  Answer: Sh Satish Maheshwari looks after the clients who import Oil, other petroleum products, Plastic items, granule, Machinery items at Mundra Port.

- *Question 11: Your kind attention is invited to your reply to Question 7 above wherein you mentioned that once the importers approve the checklist then your office files Bill of Entry on behalf of the importer. Please state by what medium you get the approval and kindly provide a copy of the same.*
  Answer: As stated above M/s Krishna Logistics sends the checklist to the importer for approval. After receiving approval from the importer M/s Krishna Logistics confirms the approval to us for filing of Bill of Entry. One or two employees of M/s Krishna Logistics sits in our office only.

- *Question 12: Please define your payment terms/agreements with the associate firm namely M/s Krishna Logistics.*
  Answer: There is no written agreement or terms for payment with M/s Krishna Logistics. However, we have decided the rates per container, verbally. We raise an invoice of Rs 1180/- per container to M/s Krishna Logistics.

- *Question 13: Please state how much commission you give to the associate firm M/s Krishna Logistics.*
  Answer: As stated above, we have a fixed charge policy for filing BOE with our associate firms. We charge Rs 1180/- per container. We are not concerned about the commission that M/s Krishna Logistics might be getting from the importer.

- *Question 14: Please state, who gets the examination conducted at the Mundra port for the import consignment of your clients?*
  Answer: The examination at the port is conducted by Sh. Salim Sayd G-Card holder and Shri Naresh Sodham, H- card holder, employees, of M/s Continental Shipping Services, who have been appointed by the firm for facilitating customs clearance at Mundra port.

- *Question 15: Are you aware that some containers which have been declared to contain MHO have been put on hold by the DRI Noida Regional unit at Mundra port?*
  Answer: Yes I am aware of the fact that DRI Noida Regional Unit has put on hold some consignments of MHO of our various clients as detailed below:

S.NO	IEC Name	BOE No	No of containers
1	M/S A. A. Cable Layers	9788458 Dt.23.01.2024	14
		9783769 Dt.23.01.2024	14
		9783627 Dt. 23.01.2024	12
2	M/S Skyfalcon Minerals and Chemicals Private Limited	9788466 Dt. 23.01.2024	12
		9788470 Dt. 23.01.2024	12
		9788488 Dt. 23.01.2024	16
		9788473 Dt. 23.01.2024	16
		9788474 Dt. 23.01.2024	16
		9788476 Dt. 23.01.2024	12
		9788487 Dt. 23.01.2024	16
		9788468 Dt.23-01-	12

		2024	
		2040130 Dt. Dt.08/02/24	*12*
		2087386 Dt. Dt.10/02/24	*12*
		2088871 Dt. Dt.10/02/24	*10*
		2088881 Dt. Dt.10/02/24	*10*

- *Question 16: Since the Bills of Entry have been filed by you on behalf of the above-mentioned importers, please state how did these importers come in contact with you.*
  Answer: The importers mentioned in the answer to question number 15 above are clients of our associate, M/s Krishna Logistics. The customs related work in respect of these firms, has come thorough M/s Krishna Logistics.

- *Question 17: What were the documents that were provided by the importers mentioned by you in reply to question no 15 above and from whom they were received when you filed the BOE on their behalf.?*
  Answer: These Importers forwarded invoices, packing list and Bill of Lading to M/s Krishna Logistics through mail which were subsequently forwarded to us by hand on the basis of which we file the respective bill of entry.

- *Question 18: What is the Item "MHO/ Mix Hydrocarbon Oil/Mixed Hydrocarbon Oil/Mineral Hydrocarbon Oil", mentioned in the Bills of entries filed by you on behalf of these importers.*
  Answer: As per my understanding and information provided by the importers it is a type of petroleum product.

- *Question 19: Please state, what is the use of MHO?*
  Answer: As per the information provided by the importer it is for industrial Use.

- *Question 20: Please specifically state and clarify the industrial use as mentioned in your reply to question no 19 above.*
  Answer: I am not aware of the specific industrial use of the product. This can be clarified by the importer only. As we are concerned only with custom clearance related work.

- *Question 21: Please state whether you have been provided with any chemical analysis report/ test report of the product by the importer issued by the supplier.*
  Answer: We were provided an analysis report on the letter head of the supplier by the importer but no chemical test report by the authorised laboratory was provided.

- *Question 22: If no chemical analysis report/ test report of the product is submitted by the importer then what was the basis of classification of the product under Chapter Heading 27101990 in the category of item "Others"*
  Answer: As per our understanding and discussion of our employees with the importer, it was classified under CTH 27101990 which pertains to others.

- *Question 23: Please refer to Question no 22 above and state who classifies the goods to be filed in the Bill of Entry. Further without any chemical analysis report or test report how do you come to the conclusion to classify the product as MHO in the Bill of Entry?*
  Answer: As stated above, after discussion with the importers and the documents provided by the importer, goods are classified under CTH 27101990-"others".

- *Question 24: Did you ask the importer or insist upon them, for providing chemical analysis report /test reports?*
  Answer: No, we did not insist upon them for any chemical analysis report or test report.

- *Question 25: Please peruse the respective test reports of consignments that have been put on hold by DRI Noida regional Unit and are mentioned in reply to question 15 above. The test results of each of the consignment have been summarized in the table below.*

S.No	Name Of Importer	BOE	No of Containers	Sample No.	Test Report Result
1	M/s A. A. Cable Layers	9788458 Dt.23.01.2024	14	AE2344681	Kerosene
2		9783769 Dt.23.01.2024	14	AD1-344683	Kerosene
3		9783627 Dt. 23.01.2024	12	AC2-344688	Kerosene
4		9788466 Dt. 23.01.2024	12	SA2- 344923	Gas Oil
5		9788470 Dt. 23.01.2024	12	SE1-344700	Gas Oil

6	*M/s Sky Falcon Minerals and Chemicals Pvt Ltd*	*9788488 Dt. 23.01.2024*	*16*	*SB3-344703*	*Kerosene*
7		*9788473 Dt. 23.01.2024*	*16*	*SD2-344693*	*Kerosene*
8		*9788474 Dt. 23.01.2024*	*16*	*SC3-344720*	*Gas Oil*
9		*9788476 Dt. 23.01.2024*	*12*	*SG3-344699*	*Gas Oil*
10		*9788487 Dt. 23.01.2024*	*16*	*SF2-344695*	*Gas Oil*
11		*9788468 Dt.23-01-2024*	*12*	*SH3-344711*	*Kerosene*
12		*2040130 Dt. Dt.08/02/24*	*12*	*SMD3-A217701*	*Gas Oil*
13		*2087386 Dt. Dt.10/02/24*	*12*	*SMB1-A217714*	*Gas Oil*
14		*2088871 Dt. Dt.10/02/24*	*10*	*SMC2-A217709*	*Kerosene*
15		*2088881 Dt. Dt.10/02/24*	*10*	*SMA1-A217684*	*Kerosene*

Having perused the test reports please offer your comments.
Answer: I have perused each of the test reports detailed above. I have also gone through the parameters mentioned in each of the test reports. I have signed the test reports as a token of having seen the same. On perusal of the test reports, it is seen that the lab has come to a conclusion that the consignment does not consist of MHO but a different oil as mentioned in the Respective report.

- *Question 26: Do you agree with the outcome of the test reports and the result mentioned therein?*
  Answer: Yes, I am in agreement with the conclusion arrived at by the lab as mentioned in the respective test report.

- *Question 27: Please give your opinion on whether MHO as declared by you in the bills of entry and the item identified as per the test result of the respective item are same or different?*
  Answer: No, the goods identified by the laboratory as per the test report and the item description & CTH declared in the Bill of Entry are different.

- *Question 28: Please refer to regulation 10 (e) of the Customs Brokers Licensing Regulations, 2018, wherein it is specifically mentioned that due diligence is to be exercised by customs Broker to ascertain the correctness of any information which is imparted by you to the client with reference to any work related to the clearance of the cargo or baggage. In the light of*

discrepancies noticed as per test report vis-à-vis declaration made in the Bill of Entry in respect of the goods and its classification, it appears that due diligence has not been exercised to ensure that description of the goods is appropriately given and correctly classified. Please offer your comments.
Answer: As per the documents provided by the importer and the discussion, the classification of the goods as MHO and under CTH 27101990 is correct. The discrepancy has come to notice only as a result of the test report of the sample submitted by the laboratory. The Importer can only explain the Discrepancy so noticed.

- *Question 29. Your kind attention is invited to the conclusion of the test report for the sample of M/S A.A. Cable Layers wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 9788458 Dt. 23.01.2024filed by you and imported by M/S A.A. Cable Layers, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*
Answer: In this case I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9788458 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 30. Your kind attention is invited to the conclusion of the test report for the sample of M/S A.A. Cable Layers wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 9783769 Dt. 23.01.2024filed by you and imported by M/S A.A. Cable Layers, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*
Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9783769 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 31. Your kind attention is invited to the conclusion of the test report for the sample of M/S A.A. Cable Layers wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 9783627 Dt. 23.01.2024filed by you and imported by M/S A.A. Cable Layers, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*

Answer: In this case also I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9783627 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 32: Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788466 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I agree with the result of the test report and the conclusion that the same consists of "Gas Oil" andthe correct classification of the oil in the consignment covered under BOE no 9788466 Dt. 23.01.2024 should be under CTH 27101941. As such, the declaration of the item made in the bill of entry is incorrect and wrong.

- *Question 33. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788470 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I agree with the result of the test report and the conclusion that the same consists of "Gas Oil" and the correct classification of the oil in the consignment covered under BOE no 9788470 Dt. 23.01.2024 should be under CTH 27101941. Therefore, the declaration of the item made in the bill of entry is also incorrect and wrong.

- *Question 34. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 9788488 Dt. 23.01.2024filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: In this case also I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the

consignment covered under BOE no 9788488 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 35. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 9788473 Dt. 23.01.2024filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9788473 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 36. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788474 Dt. 23.01.2024 filed by you and imported by M/S SkyfalconMinerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil" andthe correct classification of the oil in the consignment covered under BOE no 9788474 Dt. 23.01.2024 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is incorrect and wrong.

- *Question 37. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788476 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil" andthe correct classification of the oil in the consignment covered under BOE no 9788476 Dt. 23.01.2024 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is incorrect and wrong.

- *Question 38. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788487 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil" andthe correct classification of the oil in the consignment covered under BOE no 9788487 Dt. 23.01.2024 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is also incorrect and wrong.

- *Question 39. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 9788468 Dt. 23.01.2024filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: In this case also I am in agreement with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9788468 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 40. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 2040130 Dt. 08/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil" andthe correct classification of the oil in the consignment covered under BOE no 2040130 Dt. 08/02/24 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is incorrect and wrong.

- *Question 41. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited*

wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 2087386 Dt. 10/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.

- *Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil" andthe correct classification of the oil in the consignment covered under BOE no 2087386 Dt. 10/02/24 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is also incorrect and wrong.*

- *Question 42. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 2088871 Dt. 10/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: In this case also I am in agreement with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 2088871 Dt. 10/02/24 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 43. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 2088881 Dt. 10/02/24filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*
  Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 2088881 Dt. 10.02.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- *Question 44: Please take cognizance of your reply to the question no 29-43 above and state whether the goods declared in the Bills of entries were mis-declared.*

Answer: I have already admitted that the goods identified by the lab and the one declared in the Bills of entry are different. Though prima-facie it appears to be a case of misdeclaration, I wish to submit that the declaration and classification in the bill of entry was made on the basis of the documents and information provided by the respective importers.

- *Question 45: Please take cognizance of the reply to question no 44 above. The items identified by the lab comprising the consignments and classifiable under the said headings are not freely importable as they are restricted in nature and can only be imported by STEs(State Trading Enterprises). Then why Bill of Entry has been filed by way of misdeclaration for restricted items.*
  Answer: I agree that the items identified by the lab comprising of the said consignments are restricted and can only be imported by STEs. I reiterate that the Bill of entry was filed on the basis of documents and information provided by the importer. Under what circumstance the mis-declared restricted goods were imported can only be explained by the respective importer.

- *Question 46: Your kind attention is invited to CTH 27101990- "Others" and chapter 27, and that there are a lot of restricted goods in this chapter that can only be imported by STEs. Please state whether this particular CTH 27101990 was chosen by you as the import policy associated with this CTH is "free to import"? And further state as CHA should you not be extra careful that the importer should not bring any restricted item/goods in lieu if free goods?*
  Answer: As stated in different questions above, the basis of classification of the goods under CTH is because the product does not fall under any other CTH in this chapter. Further general trade practice at the port regarding this product is that it is to classified under CTH 27101990. However just to be double sure and being careful about the nature of the goods, we always opt for the first check of the consignment. This allows us to double-check the consignments imported by the importer.

- *Question 47: Do you wish to state anything else?*
  Answer: I wish to submit that my firm has no role in the discrepancies noticed in the consignment. The importer is liable to face any action on account of misdeclaration of the consignment. It is requested that this aspect maybe considered accordingly while concluding the instant case.

25.(a) In order to ascertain the role of M/s Versatile Logistics having address as - 1st Floor, Plot no 72,Office no 124, Shiv Centre Premises Society LTD, Vashi, Turbhe Road, Sector 17, Arenja Corner, Vashi, Navi Mumbai, Thane, Maharashtra, summons were issued on 10/01/2025 for their appearance on 15/01/2025.

25(b) Shri Ravinder Sawant, proprietor of M/s Versatile Logistics appeared in the Office of the DRI on the scheduled date i.e 15/01/2025 and tendered his voluntary statement under Section 108 of Customs Act'1962 wherein he inter-alia stated as under:

I am Shri Ravindra Rajaram Sawant S/o late Shri Rajaram Sawant, permanent resident of resident of 17/1004 Trinity Hills CHS, GB Road Kasarvadavali Thane West, Haware Citi, Thane, Maharashtra-40061. My age is 44years and I completed by 12th standard in Bombay.My wife's name is Ms Rashmi Ravindra Sawant, I have one son, aged 11 years. All of us live at the above-mentioned address only. As far as my professional life is concerned started my career in a courier company in the year 2000 in Bombay, later in the year 2003 I joined M/s Swastik Shipping, a CHA firm that looked after customs-related clearance, I worked as a runner boy there. I worked there till 2006. From 2006 to 2012 I worked with an importer M/s Shree International, here also I worked as an office boy to prepare and see the documentation for customs clearance. Then from 2015 I started my own partnership firm- M/s Corner Stone Logistics, with other two partners Sh Rahul Dubey and Sh Vishwanath Kotion, we use to do clearing and forwarding work through this firm. Then in 2018 due to an internal dispute between the partners I was out of the partnership. The in year 2019 I registered my own proprietorship Firm- M/s Versatile Logistics (GSTIN- 27AZLPS9969E2ZE), address- 1stFloor, Plot no 72,Office no 124, Shiv Centre Premises Society LTD, Vashi, Turbhe Road, Sector 17, Arenja Corner, Vashi, Navi Mumbai, Thane, Maharashtra- 400703.

- *Question 2: Please tell us about M/s Versatile Logistics?*
  Ans: As stated above, I am the Proprietor of the firm M/s Versatile Logistics. M/s Versatile Logisticsconducts the work of freight forwarding and facilitation of customs clearing.

- *Question3: Please tell us about M/s. Shree krishna Logistics? Also please state about your responsibilities.*
  Ans: In Feb 2023, I came in contact with Shri Satish Maheshwari of M/s Shree Krishna logistics. Then in June 2023 we started working together regarding the clearance of Customs related work.

- *Question 4: Please refer to Question 4 above and elaborate what kind of clearance work were you doing together and how?*
  Ans: M/s Versatile Logistics, facilitates importers about their imports at various ports and connects them with the right CHAs for clearance. When an importer contacts us for import of any kind then we connect them to the right CHA of the specific port as per the request of the Importer.

- *Question 5: How much money do you charge for this kind of facilitation work?*
  Ans: The charges are variable and changes from importer to importer however we generally charge around 3 to 4 thousand for this facilitation that we provide.

- *Question6: Please refer to the question no 5 above and state what happens after connecting the importer to the concerned CHA?Is your work ends here?*
  Ans: Our work ends once the consignment is cleared from customs. Once the importer is connected to the CHA, we do regular follow ups with the CHA and update the importer about the developments.

- *Question 7: In the questions above, you stated that you just connect Importer and CHA for their work then why are you doing follow-ups and updating the importers about the developments taken from CHA.*
  Ans: The importer pays us for this facilitation work that is why we are engaged in the work till customs clearance of the goods and give regular updates to the importer about the same.
- *Question 8: Once you have connected the CHA and importer then why do the importer gives you facilitation charges for all the consignments and not contact the CHA directly for the import related work?*
  Ans: This work is based on trust, so sometimes the importer does not have enough trust directly on the CHA so they let us be involved in the whole thing of clearance till the consignment is cleared from customs.

- *Question 9: Have you been issued any type of license to work as a CHA under the CBLR rules?*
  Ans: No I have not been issued any such license under CBLR regulations 2018.

- *Question 10: If you have not been issued any license as per CBLR rules 2018, then under which provisions are you conducting this business of customs clearance?*
  Ans: M/s Versatile Logistics, only facilitates the clearance work and do not conduct customs clearance or examination work directly.

- *Question 11: Please refer to question no 3 above and state the nature of work, that you do with M/s Shri Krishna logistics, also please state the name of the importers for which M/s Versatile Logistics and M/s Shri Krishna Logistics work together.*
  Ans: As stated in above answers, I do business with Shri Krishna logistics as per the nature of demand of the importer. Shri Satish Maheshwari is a business associate and handles the work at Mundra port in Gujarat, so if any importer comes with a request to work at Mundra port I connect them to Shri Satish Maheshwari of M/s Shri Krishna logistics. I had two importer clients M/s Skyfalcon chemicals andMinerals and M/s AA Cable Layers, who requested us to import Mix Hydrocarbon Oil at Mundra Port so I contacted Shri Satish Maheshwari of M/s Shri Krishna logistics to facilitate the clearance work of the clients at Mundra port.

- *Question 12: Please tell us about M/s.Skyfalcon Chemicals and Minerals Pvt ltd and M/s AA Cable layers. Also please share the details of the representative persons from both the firms who came in contact with you for this clearance work.*
  Ans. Shri S Sudhakar, partner of M/s Skyfalcon chemicals and minerals pvt ltd and Shri Gurmeet Singh, Proprietor of M/s AA Cable Layers, contacted me for facilitating this work of import clearance of Mix hydrocarbon oil at Mundra Port.

- *Question 13: What was the flow of documents/work of this facilitation that you are saying your firm does?*
  Ans: First of all, the importers viz- M/s Skyfalcon Chemicals and Minerals Pvt Ltd and M/s AA Cable Layers, send the documents viz, Invoice, Packing list, Bill of Lading, Chemical Analysis report etc to M/s Versatile logistics on E-mail id, versatileimpt@gmail.com. We then forward all the documents to M/s Shri Krishna logistics who then further forwards the documents to M/s Continental Shipping services for preparation of checklist. Once the checklist is prepared, M/s Continental Shipping services, forwards the checklist to M/s Shri Krishna logistics who further forwards it to us. We then forward the checklist to the importer for approval. Once the approval of the checklist is received from the importer, the same is again forwarded to M/s Shri Krishna logistics who then forwards it to M/s Continental Shipping Services for filing of documents. This process is followed in all the communications.

- *Question 13: Whether all the communications and correspondences related to he filing work were done through E- mail ?*
  Ans: All the correspondences and communications were done mostly through E-mail only. However, sometimes approvals and communications were received through Whatsapp also.

- *Question 14: What is the process of payments to the shipper and duty payments on the port? Were these payments made by you on behalf of the importer?*
  Ans: All the payments related to the consignment were made by importer only. Like I told in reply to question no 12 above, the process of communication is the same though. Like the shipper will issue invoice and send to the CHA- M/s Continental shipping services, who then sends the invoice to M/s Shri Krishna logistics, who will then send the invoice to us- M/s Versatile logistics, we will forward the invoice to the importer for payment as per the invoice. The importer will then share the payment screen shot to us which will then flow in reverse manner above from us to the shipper as explained.

- *Question 15: Please state about the business turnover and the commodities being dealt by you at various ports?Please provide the details of staff and responsibilities.*

Ans: We majorly deal in the import of oil, plastic granules, and reconditioned machinery. Our firm is based in Mumbai so we majorly do work based in Mumbai only. We did the facilitation work for only two importers viz M/s Skyfalcon chemicals and Minerals Pvt ltd and M/s AA Cable Layers on Mundra port. Our turnover is approx. 80 to 90 lakhs. I have total 4 people working for me in my office as detailed below:

• S.NO	• Name of the staff	• Work profile	• Contact No.
• 1.	• Mayuri	• Documentation work at office	• 9870107007
• 2	• Chetan	• Follow up at port	• 7208503431
• 3	• Vikrant	• Delivery order collection	• 9579804485

- *Question 16: Please provide the details of shipping companies related to the imports done by M/s A.A. Cable Layers and M/s Skyfalcon Chemical and Minerals Pvt Ltd.*
  Ans: Majorly imports were done by Iyer Shipping, Maersk and Cordelia shipping line for both the importers.

- *Question 17: Please state how the orders are placed and who in your firm gives the orders to supplier?*
  Ans: The orders are placed by the importer itself, we only forward the documents i.ethese bill of entry only on the basis of documents provided by respective importers, we haveno role to play with the supplier.

- *Question 18: What is the commodity in question i.e Mix Hydrocarbon Oil that the consignments of the importers viz M/s Skyfalcon Minerals and Chemicals Pvt Ltd and M/s AA Cable Layers contain?*
  Ans: I have a very limited knowledge of the commodity in question however as per my understanding Mix Hydrocarbon Oil is a blend of various oils and the main usage of the oil is for industrial purposes.

- *Question 19: Please specifically state and clarify the industrial use as mentioned in your reply to question no 26 above.*
  Answer: I am not aware of the specific industrial use of the product. This can be clarified by the importer only.

- *Question20:Are you aware of any Standard or Literature that defines the product i.e. " Mix Hydrocarbon Oil"?*

Ans:. Mix Hydrocarbon Oil is generally a blend of 2 or 3 different oils and as per my knowledge there is no specific standard to define the same.

- *Question21: Is there any import regulation that has to be followed for importing the said commodity i.e. "Mix Hydrocarbon Oil"*
  Ans: I am not aware of any such regulation for importing the commodity in question.

- *Question22: Please state whether goods i.e. Mix Hydrocarbon Oil so imported in consignments/containers hold by DRI and imported in earlier consignments are same?*
  Ans: Yes sir, as per the documents provided by the importer and the declaration of the commodity in the documents they are the same.

- *Question 23: Please state what are the BIS parameters applicable on the item i.e. Mix Hydrocarbon Oil?*
  Ans: No BIS standards are applicable on this imported item i.e. Mix Hydrocarbon Oil.

- *Question 24: Please state have you made any payments to the supplier of Mix Hydrocarbon Oil or have received any payment from the buyers? If so please provide the Bank Details for the same?*
  Ans: No, we have never made any payments to the supplier of Mix Hydrocarbon Oil nor have received any payment from the buyers. As stated above we just facilitated the process and never involved in the sale purchase of the commodity.

- *Question 25: Please define your payment terms/agreements with the importer and the firm namely M/s Shri Krishna logistics.*
  Ans: There is no written agreement for the payment terms between us, the importer and the firm M/s Shri Krishna logistics. M/s Skyfalcon Minerals and Chemicals Pvt Ltd and M/s AA Cable Layers, pays us Rs 5000/- (GST Excl) per container as facilitation charges, out of which we pay Rs 1000/- (GST Excl) to M/s Shri Krishna Logistics. All these figures were decided verbally. We raise invoice to importers and Shri Krishna logistics raises invoice to us. I am not aware of the payment terms of Shri Krishna Logistics and M/s Continental Shipping services.

- *Question 26: Please peruse the respective test reports of consignments that have been put on hold by DRI Noida regional Unit and are mentioned in reply to question 15 above. The test results of each of the consignment have been summarized in the table below.*

S.No	Bill of Entry No and date	Name of the Importe	No. of containers	Testing Lab	Test result

		r			
1	*9788466 Dt. 23.01.2024*	*M/S Skyfalcon Minerals And Chemicals Private Limited*	*12*	*IOCL*	*Gas Oil*
2	*9788470 Dt. 23.01.2024*		*12*		*Gas Oil*
3	*9788488 Dt. 23.01.2024*		*16*		*Kerosene*
4	*9788473 Dt. 23.01.2024*		*16*		*Kerosene*
5	*9788474 Dt. 23.01.2024*		*16*		*Gas Oil*
6	*9788476 Dt. 23.01.2024*		*12*		*Gas Oil*
7	*9788487 Dt. 23.01.2024*		*16*		*Gas Oil*
8	*9788468 Dt. 23-01-2024*		*12*		*Kerosene*
9	*2040130 Dt. 08.02.2024*		*12*	*CRCL*	*Gas Oil*
10	*2087386 Dt. 10.02.2024*		*12*		*Gas Oil*
11	*2088871 Dt. 10.02.2024*		*10*		*Kerosene*
12	*2088881 Dt. 10.02.2024*		*10*		*Kerosene*
13	*9788458 Dt. 23.01.2024*	*M/S A. A. Cable Layers,*	*14*	*IOCL*	*Kerosene*
14	*9783769 Dt. 23.01.2024*		*14*		*Kerosene*
15	*9783627 Dt. 23.01.2024*		*12*		*Kerosene*
	Total Containers		*196*		

- *Having perused the test reports please offer your comments.*
  Answer: I have perused each of the test reports detailed above. I have also gone through the parameters mentioned in each of the test reports. I have signed the test reports as a token of having seen the same.

- *Question 27: Do you agree with the outcome of the test reports and the result mentioned therein?*
  Answer: Having perused each of the test reports as well as the parameters I am in agreement with the conclusion of the report.

- *Question 28: Please give your opinion on whether MHO as declared by you in the bills of entry and the item identified as per the test result of the respective item are same or different?*
  Answer: The goods identified by the laboratory as per the test report and the item description & CTH declared in the Bill of Entry are different.

- *Question 29. Your kind attention is invited to the conclusions of the test report for the sample of M/s A. A. Cable Layers and M/s Skyfalcon Chemicals and Mineral Pvt ltd, filed under Bills of Entry no. 9788488 Dt. 23.01.2024, 9788473 Dt. 23.01.2024, 9788468 Dt. 23-01-2024, 2088871 Dt. 10.02.2024, 2088881 Dt. 10.02.2024, 9788458 Dt. 23.01.2024, 9783769 Dt. 23.01.2024 and 9783627 Dt. 23.01.2024wherein as per the parameters given by the IOCL and CRCL lab the oil has been found to be Kerosene, which is correctly classified under CTH 27101932. In the light of the test report and your reply to question No 26 above, do you agree that the Kerosene imported in consignment covered under Bills of Entry as mentioned above are correctly classifiable under CTH 27101932 and not 27101990 as classified in the bill of entry.*
  Answer: In view of the conclusion made as per the parameters given by OICL report, I agree that the correct classification of the oil in the consignment covered under Bills of Entry no. 9788488 Dt. 23.01.2024, 9788473 Dt. 23.01.2024, 9788468 Dt. 23-01-2024, 2088871 Dt. 10.02.2024, 2088881 Dt. 10.02.2024, 9788458 Dt. 23.01.2024, 9783769 Dt. 23.01.2024 and 9783627 Dt. 23.01.2024should be under CTH 27101932. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 30. Your kind attention is invited to the conclusions of the test report for the sample of M/s Skyfalcon Chemicals and Mineral Pvt ltd, filed under Bills of Entry no. 9788466 Dt. 23.01.2024, 9788470 Dt. 23.01.2024, 9788474 Dt. 23.01.2024, 9788476 Dt. 23.01.2024, 9788487 Dt. 23.01.2024, 2040130 Dt. 08.02.2024 and 2087386 Dt. 10.02.2024wherein as per the parameters given by the IOCL and CRCL lab the oil has been found to be Gas Oil, which is correctly classified under CTH27101941. In the light of the test report and your reply to question No 26 above, do you agree that the GAS oil imported in consignment covered under Bills of Entry as mentioned above are correctly classifiable under CTH 27101932 and not 27101990 as classified in the bill of entry.*
  Answer: In view of the conclusion made as per the parameters given by OICL report, I agree that the correct classification of the oil in the consignment covered under Bills of Entry no. 9788466 Dt. 23.01.2024, 9788470 Dt. 23.01.2024, 9788474 Dt. 23.01.2024, 9788476 Dt. 23.01.2024, 9788487 Dt. 23.01.2024, 2040130 Dt. 08.02.2024 and 2087386 Dt. 10.02.2024should be under CTH 27101941. The declaration of the item made in the bills of entries is incorrect and wrong.

- *Question 31: Please take cognizance of your reply to the question no 29-30 above and state whether the goods declared in the Bills of entries were mis-declared been filed by way of misdeclaration for restricted items.*
  Answer: I agree that the items identified by the lab comprising of the said consignments
  are restricted and can only be imported by STEs.Under what circumstance the mis-declared restricted goods were imported can only be explained by the respective importer.

- *Question 33: Do you wish to state anything else?*
  Answer: I wish to submit that my firm has no role in the discrepancies noticed in the consignment. The importer is liable to face any action on account of misdeclaration of the consignment. It is requested that this aspect maybe considered accordingly while concluding the instant case.

26. LEGAL PROVISIONS

26.1 From the foregoing it appears that the goods in the instant case, Gas Oil is correctly classifiable under CTH 2710 1941 and kerosene is correctly classifiable under CTH 2710 1932. The relevant portion of the Customs tariff head 2710 reads as under:

SECTION-V CHAPTER-27

(1)		(2)	Policy	Remarks
2710		Petroleum oils and oils obtained from bituminous minerals, (other than crude) preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations other than those containing bio-diesel and other than waste oils		
		Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than those containing biodiesel and other than		

		waste oils:		
2710 19	--	Other :		
2710 1932	----	Kerosene conforming to standard IS 1459	State trading enterprises	Import as per policy conditions (5) of Chapter 27
2710 19 41	----	Gas Oil	State trading enterprises	Import as per policy conditions (5) of Chapter 27

26.2 Policy Conditions of Chapter 27:

(1) ----.
(2) ----.
(3) ----.
(4) ----.
(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 8.3.2002 including HPCL, BPCL & IBP who have been marketing transportation fuels before this date.*

26.3. Section 3 of The Foreign Trade (Development and Regulation) Act, 1992 :

Powers to make provisions relating to imports and exports. –

(1) -----

(2) The Central Government may also, by Order published in the Official Gazette, make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and subject to such exceptions, if any, as may be made by or under the Order, the import or export of goods.

(3) 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 (52 of 1962) and all the provisions of that Act shall have effect accordingly.

26.4. Section 2(2) of the Customs Act, 1962:

"assessment" means determination of the dutiability of any goods and the amount of duty, tax, cess or any other sum so payable, if any, under this Act or under the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act) or under any other law for the time being in force, with reference to-

(a) the tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act;

(b) the value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act;

(c) exemption or concession of duty, tax, cess or any other sum, consequent upon any notification issued therefore under this Act or under the Customs Tariff Act or under any other law for the time being in force;

(d) the quantity, weight, volume, measurement or other specifics where such duty, tax, cess or any other sum is leviable on the basis of the quantity, weight, volume, measurement or other specifics of such goods;

(e) the origin of such goods determined in accordance with the provisions of the Customs Tariff Act or the rules made thereunder, if the amount of duty, tax, cess or any other sum is affected by the origin of such goods;

(f) any other specific factor which affects the duty, tax, cess or any other sum payable on such goods, and includes provisional assessment, self-assessment, re-assessment and any assessment in which the duty assessed is nil;

26.5 Section 2(14) of the Customs Act, 1962:*"dutiable goods" means any goods which are chargeable to duty and on which duty has not been paid;*

26.6 Section 2(16) of the Customs Act, 1962:*"entry" in relation to goods means an entry made in a bill of entry, shipping bill or bill of export and includes the entry made under the regulations made under Section 84.*

26.7 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 ;*

26.8 Section 17 of the Customs Act, 1962:

Section 17. Assessment of duty. – (1) An importer entering any imported goods under section 46, or an exporter entering any export goods under section 50, shall, save as otherwise provided in section 85, self-assess the duty, if any, leviable on such goods.

(2) ……..

(3) ……

(4) Where it is found on verification, examination or testing of the goods or otherwise that the self- assessment is not done correctly, the proper officer may, without prejudice to any other action which may be taken under this Act, re-assess the duty leviable on such goods.

26.9. Section 46(4) and 46 (4A)of the Customs Act, 1962 :

(4) The importer while presenting a bill of entry shall make and subscribe to a declaration as to the truth of the contents of such bill of entry and shall, in support of such declaration,

produce to the proper officer the invoice, if any, and such other documents relating to the imported goods as may be prescribed
(4A) The importer who presents a bill of entry shall ensure the following, namely: -
(a) the accuracy and completeness of the information given therein;
(b) the authenticity and validity of any document supporting it; and
(c) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.

26.10. Section 112 of the Customs Act, 1962 :

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 5[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"

26.11. **Section 114AA of the Customs Act, 1962** – *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.

26.12. Section 140 of the Customs Act, 1962: Offences by companies. - *(1) If the person committing an offence under this Chapter is a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:*

26.13. Regulation 10 of the Customs Broker Licensing Regulation 2018:

Obligations of Customs Broker.-A Customs Broker shall —

(a) obtain anauthorisation from each of the companies, firms or individuals by whom he is for the time being employed as a Customs Brokerand produce such authorisation whenever required by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

(b)transact business in the Customs Station either personally or through an authorized employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

(c) not represent a client in any matter to which the Customs Broker, as a former employee of the Central Board of Indirect taxes and Customs gave personal consideration, or as to the facts of which he gained knowledge, while in Government service;

(d) advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

(e) exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage;

(f) not withhold information contained in any order, instruction or public notice relating to clearance of cargo or baggage issued by the Customs authorities, as the case may be, from a client who is entitled to such information;

(g) promptly pay over to the Government, when due, sums received for payment of any duty, tax or other debt or obligations owing to the Government and promptly account to his client for funds received for him from the Government or received from him in excess of Governmental or other charges payable in respect of cargo or baggage on behalf of the client;

(h) not procure or attempt to procure directly or indirectly, information from the Government records or other Government sources of any kind to which access is not granted by the proper officer;

(i) not attempt to influence the conduct of any official of the Customs Station in any matter pending before such official or his subordinates by the use of threat, false accusation, duress or the offer of any special inducement or promise of advantage or by the bestowing of any gift or favour or other thing of value;

(j) not refuse access to, conceal, remove or destroy the whole or any part of any book, paper or other record, relating to his transactions as a Customs Broker which is sought or may be sought by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be;

(k) maintain up to date records such as bill of entry, shipping bill, transhipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemised manner as may be specified by the Principal Commissioner of Customs or Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

(l) immediately report the loss of license granted to him to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be;

(m) discharge his duties as a Customs Broker with utmost speed and efficiency and without any delay;

(n) verify correctness of Importer Exporter Code (IEC) number, Goods and Services Tax Identification Number (GSTIN),identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information;

(o) inform any change of postal address, telephone number, e-mail etc. to the Deputy Commissioner of Customs or Assistant Commissioner of Customs,as the case may be, of all Customs Stations including the concerned DeputyCommissioneror Assistant Commissioner of the Commissionerate who has granted the

(p) maintainall records and accounts that are required to be maintained under these regulations andpreservefor at least five yearsand all such records and accounts shall be made available at any time for the inspection ofofficersauthorised for this purpose; and

(q) co-operate with the Customs authorities and shall join investigations promptly in the event of an inquiry against them or their employees

26.14 Section 3 of the Petroleum Act, 1934

Import, transport and storage of petroleum.—(1) No one shall import, transport or store any petroleum save in accordance with the rules made under section 4. (2) Save in accordance with the conditions of any licence for the purpose which he may be required to obtain by rules made under section 4, no one shall import petroleum Class A, and no one shall transport or store any petroleum.

26.15 Section 4 of the Petroleum Act, 1934 *Rules for the import, transport and storage of petroleum*.—

The Central Government may makes rules—

a) prescribing places where petroleum may be imported and prohibiting its import elsewhere;

b) regulating the import of petroleum;

c) prescribing the periods within which licences for the import of petroleum Class A shall be applied for, and providing for the disposal, by confiscation or otherwise, of

any [petroleum Class A] in respect of which a licence has not been applied for within the prescribed period or has been refused and which has not been exported;

d) *regulating the transport of petroleum;*

e) *specifying the nature and condition of all receptacles and pipe-lines in which petroleum may be transported;*

f) *regulating the places at which and prescribing the conditions subject to which petroleum may be stored;*

g) *specifying the nature, situation and condition of all receptacles in which petroleum may be stored;*

h) *prescribing the form and conditions of licences for the import of 5 [petroleum Class A], and for the transport or storages of any petroleum, the manner in which applications for such licences shall be made, the authorities which may grant such licences and the fees which may be charged for such licences;*

i) *determining in any class of cases whether a licence for the transport of petroleum shall be obtained by the consignor, consignee or carrier;*

j) *providing for the granting of combined licences for the import, transport and storage of petroleum, or for any two of such purposes;*

k) *prescribing the proportion in which any specified poisonous substance may be added to petroleum, and prohibiting the import, transport or storage of petroleum in which the proportion of any specified poisonous substance exceeds the prescribed proportion; and*

l) *generally, providing for any matter which in its opinion is expedient for proper control over the import, transport and storage of petroleum including the charging of fees for any services rendered in connection with the import, transport and storage of petroleum.*

26.16 Rule 4 of Petroleum Rules, 2002: Approval of containers. –

(1) Containers exceeding one litre in capacity for petroleum Class A and five litres in capacity for petroleum Class B or petroleum class C, shall be of a type approved by the Chief Controller.

(2) Where the approval of the Chief Controller is sought to a type of container not previously

approved, an application together with copies of drawings thereof to scale showing the design, materials to be used, the method of construction and capacity of the container together with two samples containers and a fee of rupees one thousand for scrutiny shall be submitted to the Chief Controller.

(3) Nothing in sub-rules (1) and (2) shall apply to containers in the possession of the Defence Forces of the Union.

26.17 **Rule 6 of Petroleum Rules, 2002: Containers for petroleum Class B and Class C**

(1) Containers for petroleum class B or petroleum class C shall be constructed of steel or iron and be of a type approved by the Chief Controller.

(2) An air space of not less than 5 percent of its capacity shall be kept in each container for

petroleum Class B and not less than 3 percent of its capacity in each container for petroleum
Class C.
(3) Nothing in this rule shall apply to containers in the possession of the Defence Forces of the Union.

26.18 Rule 25 of Petroleum Rules, 2002:Petroleum to be imported by land only at authorized places.

No petroleum shall be imported into India by land except at places specially authorized for the purpose by the Central Government.

26.19 Rule 30 of Petroleum Rules, 2002: Restriction on passengers, combustible and inflammable cargo –

Save as provided in rules 38,39 and 52 and clause, (b) of rule 60, no ship, vessel or vehicle shall carry petroleum petroleum Class A or petroleum Class B and Class C in bulk if it is carrying passengers or any combustible cargo other than petroleum: Provided that nothing in this rule shall prohibit the use of dunnage for packing purposes in the case of coastwise transport of petroleum Class A otherwise than in bulk.

26.20 Rule 35: Tank fittings on ships or vessels. –

The following provisions shall apply for the transport of petroleum other than petroleum Class C in ship or other vessels, namely: -
(a) All tanks shall be fitted with independent approved filling and suctions pipes and valves, or with stand pipes with blank flanges, all pipes being carried down nearly to the bottom of the tanks, and no petroleum in bulk shall be taken on board or discharged except through such pipes and valves, unless otherwise permitted by the Chief Controller in writing;
(b) All tanks shall be fitted with manholes having screw-down cover with petroleum-tight joints and, in the case of tanks intended for use with petroleum class A, with ventilators or relief valves of approved pattern properly protected with wire gauge of a mesh not less than 11 meshes to linear centimeter; and
(c) Ventilators similarly protected shall be fitted to all spaces, around tanks.

27. Conclusion/Findings of Investigation:

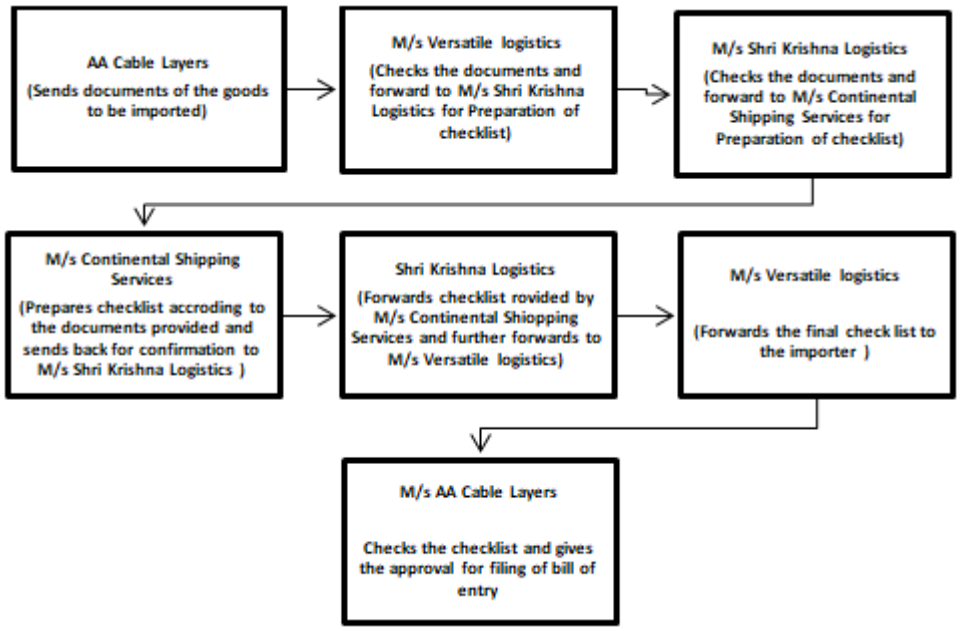
Whereas it appears from the foregoing paras that:

i. As per Condition No.5 of Import Policy of Chapter 27, import of Kerosene and Gas Oil which were imported by M/s A.A. Cable Layers in the consignment seized by DRI, by way of mis-declaration, is allowed only 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

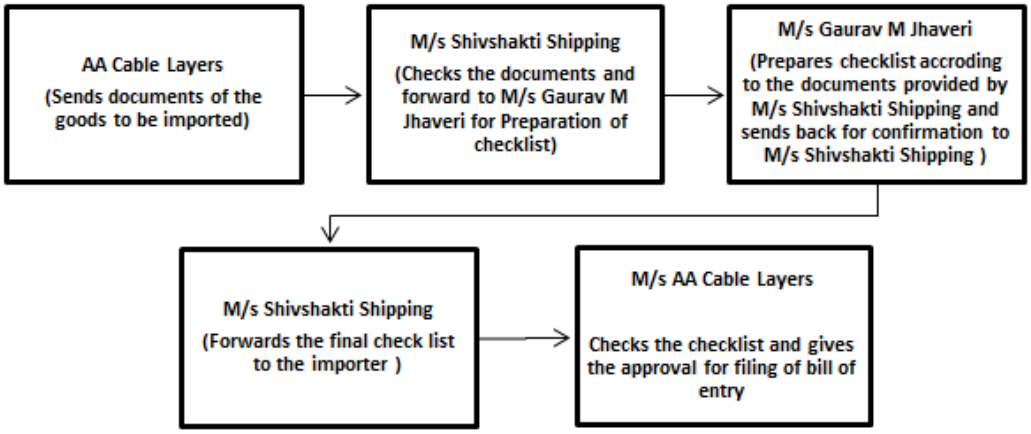
transportation fuels before the said date. Thus it is evident that the said goods are not freely importable but can be imported only by State Trading Enterprises such as IOCL, HPCL, BPCL and IBP.

ii M/s A.A. Cable Layers appeared to be well aware about the said restriction imposed by the Policy. As such in order to circumvent the said provision, in collusion with the CHAs namely M/s Continental Shipping Services, & M/s Gaurav. M .Jhaveri alongwith their respective subsidiary agents of M/s Continental Shipping Services namely M/s Versatile Logistics and M/s Shri Krishna Logistics and M/s Shiv Shakti Shipping who are subsidiary agents of M/s M/s Gaurav. M. Jhaveri, as well as Overseas Suppliers namely M/s Swathi Smart Ventures FZC and M/s Ecofuel Nexus in Dubai devised a modus operandi to import Kerosene and Gas Oil- (restricted commodities), in the garb of importing freely importable goods. The nexus of the said entities are explained with the help of chart as under

Pictorial depiction of flow of documents from M/s A.A. Cable Layers to the CHA - M/s Continental Shipping Services



Pictorial depiction of flow of documents from M/s A.A.Cable Layers to the CHA- M/s Gaurav.M.Jhaveri



ii. In accordance with the said modus operandi, the importer resorted to the import of Kerosene and Gas Oil by declaring the same as "*Mix/Mixed Hydrocarbon Oil (MHO) or Mixed Hydrocarbon Oil (For Industrial Use Only)*". They classified the said goods i.e "*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed Hydrocarbon Oil (For Industrial Use Only)*"under *Customs Tariff Heading (CTH) 27101990 which pertains to "Others"* where no restriction was prescribed in the Import Policy. In accordance with said modus operandi, the suppliers namely M/s Swathi Smart Ventures FZC and M/s Ecofuel Nexus in Dubai appear to have deliberately declared the said goods in the import documents viz invoices and the corresponding packing list as "*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed Hydrocarbon Oil (For Industrial Use Only)".*

iii. In order to give credence to the invoice and packing list, it appears that the supplier namely M/s Swathi Smart Ventures FZC issued Chemical Analysis Report on their letter head. The said Chemical Analysis Report appears to contain fabricated and fudged parameters of "*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed Hydrocarbon Oil (For Industrial Use Only)*" as the supplier himself certified the parameters of the goods.

iv. It appears that on the basis of fudged and fabricated documents namely invoice, Packing List and Chemical Analysis Report, the Importer namely M/s A.A. Cable Layers filed Bill of Entries wherein they declared the goods as "*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed Hydrocarbon Oil (For Industrial Use Only)*"and classified the same under Chapter Heading 27101990 wherein no restriction was in force in terms of the Import Policy.

v. It further appears that M/s A.A. Cable Layers all along were aware of the fact that the items which they sought to import actually were restricted items and as such they were not eligible to import the Gas Oil and the Kerosene. The documents were manipulated so that the same could be cleared on the basis of the mis-declaration and mis-classification of the goods with the Customs at Mundra Port.

vi. During the course of the investigations, M/s A.A. Cable Layers as well as their related entities involved in the case, were asked to submit supporting and related relevant documents, like buyer seller agreement, details of refinery/oil firm from where the consignment originated, copies of communication made with the supplier, copies of export declaration form filed in the supplier country etc pertaining to the said consignments vide summons issued to them. The said documents were called for as they would have enabled the identification of the commodity imported by M/s A.A. Cable Layers in the consignment under investigation. It appears that the documents were deliberately not submitted by them so as to prevent the identification of the commodity by the Officers of the DRI.

vii. In order to ascertain the exact nature of the goods and to confirm the identity, samples were drawn from the consignment which were sent to Government Lab namely IOCL, Panipat. The parameters of the test conducted by the Lab clearly suggest that the commodity covered under the consignments pertaining to the importer as declared in the import documents and the Bill of Entry were different and not as per the import documents filed by the importer. The parameters of the samples drawn from the consignments covered under BOE No.9788458 Dt. 23.01.2024, 9783769 Dt. 23.01.2024and 9783627 Dt. 23.01.2024 on being tested and analysed, indicate that all the parameters conform to IS1459 which pertains to Kerosene. As there is no deviation in all the parameters as mentioned in the Test reports vis-a vis parameters prescribed IS 1459, there appears to be no doubt about the identity of the said commodity. Further, the parameters of the samples drawn from the consignments covered under BOE no 9765080 Dt. 21.01.2024and 9765081 Dt. 21.01.2024on being tested and analysed by the IOCL suggests that except for sulphur all the parameters conform to that of the IS standard of Gas Oil (IS:17789). The Amendment to IS:17789 dated 2023 specifically mentions that Indian Refineries may opt for lower sulphur content as per the agreement between the seller and purchaser. All the parameters except sulphur have been found to be identical and though there seems to be deviation in respect of sulphur only, the same is only a quality parameter and has no relation with the identity of the commodity.

viii. The commodity sought to be actually imported viz Kerosene and Gas Oil under the subject consignments find specific mention in different tariff Item and not the tariff Item in which they were declared in the import documents i.e 27101990 which does not lay down any restriction if the goods are covered under the said CTH and are classified accordingly. It appears that the item has been given description *Mix Hydrocarbon Oil* so that the same can be classified in the category of Chapter Heading 27101990 pertaining to *others* deliberately where there is no restriction in the import of commodities falling in the said category of the Customs Tariff Act'1985.

ix. The importer failed to provide any document to substantiate the chemical composition/constituent if any of Mixed Hydrocarbon Oil. It appears that the mis-classification was done deliberately so as to mislead the department. The correct classification is 27101932 pertaining to "Kerosene as per IS 1459" and 27101941

pertaining to "Gas Oil". The act of mis-declaration and misclassification with the intent to import restricted goods namely Kerosene and Gas oil has been categorically accepted and acknowledged in their respective voluntary statements by M/s A.A Cable Layers and the CHAs namely M/s Continental Shipping Services, & M/s Gaurav. M. Jhaveri along with their respective subsidiary agents of M/s Continental Shipping Services namely M/s Versatile Logistics and M/s Shri Krishna Logistics and also by M/s Shiv Shakti Shipping who are subsidiary agents of M/s Gaurav. M. Jhaveri.

x. M/s A.A. Cable Layers are not an STE entity and hence they are not eligible to import the said restricted goods. Therefore they appeared to resort to the act of mis-declaration and mis-classification so as to import the said restricted goods.

xi. M/s A.A. Cable Layers failed to submit any document in support of the item *Mixed Hydrocarbon Oil* declared by the supplier in the import documents and Bills of Entries filed by M/s A.A. Cable Layers. Even subsequently during the course of the investigations after the containers were put on hold, till date they have not been able to submit any such document to substantiate the identity of the goods in accordance with declaration in Invoice & Packing list as well as bill of entries.

xii. M/s A.A. Cable Layers failed to provide specific use of the item "Mixed Hydrocarbon Oil". On being asked in his voluntary statement tendered under Section 108 of the Customs Act'1962 whether he was aware about the parameters/specifications of the MHO, Shri Gurmeet Singh, Partner of M/s A.A. Cable Layers gave vague reply that the MHO was used for industrial purposes. But he failed to provide information about the specific industry which used the Mixed Hydrocarbon Oil. Further, he could not state anything about the parameters /specification of Mixed Hydrocarbon Oil. Further even the CHAs and their agents could not give any information about the use of the Mixed Hydrocarbon Oil. This suggests that they were not aware about the use of the said commodity i.e "Mixed Hydrocarbon Oil" as the same was not intended to be imported actually in the containers put on hold and subsequently examined by the Officers of the DRI.

xiii. The parties also appear to have violated the provisions of Petroleum Act, 1934. The goods were imported in gross violation of the said provisions. The Petroleum Act, 1934, classifies petroleum products into 3 categories based on their flash points as detailed below:

S. No	Petroleum products Class	Flash Point
1	Class A	Below 23°C (73°F)
2	Class B	Between 23°C and 65°C (73°F to 149°F)
3	Class C	Between 65°C and 93°C (149°F to 200°F)

Further, as per the test reports the goods in question here fall under the "Class B" category of petroleum products as per the Petroleum Act 1934. Class B petroleum products are hazardous, and their import, storage, and transport

are strictly regulated. Now to import the class B category of petroleum products an Importer has to follow certain rules and require certain certifications as discussed below:

1. Class B petroleum products must be handled with proper care due to their flammable nature. The Petroleum Act and the Petroleum Rules, 2002, mandate the use of appropriate containers for the storage and transport of such products. Flexi bags are not suitable for carrying Class B petroleum products because they do not meet the stringent safety standards for the containment of flammable liquids. Containers used for storing and transporting Class B petroleum must be certified as per PESO standards and must be explosion-proof and fire-resistant to prevent any accidental ignition. The use of Flexi bags, which are typically not compliant with these safety norms, violates this requirement.

2. Any importer dealing with Class B petroleum products must have requisite licenses and approvals, such as an import license from the Petroleum and Explosives Safety Organization (PESO).

By importing restricted Class B petroleum in Flexi bags in total disregard of the safety norms which could lead to serious mishaps, M/s A.A. Cable Layers in the greed for earning illicit profits have put the public and the environment at great risk.

xiv. Shri Gurmeet Singh, partner of M/s A.A. Cable Layers on being shown the Test Reports and the parameters mentioned therein has accepted the conclusions and findings of the Test Reports of IOCL. He has also accepted that the consignments were mis-declared and misclassified. On the basis of the conclusions of the Test Reports he agreed that the respective consignments comprised of Kerosene and Gas Oil as suggested in the said Test Report. However he has sought to shift the onus and blame for mis-declaration upon the supplier and has claimed that the issue of the mis-declaration can be explained by the supplier. He has sought to project his innocence in the case which however was not the case. The fact that the importer has not produced any document from the supplier or the supplier has not issued any clarification till date, suggests that the consignment was as per the orders placed by M/s A.A. Cable Layers.

xv. The provisions of Section 17 (1)of the Customs Act, 1962 read with Section 2 (2) of the Customs Act and CBIC Circular No. 17/2011-Customs dated 08.04.2011 lay down onus on the importer and the CHAs to determine duty, classification etc. by way of self-assessment. The importer, at the time of self-assessment, is required to ensure that he declared the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. By furnishing incorrect and wrong information in the import documents, it appears that M/s A.A. Cable Layers and the CHAs –M/s Continental Shipping Services

and M/s Gaurav. M. Jhaveriappear to have violated the provisions of the said Section 17(1) read with Section 2(2) of the Customs Act'1962.

xvi. 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. Further, in terms of Section 46 (4A) of the Customs Act, 1962, the importer who presents a bill of entry shall ensure the accuracy and completeness of the information given therein; shall ensure the authenticity and validity of any document supporting it; and shall ensure compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force. In the instant case it appears that the importer was fully aware of the actual goods imported by them. Also on being shown with the Test Reports, Shri Gurmeet Singh hasaccepted that they had mis- declared the description imported under subject bills of entry before the custom authorities in his voluntary statement. Thus, in view of the facts discussed in the foregoing paras and material evidences available on records, it appears that the importer has contravened the provisions of Section 46(4) and 46(4A) of the Customs Act, 1962, in as much as they had intentionally mis-declared the description of the goods imported by them with a malafide intention to import a restricted good under the garb and guise of a freely importable good.

xvii. Further, by attempting to import restricted goods, the importer- M/s A.A. Cable Layers appear to have indulged in the act of smuggling as defined under Section 2(39) of the Customs act'1962. With the introduction of self-assessment and consequent upon amendments to Section 17 of the Customs Act, 1962 w.e.f. 08.04.2011, it was the obligatory on their part to declare the actual description and correct classification of the goods imported by them and pay the duty applicable in respect of the said goods. Therefore, by not disclosing the true and correct facts to the proper officer, at the time of filing of Bill of Entry for the respective consignment, the importer appears to have indulged in mis-declaration and mis-classification by way of suppression of facts and willfully mis-declared and mis-classified the imported goods with intent to import restricted goods. Thus, the importer appears to have contravened the provisions of Section 46(4) & 46(4A) of the Customs Act, 1962, in as much as they have mis-classified and mis-declared the goods imported by them by suppressing the true and actual description of the goods, while filing the declaration seeking clearance at the time of importation of impugned goods.

xviii. The facts and the investigations have revealed that the CHAs- M/s Gaurav M. Jhaveri and M/s Continental Shipping Services were actively involved in facilitating and assisting the customs clearance of the restricted goods namely Kerosene and Gas Oil in the garb of Mixed Hydrocarbon Oil. Both the CHAs appear to have failed to fulfil the following obligations as prescribed under Regulation 10 of Customs Broker Licensing Regulation 2018-

(b) transact business in the Customs Station either personally or through an authorised employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be

(d) advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;

(e) exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage;

(q) co-operate with the Customs authorities

They failed to fulfil the said obligations as under:

(A) M/s Gaurav. M. Jhaveri allowed their sub-agents- M/s Shivshakti Shipping and M/s Ashirvad Shipping & Logistics to utilize their "F" Card for import of restricted goods by way of mis-declaration and mis-classification. M/s Shivshakti Shipping and M/s Ashirvad Shipping & Logisticswere allowed to engage themselves and conduct business of customs clearance on their behalf in violation of obligation (b) of Regulation 10. M/s Shiv Shakti Shipping have been found to negotiate with M/s A.A. Cable Layers on behalf of M/s Gaurav. M. Jhaveri, and in fact the bill for the agency charges are raised by M/s Aashirvad Shipping & Logistics upon the Importer. Thereafter M/s Shivshakti Shipping raised bill upon M/s Ashirvad Shipping & Logistics after deducting 25% from the bill amount raised by M/s Ashirvad Shipping & Logistics upon the Importer i.e M/s A.A. Cable Layers. Subsequently M/s Gaurav. M. Jhaveri raised bill @ Rs.750/- per container upon M/s Shivshakti Shipping in respect of the amount raised as agency charges. Thus it is seen that the lion's share is taken and shared by the sub-agents and not by the CHA-i.e M/s Gaurav. M. Jhaveri. The employees of sub-agents- M/s Shivshakti Shipping and M/s Ashirvad Shipping & Logisticshave been found to be actively involved in the process of customs clearance like obtaining documents, deciding the classification of the goods with the importer in violation of the obligation though the sub-agents were not authorized to do so. Further M/s Gaurav.M.Jhaveri also appear to have not advised their client as obligated vide obligation (d) of the Regulation 10 to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof. They further did not bring the violations and contraventions of the import of restricted goods by way of mis-declaration and mis-classification to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs. They did not advise them against importing restricted commodities by way misclassification and mis-declaration in flexi bags in violation of the provisions of the Customs Act'1962 and the Petroleum Act'1934. M/s Gaurav.M.Jhaveri appear to also have violated the obligation (e) as they did not exercise due diligence to ascertain the correctness of the details and documents provided by the importer for filing of bill of entries. They have been found to be in the business of customs clearance for a considerable period of time yet they did not ask for any proper chemical/analysis report from the importer in support of the

details and the description filed by then in the Bills of Entry in respect of the goods sought to be imported under vide the consignments under investigation. In fact they submitted the fudged and fabricated parameters reproduced by the supplier as Chemical Analysis Report alongwith the bills of entries in support of the goods mis-declared as Mixed Hydrocarbon Oil. M/s Gaurav.M.Jhaveri also did not co-operate with the Customs authorities as provided under obligation (q) of the Regulation 10 of the CBLR. During the course of the investigations they did not disclose vital information relating to the case on their own. However, on being shown the relevant documents subsequently they have accepted the Lab Reports and have also accepted that the consignments were mis-declared and misclassified in their voluntary statements.

(B) Similarly, M/s Continental Shipping Services another CHA of M/s A.A. Cable Layers allowed their respective sub-agents namely - M/s Versatile Logistics and Shri Krishna Logistics engage and conduct business of customs clearance on the basis of "F" card issued to M/s Continental Shipping Services in violation of obligation (b) of Regulation 10. They further allowed their Offices and infrastructure to be used by the sub-agents in this regard. Though the sub-agents have projected themselves as forwarding agents, they have been found to facilitate the clearance of the import consignments of M/s A.A. Cable layers by virtue of the 'F' card of Ms Continental Shipping Services. Further, M/s Krishna Logistics raised a bill on M/s Versatile Logistics @15,000/- per container and subsequently, the authorized entity i.e the CHA- M/s Continental Shipping Services raised a bill of mere Rs.2000/- per container upon M/s Krishna Logistics for customs clearance charges. Thus the role of the sub-agents can be guaged by the major share taken by M/s Krishna Logistics in the clearance of the seized consignments. Further the payment has been found to have not been received by the CHA- M/s Continental Shipping Services but through the sub-agents after they have received their respective share. The employees of the sub-agents have also been found to be actively involved in the process of customs clearance like obtaining documents, deciding the classification of the goods with the importer in violation of the obligation (b) as transaction of business in the Customs Station can be done either personally or through an authorized employees. The employees of sub-agents though not being authorized to conduct business were actively conducting customs clearance in disregard of the obligation. M/s Continental Shipping Services failed to advise their client as obligated vide obligation (d) of the Regulation 10 to comply with the provisions of the Act, other allied Acts and the rules and regulations. They did not advise them against importing restricted commodities by way misclassification and mis-declaration for not being qualified to do so. Further the restricted goods were imported in flexi bags in violation of the provisions of the Customs Act'1962 and the Petroleum Act'1934. M/s Continental Shipping Services also appear to have failed to comply with the obligation (e) as they failed to exercise due diligence to ascertain the correctness of the decorations and the details furnished in the import documents and the bill of entries. They also did not ask the importer to procure and file relevant supporting documents to enable identification

of the goods. They should have advised M/s A.A. Cable Layers against filing fudged and fabricated parameters reproduced by the supplier as Chemical Analysis Report. They did not advise them to get proper chemical report from the supplier. They appear to have not fulfilled the obligation (q) of Regulation 10 as they did not co-operate with the Customs authorities during the course of the investigations and did not disclose vital information relating to the case on their own. However, on being shown the relevant documents subsequently they have accepted the Lab Reports and have also accepted that the consignments were mis-declared and misclassified in their voluntary statements

Thus both the CHAs- M/s Continental Shipping Services and M/s Gaurav. M. Jhaveri appear to have acted in tandem with the importer- M/s A.A. Cable Layers in the illicit and illegal import of the restricted commodity. They have attempted to project their innocence in the case by stating that they filed import documents on the basis of the documents provided by the importer but considering the goods and the Chapter of the goods they had the responsibility of ensuring that the importer does not indulge in the illicit act of smuggling of restricted commodities or violate the provisions of Customs Act'1962 which rested on their shoulders in accordance with the obligations laid down in Regulation 10 of the Customs Broker Licensing Regulation 2018. But they have been found to have not observed and complied with the obligations prescribed under the Customs Broker Licensing Regulation 2018.

xix. Since the consignments consisting of 66 containers pertaining to 5 BEs were imported by way of mis-declaration and mis-classification as Mixed Hydrocarbon Oil in the manner as discussed above in contravention of Section 17 (1), Section 46(4) and 46(4A) ,and is liable for confiscation in terms of Section 111(d), (f), (l) and (m) of Customs Act, 1962. Further, M/s A.A. Cable Layers, Shri Gurmeet Singh, M/s Gaurav M. Jhaveri, M/s Continental shipping services, M/s Aashirvad Shipping & Logistics, Shri Ruparelketan of M/s M/s Shivshakti Shipping, Shri Satish Maheshwari of M/s Krishna Logistics and M/s Versatile Logistics for their respective roles in the instant case appear to have rendered themselves liable for imposition of penalty under Section 112, and 114 AA of the Customs Act'1962.

28.1 Role played by the Importer- M/s AA Cable Layers

Whereas it appears that M/s A.A. Cable Layers deliberately resorted to illicit import of restricted goods (Kerosene and Gas Oil) under the guise of "Mixed Hydrocarbon Oil (MHO)" to bypass import restrictions applicable to non-State Trading Enterprises (STEs).They misused Customs Tariff Heading 27101990 ("Others") to declare the goods as freely importable. M/s A.A. Cable Layers colluded with suppliers (M/s Swathi Smart Ventures FZC and M/s Ecofuel Nexus) to submit falsified invoices, packing lists, and chemical Analysis Reports that misrepresented the true nature of the goods. They further failed to declare the correct classification and description of goods during self-assessment under Section 17(1) of the Customs Act, 1962. And provided inaccurate and incomplete information in the Bills of Entry, violating Sections 46(4) and 46(4A) of the Customs Act, 1962. M/s A.A. Cable Layers

were fully aware that the imported items were restricted commodities (Kerosene and Gas Oil) and not "Mixed Hydrocarbon Oil," as evidenced by voluntary statements. They deliberately withheld key documents, including buyer-seller agreements and export declarations, to prevent the identification of the goods. The mis-declared goods namely Kerosene and Gas Oil have been categorized as hazardous Class B petroleum products (Kerosene and Gas Oil) but were imported in unsafe Flexi bags, violating and compromising safety norms mandated by the Petroleum Rules, 2002. The misdeeds and malafide acts of M/s A.A. Cable Layers appear to be confirmed from the fact that they accepted the findings of the lab tests conducted by IOCL, which confirmed the goods as Kerosene and Gas Oil. They have attempted to pass the responsibility for their malafide act of importing restricted goods on the shoulders of the supplier. The illicit acts of M/s A.A. Cable which include mis-declaration, misclassification, and illegal importation of restricted petroleum products appear to violate multiple provisions of the Customs Act, 1962, the Foreign Trade Policy, and the Petroleum Act, 1934 for financial gain. The illicit import of the said restricted goods viz Kerosene and Gas Oil tantamounts to act of smuggling as defined under Section 2(39) of the Customs Act'1962. Thus, for their acts of omission and commission in the case borne out by the investigation, M/s A.A. Cable Layers have rendered themselves for penalty under the provisions of Sections 112 (a) and/or 112(b) and/or 114 AA of the Customs Act'1962.

28.2 Role played by the Partner- M/s A.A. Cable Layer- Shri Gurmeet singh.

Shri Gurmeet Singh has been found to be one of the partners of the firm – M/s A.A. Cable Layers. He has been found to the active partner who appears to be actively involved in managing the affairs of the firm. He appears to be fully aware that the imported goods were restricted commodities (Kerosene and Gas Oil) and intentionally mis-declared them as "Mixed Hydrocarbon Oil (MHO)" to bypass import restrictions imposed by the Customs Tariff and Foreign Trade Policy. He appears to have deliberately failed to provide relevant supporting documents, including buyer-seller agreements, export declarations, or specific uses of the purported "Mixed Hydrocarbon Oil," . This further appears to substantiate the charge of consciously importing restricted goods in the guise of mis-declared goods.As an partner of the firm who was responsible for ensuring compliance, Shri Gurmeet Singh failed to declare the actual description, classification, and applicable duty of the imported goods, thereby violating the provisions of Section 17(1) of the Customs Act, 1962.Shri Gurmeet Singh admitted to the findings of IOCL lab tests that identified the goods as Kerosene and Gas Oil but attempted to shift blame onto the shoulders of the suppliers. He failed to ensure compliance of licensing and safety requirements mandated for handling Class B petroleum products. He withheld vital documents and information during the investigation to prevent the identification of the true nature of the goods. As a key decision-maker, Shri Gurmeet Singh knowingly engaged in acts that meet the definition of smuggling under Section 2(39) of the Customs Act, 1962, and appears to have thereby rendered himself for penalty under the provisions of Sections 112 (a) and/or 112(b) and/or 114 AA of the Customs Act'1962.

28.3 Role played by the CHA- M/s Continental Shipping Services

Whereas it appears that M/s Continental Shipping Services were also equally involved in the illicit import of the restricted goods namely restricted items (Kerosene and Gas Oil) under the guise of freely importable goods labelled as "Mix Hydrocarbon Oil (MHO)." They allowed sub-agents - M/s Versatile Logistics and Shri Krishna Logistics to transact business at Ports unauthorizedly as they were not qualified to transact customs work. They permitted sub-agents to actively engage in work related to customs clearance, including document processing and classification decisions in contravention of the provisions of Customs Broker Licensing Regulation 2018. They have been found to have not fulfilled the obligations prescribed upon them also under the said Regulation 10 of Customs Broker Licensing Regulation 2018. As a Customs House Agent, they did not advise M/s A.A. Cable Layers to comply with the applicable laws under the Customs Act, 1962, and the Petroleum Act, 1934. They appear to be in complete agreement with the importer regarding misclassification and mis-declaration of restricted petroleum products as "Mix Hydrocarbon Oil (MHO)." M/s Continental Shipping Services failed to exercise due diligence and did not verify the accuracy and the authenticity of import documents, including invoices and chemical analysis reports. They failed to ensure submission of genuine supporting documents to identify the imported goods. This becomes more important and critical in view of the kind of goods being imported. M/s Continental Shipping Services filed false/fabricated documents, enabling the import of restricted petroleum products in unsafe Flexi bags, violating the Petroleum Act, 1934, and Customs Act, 1962. For their acts of facilitating import of restricted goods in the manner as discussed herein before which tantamounts to smuggling as per Section 2(39) of the Customs Act'1962, M/s Continental Shipping Services appeared to have rendered themselves for penalty under the provisions of Sections 112 (a) and/or 112(b) and/or 114 AA of the Customs Act'1962.

28.4 Role played by the CHA- M/s Gaurav M. Jhaveri

Similarly, it appears that M/s Gaurav M. Jhaveri the other CHA of the Importer-M/s A.A. Cable Layers were also equally involved in the illicit import of the restricted goods namely restricted items (Kerosene and Gas Oil) under the guise of freely importable goods labelled as "Mix Hydrocarbon Oil (MHO)." M/s Gaurav M. Jhaveri allowed sub-agents (M/s Shivshakti Shipping and M/s Ashirvad Shipping & Logistics) to transact business at Ports. They permitted sub-agents to actively engage in customs clearance, including document processing and classification decisions. They have been found to have not fulfilled the obligations prescribed under Regulation 10 of Customs Broker Licensing Regulation 2018. As a Customs House Agent, they did not advise M/s A.A. Cable Layers to comply with the applicable laws under the Customs Act, 1962, and the Petroleum Act, 1934. They similarly allowed misclassification and mis-declaration of restricted petroleum products as "Mix Hydrocarbon Oil (MHO)." M/s Gaurav M. Jhaveri failed to exercise due diligence and

did not verify the accuracy and the authenticity of import documents, including invoices and chemical analysis reports. This becomes more important and critical in view of the kind of goods being imported. M/s Gaurav M. Jhaveri filed false/fabricated documents, enabling the import of restricted petroleum products in unsafe Flexi bags, violating the Petroleum Act, 1934, and Customs Act, 1962. For their acts of omission and commission in the case borne out by the investigation, which tantamount to smuggling in accordance with Section 2(39) of the Customs Act'1962, M/s Gaurav M. Jhaveri appeared to have rendered themselves for penalty under the provisions of Sections 112 (a) and/or 112(b) and/or 114 AA of the Customs Act'1962

28.5 Role Played by Shri Satish Maheshwari (M/s Krishna Logistics):

Shri Satish Maheshwari Handled customs clearance operations at Mundra Port on behalf of the CHA, M/s Continental Shipping Services, without valid authorization under CBLR, 2018. He received import documents from M/s Versatile Logistics and directly negotiated with the importer for customs-related work.Shri Satish Maheshwari prepared and forwarded checklists for Bills of Entry, which facilitated the misclassification and clearance of restricted goods. He charged Rs. 15,000 per container for customs clearance services, significantly more than the CHA's charges, emphasizing his key role in the illicit operations. Shri Satish Maheshwari thus appears to have played a central role in deciding the classification of restricted goods (Kerosene and Gas Oil) and ensuring their clearance through mis-declaration and misuse of the CHA's "F" card. Thus he appears to have rendered himself for penalty under the provisions of Sections 112 (a) and/or 112(b) and/or 114 AA of the Customs Act'1962 as he appeared to be involved in the act of facilitating restricted goods.

28.6 Role played by Shri Ravindra Sawant (M/s Versatile Logistics)

Whereas it appears that Shri Ravindra Sawant received import documents from M/s A.A. Cable Layers and forwarded them to M/s Krishna Logistics for further processing and filing through the CHA, M/s Continental Shipping Services. He verified the checklists prepared by M/s Krishna Logistics and sent it to the importer for approval before the Bill of Entry filing. Despite being labeled as a forwarding agency, Shri Ravindra Sawant was actively involved in customs clearance tasks, including document processing and KYC verification. Shri Ravindra Sawant also played a significant role in enabling the illicit import of Kerosene and Gas Oil by working with M/s Krishna Logistics and the CHA. He appears to have rendered himself for penalty under the provisions of Sections 112 (a) and/or 112(b) and/or 114 AA of the Customs Act'1962 for his role in the case of illicit import of restricted goods.

28.7 Role Played by Shri Ketan Ruparel (M/s Shivshakti Shipping):

Shri Ketan Ruparel Acted as an unauthorized sub-agent of M/s Gaurav M. Jhaveri, handling customs clearance work without possessing a valid 'F' Card. He acted as the intermediary between the importer and the CHA by negotiating with the importer and

collecting documents for customs clearance. Shri Ketan Ruparel played a direct role in deciding the classification of goods and forwarding checklists from the CHA to the importer for approval. He received Rs. 15,000 per container as clearance charges while M/s Gaurav M. Jhaveri received only Rs. 750 per container, highlighting his pivotal role in the customs clearance process. He also allowed M/s Shivshakti Shipping to use the office, infrastructure, and employees of M/s Aashirvad Shipping for customs clearance work without a valid 'F' Card. For being associated in the act of importing restricted goods which appears to be akin to smuggling as defined in Section 2(39) of the Customs Act'1962, he appears to have rendered himself for penalty under the provisions of Sections 112(a) and/or 112(b) and/or 114 AA of the Customs Act'1962.

28.8 The role of the respective sub-agents in the case is discussed as under:

A. **M/s Shivshakti Shipping**:

M/s Shivshakti Shipping have acted as sub-agent of M/s A.A. Cable Layers in the instant case. In the voluntary statement tendered by Shri Ruparel Ketan, partner of the firm, he has accepted that they share portion of agency charges which is received for customs related work. They have also accepted that they bring business for the CHA- M/s Gaurav.M.Jhaveri. Further they have stated that they obtain relevant documents from the clients and forward them to M/s Gaurav.M.Jhaveri for customs related work. They have been found to be the interface between the CHA and the importer and has been stated that they only negotiate with the clients on behalf of M/s Gaurav.M.Jhaveri. They have been found to get major chunk of the agency charges amounting to Rs.15,000/- per container while the CHA-M/s Gaurav. M. Jhaveri has been found to be getting a mere amount of Rs.750/- per container for customs clearance work. In spite of the regulations prescribed under the Customs Broker Licensing Regulation 2018, he has found no anomaly in engaging and conducting business of customs clearance work without possessing valid 'F' Card. Further it has also been stated that they look after customs related work of petroleum products only. Further they have been even found to be involved in the decision of classification of goods and forwarding of the checklist from the CHA to the Importer for approval. The involvement of M/s Shivshakti Shipping Services is unauthorized as he does not possess valid 'F' Card and have acted on the basis of the 'F' Card issued to M/s Guarav.M.Jhaveri. For being involved in illicit import of restricted goods by attending to customs clearance work of the said goods which amounts to smuggling in terms of the provisions of Section 2(39) of the Customs Act'1962, they appeared to be liable for penalty penalty under the provisions of Sections 112(a) and/or 112(b) and/or 114 AA of the Customs Act'1962.

B. **M/s Aashirvad Shipping & Logistics**:

M/s Aashirvad Shipping & Logistics provided the office and the premises to M/s Shivshakti Shipping Services to conduct customs clearance work unauthorisedly without a valid 'F' Card. In fact M/s Shivshakti Services is registered at the address of M/s AashirvadShipping & Logistics. M/s Shivshakti Services have been found to have not only utilised the premises but they have utilised the infrastructure also. They further utilise the services of the employees of M/s Aashirvad Shipping & Logistics in the process. In order to justify the utilisation of the premises and the infrastructure it has been stated that the same was done as rent was unaffordable. As agency charges for customs clearance work, bill for same is first raised by M/s Aashirvad Shipping & Logistics and subsequently, the bill is raised by M/s Shiv Shakti Shipping for their share upon M/s Aashirvad Shipping & Logistics. Thus it appears that they played an important role in the case and in the act of illicit import of Kerosene and Gas Oil which can be termed as smuggling in terms of Section 2(39) of the Customs Act'1962, they appeared to be liable for penalty penalty under the provisions of Sections 112(a) and/or 112(b) and/or 114 AA of the Customs Act'1962.

C. M/s Krishna Logistics:

M/s Krishna Logistics have been found to be sub-agent of the CHA –M/s Continental Shipping Services. In the voluntary statement tendered by Shri Satish Maheshwari authorized representative of M/s Krishna Logistics, he stated that they were authorized by the CHA firm-M/s Continental Shipping Services to look after work related to import. He also submitted a copy of the said letter. Such an authorization is invalid and gross violation of the provisions of the Customs Broker Licensing Regulation 2018. He further stated that they had been authorised to handle day to day operations at Mundra Port on behalf of M/s Continental Shipping Services and were in fact over all in charge. They have been found to receive documents on their e-mail from M/s Versatile Logistics who receive documents from the importer-M/s A.A.Cable Layers. The firm has been admittedly negotiating with the clients for customs related work on behalf of the CHA. They have been involved in deciding the classification of the seized consignments. They also prepared check list in respect of bill of entry to be filed for the seized consignment which were forwarded to the importer through M/s Versatile Logistics for approval of the importer. Further they receive a substantial amount of Rs.15,000/- per container as clearance charges whereas the importer received a mere amount of Rs.2500/- per container for MHO and Rs.2000/- per container for base oil. On comparison of the payment received by M/s Krishna Logistics vis-à-vis the CHA- M/s Continental Shipping Services the amount appears to be unjustified and underlines the role and the involvement of the firm in the illicit import of the seized containers. They have benefitted greatly from the active role in the illicit import and smuggling of kerosene and gas oil by way mis-declaration and mis-classification for which they got substantial sum of share which was set aside for customs clearance. For the acts and role in the import of restricted goods which appears to be smuggling as defined under Section 2(39) of the Customs Act'1962, they appeared to be liable for penalty penalty under the provisions of Sections 112(a) and/or 112(b) and/or 114 AA of the Customs Act'1962.

D. M/s Versatile Logistics-

Alongwith M/s Krishna Logistics, M/s Versatile Logistics have also been found to be actively involved in the activity of illicit import of Kerosene oil and Gas Oil by way of smuggling. They have been found to receive the import documents from the importer which were forwarded to M/s Krishna Logistics for onward filing by the CHA- M/s Continental Shipping Services. Further they receive the check list from M/s Krishna Logistics which was forwarded by them to the importer for approval before filing of the bill of entry. They have also been stated to verify the KYC of the importer. Though they have been described as a forwarding agency but their role suggests that they were involved in the Customs clearance work though they were not eligible for the same. They alongwith M/s Krishna Logistics roped in M/s Continental Shipping Services to use "F" card for effecting the customs clearance related work. Thus it appears that they also played a major role in the illicit import and smuggling of Kerosene and Gas Oil by M/s A.A.Cable Layers. They appear to to be liable for penalty under the provisions of Sections 112(a) and/or 112(b) and/or 114 AA of the Customs Act'1962 for being involved in the illicit import of restricted goods which also appears to be an act of smuggling as can be inferred from the definition given in Section 2(39) of the Customs Act'1962.

29. Accordingly, Show Cause Notice issued vide F. No. GEN/ADJ/ADC/307/2025-Adjn dated 28.01.2025 was issued to the importer **M/s A.A. Cable Layers (IEC-AARFA0902A)** calling upon it to show cause as to why:-

(i) The declared classification of the impugned goods i.e. Kerosene having total quantity 767.88 MTS mis-declared as Mix Hydrocarbon Oil under Customs Tariff Item 27101990 under Bill of entry no. 9788458 Dt. 23.01.2024, 9783769 Dt. 23.01.2024 and 9783627 Dt. 23.01.2024, should not be denied and re-classified under the Customs Tariff Item 27101932

(ii) The declared classification of the impugned goods i.e. Gas Oil having total quantity 505.08 MTS mis-declared as Mix Hydrocarbon Oil under Customs Tariff Item 27101990 under Bill of entry no. 9765080 Dt. 21.01.2024 and 9765081 Dt. 21.01.2024, should not be denied and re-classified under the Customs Tariff Item 27101941.

(iii) Kerosene and Gas oil sought to be imported by them in 66 containers pertaining to 5 Bilss of Entry having declared value of Rs 5,25,23,042/-seized under Section 110 of the Customs Act'1962 vide Seizure Memorandums dated 07/05/2024 and 27/05/2024 lying seized at Mundra Port should not be confiscated under Sections111(d), 111(f), 111(l) & 111(m) of the Customs Act'1962.

(iv) Penalty should not be imposed upon them under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act'1962.

29.1. Accordingly, Show Cause Notice was also issued to the importer Shri Gurmeet Singh, Partner of M/s A.A. Cable Layers calling upon it to show cause as to why penalty should not

be imposed upon him under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act'1962.

29.2 Accordingly, Show Cause Notice was also issued to M/s Gaurav M. Jhaveri, Customs House Agent calling upon them to show cause as to why penalty should not be imposed upon them under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act, 1962.

29.3 Accordingly, Show Cause Notice was also issued to M/s Continental Shipping Services, Customs House Agent calling upon them to show cause as to why penalty should not be imposed upon them under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act, 1962.

29.4 Accordingly, Show Cause Notice was also issued to Ms. Shanmuga Jayashree, Partner, M/s Continental Shipping Services, calling upon her to show cause as to why penalty should not be imposed upon her under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act, 1962.

29.5 Accordingly, Show Cause Notice was also issued to Shri Satish Maheshwari of M/s Krishna Logistics, Sub-agent of CHA calling upon him to show cause as to why penalty should not be imposed upon him under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act, 1962.

29.6 Accordingly, Show Cause Notice was also issued to Shri Ruparel Ketan, Partner, M/s Shivshakti Shipping, Sub-agent of CHA calling upon him to show cause as to why penalty should not be imposed upon him under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act, 1962.

29.7 Accordingly, Show Cause Notice was also issued to M/s Aashirvad Shipping & Logistics, Sub-agent of CHA calling upon them to show cause as to why penalty should not be imposed upon them under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act, 1962.

29.8 Accordingly, Show Cause Notice was also issued to M/s Shivshakti Shipping, Sub-agent of calling upon them to show cause as to why penalty should not be imposed upon them under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act, 1962.

29.9 Accordingly, Show Cause Notice was also issued to M/s Krishna Logistics, Sub-agent of CHA calling upon them to show cause as to why penalty should not be imposed upon them under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act, 1962.

29.10 Accordingly, Show Cause Notice was also issued to M/s Versatile Logistics through its Proprietor Shri Ravinder Sawant, Sub-agent of CHA calling upon them to show cause as to why penalty should not be imposed upon them under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act, 1962.

WRITTEN SUBMISSIONS

30. The SCN dated 28.01.2025 was served upon all the Noticees through proper channels. Opportunity to file written submissions and appear for personal hearing was duly afforded to all the Noticees. The submissions made by each Noticee in writing are summarised below.

30.1 M/s A.A. Cable Layers (Noticee No. 1) and Shri Gurmeet Singh, Partner (Noticee No. 2) — The importer submitted written replies vide letters dated 01.04.2025, 06.10.2025 and 03.11.2025. The Advocate Ms. Shweta Garge appeared for personal hearing on 30.04.2025 (in virtual mode), 04.07.2025 and 27.11.2025, and reiterated the written submissions. The Noticees have *inter alia* submitted as under:

(i) The test report dated 08.04.2024 is not conclusive as all parameters under IS:1459 (for Kerosene) and IS:17789 (for Gas Oil) were not tested. Specifically, the "Final Boiling Point" for Kerosene and "Water and Sediments volume percent" for Gas Oil were not tested. Reliance placed on Roshan Petrochem (CESTAT) and Swarna Oil Service (CESTAT Ahmedabad), wherein it was held that a report is not conclusive if all parameters are not tested.

(ii) Samples were drawn from only one container per BE out of 14/12 containers — this is not representative and hence the test findings cannot be applied to the entire consignment.

(iii) All import documents (invoice, packing list, chemical analysis report) clearly described the goods as "Mixed Hydrocarbon Oil." The importer was acting in bonafide belief based on supplier documents.

(iv) If the goods were indeed Kerosene or Gas Oil, the supplier sent the wrong goods by mistake — the onus of misdeclaration should lie on the supplier, not the importer.

(v) Request for re-test of samples from all 66 containers by a recognized laboratory. Alternatively, request for re-export of goods at minimum Redemption Fine and penalty in view of bonafide belief and the non-conclusive test report. The goods should not be auctioned as adjudication is pending.

(vi) Continuous detention is causing chemical deterioration, quality loss, and financial damage including demurrage/CFS charges of Rs. 30 lakhs per container. Foreign exchange outgo already incurred.

30.2 M/s Gaurav M. Jhaveri, CHA (Noticee No. 3) — Written submission dated 04.07.2025 filed through Advocate Shri Chandan Kumar Jain (CJ Legal). They have *inter alia* submitted as under:

(i) The Noticee is a Mumbai-based CHA and handled Mundra Port clearance through representative Shri Ruparel Ketan (M/s Shivshakti Shipping). Bills of Entry were filed

on the basis of documents provided by the importer after due KYC verification. The arrangement with M/s Shivshakti Shipping is a legitimate business expansion arrangement, not a violation of CBLR.

(ii) BOEs were filed on first check basis voluntarily — demonstrating bonafide and due diligence on the part of the CHA. No maldeclaration was known to the CHA before test reports.

(iii) The CHA received only Rs. 750/- per container and has no connection with any commission charged by the sub-agent. There is no allegation of any financial gain or pecuniary benefit accruing to the CHA from the alleged misdeclaration.

(iv) Goods found to be Kerosene/Gas Oil only after test reports — no prior knowledge alleged against the CHA. Violation, if any, is solely attributable to the importer.

(v) CBIC Instruction No. 20/2024-Customs dated 03.09.2024 directs avoidance of routine implication of CHAs in matters involving interpretative disputes. Penalty under Sec. 112 and 114AA cannot be imposed in absence of mens rea / prior knowledge.

(vi) Case laws relied upon: P.D. Prasad & Sons (2017 ELT 1004), Adani Wilmar (2015 ELT 549), D.S. Cargo Service (2009 ELT 769), Prime Forwarders (2008 ELT 137).

30.3 M/s Continental Shipping Services (Noticee No. 4) and Ms. Shanmuga Jayashree, Partner (Noticee No. 5) — Written submission dated 20.08.2025 filed through Shri Vikas Mehta, Consultant. They have *inter alia* submitted as under:

(i) M/s Continental is a licensed CHA and acted solely on the basis of documents provided by the importer. As a CHA, M/s Continental is not expected to and cannot examine and ensure the nature of goods in a consignment. Reliance placed on Chakiat Agencies vs CC Chennai (2023 TMI 490) and HIM Logistics vs CC New Delhi (2016 ELT 388).

(ii) BOEs were filed on first check basis — demonstrating due diligence. The CHA had no prior knowledge of the goods being restricted.

(iii) CBLR violations (Reg. 10(b)(d)(e)(q)) are to be addressed in separate CBLR proceedings, not in the present adjudication under Sec. 112/114AA of the Customs Act.

(iv) Section 112(a) and 112(b) cannot be simultaneously imposed. Sec. 114AA requires 'knowingly or intentionally' making false documents — this element is absent.

(v) Relied upon Mundra Commissioner's OIO MUN-CUSTM-000-COM-12-23-24 dt. 04.09.2023 where penalty on CHA under Sec. 112 and 114AA was dropped.

(vi) Cross-examination of Shri Satish Maheshwari, Shri Ravinder Sawant and Shri Gurmeet Singh requested to bring out the truth regarding CHA's role and the nature of goods.

30.4 M/s Krishna Logistics (Noticee No. 6) and Shri Satish Maheshwari (Noticee No. 7) — Written submissions filed through Advocate Ms. Rashmi A. Yati (for Noticee No. 6) and Advocate Ms. Shraddha S. Jaiswal (for Noticee No. 7). They have *inter alia* submitted as under:

(i) M/s Krishna Logistics was merely a facilitator to the CHA and had no knowledge that the consignments contained restricted goods. All documents forwarded as received from the importer without any modification.

(ii) BOEs were filed on first check basis — demonstrating due diligence. No statement or incriminating evidence shows prior knowledge or mala fide intent.

(iii) Statement of Shri Satish Maheshwari does not bear sign/seal of the Gazetted Officer who recorded it — statement is inadmissible in the eyes of law.

(iv) SCN is time-barred: Containers put on hold on 29.01.2024; SCN issued on 28.01.2025 — beyond 6 months. Extension under Sec. 110(2) granted without notice/opportunity to the importer/CHA — violation of natural justice.

(v) SCN does not bear seal of Custom authority and complete set of RUDs not served (RUD 20, 21, 22, 34, 35 not received) — procedural defect.

(vi) Rs. 15,000/- per container charge allegation is unsubstantiated — no documentary proof.

(vii) Penalty under Sec. 112 and 114AA not imposable without evidence of prior knowledge. Reliance placed on Mukherjee & Alliances vs CC Kolkata (MANU/CK/0064/2019), Lohia Travels & Cargo vs CC Prev. (2015 ELT 689), and CC Sea Chennai-II vs Sri Krishna Sounds (MANU/CC/0168/2018).

30.5 M/s Shivshakti Shipping (Noticee No. 8) and Shri Ruparel Ketan, Partner (Noticee No. 9**)** — written submission dated 04.07.2025 filed through Advocate Shri Chandan Kumar Jain (CJ Legal). They have *inter alia* submitted as under:

(i) The Noticees are authorized representatives of the CHA firm M/s Gaurav M. Jhaveri and handle Mundra Port operations. The arrangement is a legitimate business expansion with no violation of the Customs Act or CBLR.

(ii) BOEs were filed on first check basis by the CHA firm. The Noticees only monitored/supervised the process and forwarded importer documents to the CHA. No F-card was used by the Noticees themselves.

(iii) Shri Bharat Parmar (G-Card Holder) handled the actual physical customs clearance at port. The Noticees had no role in classification decisions.

(iv) Goods were found to be Kerosene/Gas Oil only after test reports. No prior knowledge alleged. Violation, if any, is solely attributable to the importer. No mens rea or prior knowledge established.

(v) Rs. 15,000/- per container charge is the normal sub-agent commission for full port handling operations and does not indicate any illicit arrangement.

30.6 M/s Aashirvad Shipping & Logistics (Noticee No. 10) — Written submission dated 04.07.2025 filed through Advocate Shri Chandan Kumar Jain (CJ Legal). They have *inter alia* submitted as under:

(i) The Noticee is a logistics/container handling company and merely provided office space to Shri Ruparel Ketan (a 20-year old friend) — no active role in customs clearance or classification decisions.

(ii) Statement of the Noticee was not recorded by DRI — indicates DRI itself did not find any incriminating role.

(iii) Bills of Entry were filed by the licensed CHA only, following all CBLR requirements. The Noticee has no role in filing or document preparation.

(iv) No allegation of any undue financial gain over and above normal service charges. No evidence of collusion or connivance with importer or supplier.

(v) Penalty under Sec. 112(a)/(b) and 114AA not attracted in absence of knowledge, mens rea or proof of deliberate misdeclaration.

30.7 M/s Versatile Logistics / Shri Ravinder Sawant (Noticee No. 11) — Written submissions dated 08.03.2025 (initial) and 23.07.2025 (additional) filed through Advocate Ms. Rashmi A. Yati. They have *inter alia* submitted as under:

(i) The Noticee was merely a facilitator to the CHA — not an importer or CHA. Earlier reply erroneously referred to the Noticee as "importer" — typographical error, now clarified.

(ii) Test report issued by DYCC (Deputy Chief Chemist) Lab has been suppressed by the department and not referred in the SCN — indicates department deliberately falsely implicated the Noticee.

(iii) No prior knowledge of restricted nature of goods. Goods found to be Kerosene/Gas Oil only after test reports. No mens rea or wrongful intent.

(iv) Penalty under Sec. 112 and 114AA cannot be imposed in absence of evidence of mens rea. Reliance placed on M/s M S Exim Services vs CC Ludhiyana (CESTAT Chandigarh, CA 60417/2020) and Evershine Customs vs CC (CESTAT Delhi, CA 51230/2019).

PERSONAL HEARINGS

31. Personal hearings were conducted in the instant matter on the dates detailed below. The record of the personal hearings is as under:

31.1 The first personal hearing was held on 30.04.2025 before the then Adjudicating Authority. Ms. Shweta Garge, Advocate appeared in virtual mode on behalf of M/s A.A. Cable Layers (Noticee No. 1) and Shri Gurmeet Singh, Partner (Noticee No. 2). She reiterated the written submissions dated 01.04.2025. She contested that in the test report, all parameters have not been tested to determine the impugned goods to be canalised products. She further requested re-export of the impugned goods, submitting that continuous seizure is leading to deterioration of quality and nature of the goods and that detention and demurrage charges have skyrocketed rendering the goods no longer viable for the Noticee. Nothing more was added.

31.2 The second personal hearing was held on 04.07.2025 before the Adjudicating Authority. The following representatives appeared:

(i) Ms. Shweta Garge, Advocate appeared in virtual mode on behalf of M/s A.A. Cable Layers (Noticee No. 1) and Shri Gurmeet Singh, Partner (Noticee No. 2). She reiterated their earlier written submissions and repeated the request for re-testing or re-export of the consignment. Nothing more was added.

(ii) Ms. Shraddha S. Jaiswal, Advocate appeared in virtual mode on behalf of Shri Satish Maheshwari (Noticee No. 7). She requested an extension of 10 additional days to submit a detailed reply to the Show Cause Notice, stating that the RUDs had been received only one day prior to the hearing. Nothing more was added.

31.3 The third personal hearing was held on 27.11.2025 before the Adjudicating Authority. Ms. Shweta Garge, Advocate appeared in virtual mode on behalf of M/s A.A. Cable Layers

(Noticee No. 1) and Shri Gurmeet Singh, Partner (Noticee No. 2). She submitted that the IOCL test report is not conclusive as all parameters have not been tested. She placed reliance on the judgment of Hon'ble CESTAT in the case of **Roshan Petrochem**, wherein it was held that when parameters in regard to burning point were not tested and reported, the department cannot conclude that the goods conform to IS Kerosene. She also relied upon the case of Swarna Oil Service (CESTAT Ahmedabad) wherein it was held that if all parameters are not tested, the report is not conclusive. She further submitted that samples have not been taken from all the containers. She stated that the Noticee regularly imported from the same supplier and every time the Bill of Entry was filed on first check basis, which itself demonstrates their bona fide. All documents of the supplier specifically described the goods as Mixed Hydrocarbon Oil. She requested re-export of the consignment at minimum redemption fine and penalty. Nothing more was added. Hearing was concluded.

31.4 The fourth personal hearing was held on 28.11.2025 before the Adjudicating Authority. Shri Vikas Mehta, appeared on behalf of M/s Continental Shipping Services (Noticee No. 4) and Ms. Shanmuga Jayashree, Partner (Noticee No. 5). He reiterated the written submission dated 20.08.2025 and prayed for dropping the charges levelled against the Noticees in the Show Cause Notice. Nothing more was added.

31.5 M/s Gaurav M. Jhaveri (Noticee No. 3), M/s Shivshakti Shipping (Noticee No. 8), Shri Ruparel Ketan, Partner, M/s Shivshakti Shipping (Noticee No. 9), M/s Aashirvad Shipping & Logistics (Noticee No. 10), M/s Krishna Logistics (Noticee No. 6) and M/s Versatile Logistics/Shri Ravinder Sawant (Noticee No. 11) were afforded ample opportunity for personal hearing, however, they did not avail of the said opportunity. Nevertheless, written submissions have been filed on their behalf and the same have been duly considered.

DISCUSSION AND FINDINGS

32. I have carefully gone through the Show Cause Notice, the relied upon documents, the submissions made by the Noticees both in writing and in personal hearing, the legal provisions and the records available before me. I find that in the present case, the principles of natural justice have been complied with and therefore, I proceed to decide the case on the basis of applicable laws/rules, written submissions and documentary evidences available on record.

32.1 I now proceed to decide the issues framed in the instant SCN before me. On a careful perusal of the subject Show Cause Notice and case records, I find that the following main issues are involved in this case, which are required to be decided at the stage of adjudication:

(i) Whether the declared classification of the impugned goods i.e. Kerosene having total quantity 767.88 MTS mis-declared as Mix Hydrocarbon Oil under Customs Tariff Item 27101990 under Bills of Entry No. 9788458 dt. 23.01.2024, 9783769 dt. 23.01.2024 and 9783627 dt. 23.01.2024, should be denied and re-classified under the Customs Tariff Item 27101932;

(ii) Whether the declared classification of the impugned goods i.e. Gas Oil having total quantity 505.08 MTS mis-declared as Mix Hydrocarbon Oil under Customs Tariff Item 27101990 under Bill of Entry no. 9765080 dt. 21.01.2024 and 9765081 dt. 21.01.2024, should be denied and re-classified under the Customs Tariff Item 27101941;

(iii) Whether Kerosene and Gas Oil sought to be imported in 66 containers pertaining to 5 Bills of Entry having declared value of **Rs. 5,25,23,042/-** seized vide Seizure Memorandums dated 07.05.2024 and 27.05.2024 should be confiscated under Sections 111(d), 111(f), 111(l) & 111(m) of the Customs Act, 1962;

(iv) Whether penalty should be imposed upon the 11 Noticees under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act, 1962.

33. CLASSIFICATION OF KEROSENE

33.1 Regarding the first issue, I find that M/s A. A. Cable Layers filed three Bills of Entry bearing Nos. 9788458 dated 23.01.2024, 9783769 dated 23.01.2024 and 9783627 dated 23.01.2024 at Mundra Port through CHA M/s Continental Shipping Services, declaring the goods as "Mixed/Mix Hydrocarbon Oil (MHO)" and classifying the same under Customs Tariff Item 27101990 ("Others" — import policy: Free). The said three BEs covered a total of 40 containers (14+14+12) with combined assessable value of **Rs. 3,29,90,842/-**.

33.2 I find that on the basis of intelligence, DRI Noida Regional Unit put the said containers on hold on 29.01.2024 for examination. The said containers were examined on 02.02.2024 and 03.02.2024 in the presence of the representatives of the CHA firms and the CFS. During the examination, it was observed that Flexi bags containing yellow coloured liquid substance were kept inside the containers. Representative samples were drawn from one randomly selected container per Bill of Entry, drawn in triplicate using one-litre aluminium sample containers. The samples were sent to IOCL Panipat Refinery Laboratory for testing.

33.3 I find that the IOCL Panipat Laboratory tested the samples and submitted their Test Reports dated 08.04.2024. On analysis of the parameters detailed in the Test Reports vis-à-vis the parameters stipulated in the BIS standard IS:1459 for Kerosene, I find that the goods imported under BE Nos. 9788458, 9783769 and 9783627 all dated 23.01.2024 conform to the

specifications of **Kerosene as per IS:1459** of the Bureau of Indian Standards (BIS), and are therefore correctly classifiable under **CTH 27101932**.

33.4 I find that the Noticee M/s A.A. Cable Layers, has raised the contention that the IOCL test report is not conclusive as certain parameters were not tested. Specifically, it has been submitted that out of 10 parameters under IS:1459, the "Final Boiling Point" was not tested. Reliance has been placed on the CESTAT judgment in the case of Roshan Petrochem wherein it was held that when all parameters are not tested and reported, the department cannot conclude that the goods conform to IS Kerosene; and on the case of Swarna Oil Service (CESTAT Ahmedabad) wherein it was held that if all parameters are not tested, the report is not conclusive.

33.5 I have carefully considered the above submission and find that the same is not tenable for the following reasons:

(a) I find that the test reports issued by IOCL Panipat Refinery Laboratory, being a Government of India undertaking laboratory, carry significant evidentiary value and prevail over trade description or private test certificates. In the case of **M/s M.M. Trading Company v. Commissioner of Customs, Mundra** *[Final Order No. A/11695/2023 dated 14.08.2023]*, the Hon'ble CESTAT, Ahmedabad has categorically held that when the importer does not seek re-test of the sample or challenge the laboratory findings at the appropriate stage, the test report attains finality and cannot subsequently be assailed. The Tribunal further observed that an error not resisted is deemed to have been accepted and that acquiescence to the laboratory findings precludes later challenge. In the present case, Shri Gurmeet Singh, Partner of M/s A.A. Cable Layers, in his voluntary statement recorded on 22.07.2024 under Section 108 of the Customs Act, 1962, explicitly accepted and agreed with the IOCL Panipat test report findings without any demur or reservation. He sought to shift the blame onto the supplier by claiming that wrong goods were sent by mistake, however, no purchase order, no protest communication, and no correspondence with the supplier acknowledging the alleged mistake has been produced till date, which itself suggests that the consignments were entirely as per the orders placed by M/s A.A. Cable Layers. There is no material on record to discredit the IOCL Panipat test reports or to suggest that the sampling or testing procedure was in any manner defective. I further find that the lab tested all major and decisive parameters of Kerosene as per IS:1459, including Flash Point, Density, Distillation characteristics, Colour and other physical parameters, which are themselves sufficient and conclusive to establish the identity of the goods as Kerosene conforming to IS:1459.

(b) The non-testing of the "Final Boiling Point" in isolation does not render the report inconclusive, since all other decisive parameters of IS:1459 were tested and found to conform

to the standard. The ratio of the decisions cited by the Noticee is inapplicable to the present case, as in those cases the missing parameters were critical to the identification of the goods, whereas here, the tested parameters are themselves sufficient and decisive to conclusively establish the identity of the goods as Kerosene conforming to IS:1459, regardless of the untested parameter.

(c) The importer's own request for re-export of the consignment made vide letters dated 06.10.2025 and 03.11.2025 also implies acknowledgement of the fact that the goods actually imported are different from what was declared. An importer who genuinely believed the goods were MHO would not seek re-export without first establishing the true nature of the goods. The re-export request is itself an implicit admission of mis-declaration.

(d) The contention that samples were drawn from only one container per BE is not tenable. The Noticee has not pointed to any specific container whose contents may differ from the sampled container, nor has any contrary test report been produced. A bald assertion that other containers may contain different goods, without any supporting material, cannot be a ground to seek re-testing at the adjudication stage. The Noticee's request for drawing fresh samples from all 66 containers at the adjudication stage amounts to a fishing expedition and is not supported by any legal provision requiring re-testing of goods already tested by a recognized laboratory.

In view of the above, I accept the IOCL Panipat test reports as conclusive evidence regarding the nature and identity of the impugned goods, and the submissions of the Noticee in this regard are rejected.

33.6 I therefore find, on the basis of the IOCL Panipat Test Reports dated 08.04.2024, the admission of the Partner Shri Gurmeet Singh recorded under Section 108, and the overall facts and circumstances of the case, that the goods imported under BE Nos. 9788458, 9783769 and 9783627 all dated 23.01.2024 are **Kerosene conforming to IS:1459** and are correctly classifiable under **CTH 27101932**, and not under CTH 27101990 as declared by the importer.

33.7 I further find that as per ITC(HS) 2022, Schedule 1, Chapter 27, goods falling under CTH 27101932 i.e. "Kerosene conforming to standard IS:1459" are **restricted goods** under **Policy Condition No. 5** of Chapter 27, which prescribes: *"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&NG's Resolution No. P23015/1/2001-MKT dated 08.03.2002 including HPCL, BPCL and IBP who have been marketing transportation fuels before this date."* M/s A.A. Cable Layers is admittedly not a State Trading Enterprise (STE) nor has it been granted any authorisation by

DGFT for import of the said restricted goods. Therefore, the import of Kerosene under the guise of freely importable MHO is a clear and deliberate circumvention of the import policy conditions. Accordingly, I hold that the declared classification of goods under BE Nos. 9788458, 9783769 and 9783627 all dated 23.01.2024 as MHO under CTH 27101990 is rejected, and the said goods are re-classified as Kerosene conforming to IS:1459 under CTH 27101932.

27101932	---	"Kerosene intermediate and oils obtained from kerosene intermediate: ---- Kerosene conforming to standard IS 1459"	State Trading Enterprise	Import as per Policy Condition (5) of Chapter 27.
27101941	---	Gas oil and oils obtained from gas oil: ---- Gas oil	State Trading Enterprise	Import as per Policy Condition (5) of Chapter 27.

(ITC(HS) Extract showing CTH 27101932 — Kerosene conforming to IS:1459 and CTH 27101941 — Gas Oil)

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Section V
Chapter 27

HS CODE (1)	ITEM DESCRIPTION (2)	UNIT (3)	BASIC (4)	EFFECTIVE (5)	PRE. (6)	IGST (7)	SWS (8)	TOTAL (9)	POLICY (10)	REMARKS (11)
2710 12 90	--- Other	kg.	5.00	5.00	—	14% + Rs. 15 per litre			State Trading Enterprises	*Import as per Policy Condition (5) of Chapter 27*
2710 19	-- Other:									
2710 19 20	--- Solvent 125/240 (petroleum hydrocarbon solvent) as specified under standard IS 1745	kg.	5.00	5.00	—	18.00	0.50	24.490	State Trading Enterprises	*Import as per Policy Condition (5) of Chapter 27*
	--- Kerosene intermediate and oils obtained from kerosene intermediate:									
2710 19 31	---- Kerosene intermediate	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 32	---- Kerosene conforming to standard IS 1459	kg.	5.00	5.00	—	18.00	0.50	24.490	State Trading Enterprises	*Import as per Policy Condition (5) of Chapter 27*

(Extract from Customs Tariff Act, 1985 — Chapter 27)

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade

Notification No.27/2015-2020
New Delhi, Dated: 16th September, 2021

Subject: Amendment of policy condition no. 5 of Chapter 27 of ITC (HS), 2017, Schedule – I (Import Policy).

S.O.(E): In exercise of powers conferred by Section 3 read with Section 5 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government hereby amends policy condition no.5 of Chapter 27 of ITC (HS), 2017, Schedule – I (Import Policy) as under:

Existing Policy Condition	Revised Policy Condition
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 and 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.	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 MoP&NG Resolution No. P-23015/1/2001-MKT dated 08.03.2002 for products excluding gasoline conforming to standard IS 2796 (ITC HS Code: 27101241) and Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460 (ITC HS Code 27101944) which would be allowed to be imported by entities in terms of MoPNG Resolution No. P-12029(11)/2/2018-OMC-PNG dated 08.11.2019".

2. **Effect of the Notification:** Policy condition no.5 of Chapter 27 of ITC (HS), 2017, Schedule – I (Import Policy) amended in terms of Government Resolution No. P-12029(11)/2/2018-OMC-PNG dated 08.11.2019.

(DGFT Notification No. 27/2015-2020 dated 16.09.2021 — Policy Condition No. 5 of Chapter 27)

34. CLASSIFICATION OF GAS OIL

34.1 Regarding the second issue, I find that M/s A.A. Cable Layers filed two Bills of Entry bearing Nos. 9765080 dated 21.01.2024 and 9765081 dated 21.01.2024 at Mundra Port through CHA M/s Gaurav M. Jhaveri, declaring the goods as "Mixed Hydrocarbon Oil (MHO)" and classifying the same under CTH 27101990 (Free import policy). The said two BEs covered a total of 26 containers (14+12) with combined assessable value of **Rs. 1,95,32,200/-.**

34.2 I find that these containers were also examined on 02.02.2024 and 03.02.2024. Yellow coloured liquid in Flexi bags was observed during examination. Representative samples were drawn from one container per BE and sent to IOCL Panipat Refinery Laboratory for testing.

34.3 I find that the IOCL Panipat Laboratory Test Reports dated 08.04.2024 confirm that the goods imported under BE Nos. 9765080 and 9765081 conform to the specifications of **Gas Oil as per IS:17789** of the Bureau of Indian Standards, and are therefore correctly classifiable under **CTH 27101941**.

34.4 The Noticee has raised the same contention regarding incompleteness of the test report, submitting that out of 8 parameters of Gas Oil as per IS:17789, the "Water and Sediments volume percent" parameter was not tested, and therefore the report is not conclusive. Reliance has been placed on the same case laws of Roshan Petrochem and Swarna Oil Service.

34.5 I have carefully considered this submission and find it not tenable, for the same reasons as discussed in detail in Para 33.5 supra, which are equally applicable here. I further specifically find that:

(a) The "Water and Sediments" parameter in IS:17789 for Gas Oil is a quality/purity parameter and not a characteristic identifying parameter. Its absence from the test report does not render the identification of the goods as Gas Oil inconclusive. All decisive identifying parameters i.e. Flash Point, Density, Distillation and Sulphur content were tested and found to conform to IS:17789.

(b) I note that Gas Oil classifiable under CTH 27101941 does not require conformity to any BIS standard as a condition of classification. The IS:17789 parameters have been taken for reference purposes only to identify the nature of the goods. Even without IS:17789 conformity as a classification prerequisite, the test parameters conclusively establish the goods as Gas Oil.

(c) Shri Gurmeet Singh, Partner of M/s A.A. Cable Layers, on being shown the IOCL test reports for the Gas Oil BEs, similarly accepted and agreed with the findings in his voluntary statement dated 22.07.2024 without any demur or reservation.

In view of the above, I accept the IOCL Panipat test reports in respect of BE Nos. 9765080 and 9765081 as conclusive evidence regarding the nature and identity of the impugned goods, and the submissions of the Noticee in this regard are rejected.

34.6 I therefore find, on the basis of the IOCL Panipat Test Reports dated 08.04.2024, the admission of the Partner of the importer firm and the overall facts, that the goods imported under BE Nos. 9765080 and 9765081 both dated 21.01.2024 are **Gas Oil** correctly classifiable under **CTH 27101941**, and not under CTH 27101990 as declared.

34.7 I further find that Gas Oil under CTH 27101941 is also a **restricted good** under Policy Condition No. 5 of Chapter 27 of ITC(HS) (same as discussed in Para 33.7, supra). M/s A.A. Cable Layers, being neither an STE nor an authorised importer, was completely ineligible to import Gas Oil. The mis-declaration of Gas Oil as freely importable MHO under CTH 27101990 was a deliberate act to circumvent this restriction. Accordingly, I hold that the

declared classification of goods under BE Nos. 9765080 and 9765081 as MHO under CTH 27101990 is rejected, and the said goods are re-classified as Gas Oil under CTH 27101941.

35. CONFISCATION

35.1 Regarding the third issue, I find that the Show Cause Notice has proposed confiscation of the impugned goods under Sections 111(d), 111(f), 111(l) and 111(m) of the Customs Act, 1962. The relevant provisions of Section 111 of the Customs Act, 1962 are reproduced below:

> *"(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 arrival manifest, 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;"*
>
> *"(m) any goods which do not correspond in respect of value or in any other particular with the entry made under this Act..."*

35.2 I find that M/s A.A. Cable Layers filed 5 Bills of Entry at Mundra Port declaring the goods as "Mix/Mixed Hydrocarbon Oil (MHO)" classifiable under CTH 27101990. Upon examination and testing of representative samples by IOCL Panipat Refinery Laboratory, the goods were found to be Kerosene conforming to IS:1459 (3 BEs, 40 containers, 767.88 MTS) and Gas Oil (2 BEs, 26 containers, 505.08 MTS), both being restricted goods classifiable under CTH 27101932 and 27101941 respectively.

35.3 I find that there is no ambiguity that the goods were mis-declared by the importer with respect to description, classification and import policy status. The goods actually imported Kerosene (IS:1459) and Gas Oil are restricted goods under Policy Condition No. 5 of Chapter 27 of ITC(HS) and can be imported only by State Trading Enterprises (STEs) or entities specifically authorised by DGFT. M/s A.A. Cable Layers is neither a STE nor possesses any such authorisation. By mis-declaring the restricted goods as freely importable MHO under CTH 27101990, the importer deliberately circumvented the import restrictions imposed under the Foreign Trade (Development and Regulation) Act, 1992 read with the Foreign Trade Policy. Further, Kerosene (IS:1459) being a Class B petroleum product (flash point between 23°C and 65°C) and Gas Oil being a Class C petroleum product (flash point between 65°C and 93°C) as per the Petroleum Act, 1934, their import, transport and storage are strictly

regulated under the Petroleum Rules, 2002. Rules 4, 6, 25, 30 and 35 of the Petroleum Rules, 2002 mandate that such petroleum products shall be stored and transported only in approved containers by licence holders. Flexi bags are not approved containers for transportation of Class B/C petroleum products and do not meet the prescribed safety standards. Further, as per Public Notice No. 08/2024 dated 27.09.2024 issued by this office, import of petroleum products in Flexi bags is specifically prohibited. No PESO licence was held by the importer for importing these petroleum products. Thus the importer has violated the provisions of the Foreign Trade (Development and Regulation) Act, 1992 read with Foreign Trade Policy on one count, and the Petroleum Act, 1934 read with Petroleum Rules, 2002 on another count, both being laws for the time being in force. The goods are therefore liable for confiscation under **Section 111(d)** of the Customs Act, 1962.

35.4 Further, the goods declared as "Mix Hydrocarbon Oil" under CTH 27101990 in the Bills of Entry do not correspond with the actual goods found on testing i.e. Kerosene (IS:1459) and Gas Oil. The description, classification and policy status mentioned in the Bills of Entry are completely at variance with the actual nature of the goods. Therefore, the goods are also liable for confiscation under **Section 111(m)** of the Customs Act, 1962.

35.5 Since the goods were not correctly declared in the Bills of Entry and the import manifest in respect of the actual description and classification, the goods are also liable for confiscation under **Section 111(f)** and **111(l)** of the Customs Act, 1962.

35.6 Accordingly, I find that the imported goods in all 5 Bills of Entry (BE Nos. 9788458 dated 23.01.2024, 9783769 dated 23.01.2024, 9783627 dated 23.01.2024, 9765080 dated 21.01.2024 and 9765081 dated 21.01.2024) covering 66 containers, with declared assessed value of **Rs. 5,25,23,042/-** (Rupees Five Crore Twenty-Five Lakh Twenty-Three Thousand and Forty-Two Only), are liable for confiscation under Sections 111(d), 111(f), 111(l) and 111(m) of the Customs Act, 1962.

35.7 As I have already held the goods liable for confiscation in the preceding paras under Section 111 of the Customs Act, 1962, I find it necessary to consider as to whether redemption fine under Section 125 of the Customs Act, 1962 is liable to be imposed in lieu of confiscation in respect of the impugned goods. Section 125 ibid reads as under:

> *"Section 125. Option to pay fine in lieu of confiscation. — (1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods an option to pay in lieu of confiscation such fine as the said officer thinks fit."*

35.8 A plain reading of the above provision shows that imposition of redemption fine is an option in lieu of confiscation. It provides for an opportunity to the owner of confiscated goods to redeem the goods by paying redemption fine. In the present case, M/s A.A. Cable Layers vide their letters dated 06.10.2025 and 03.11.2025, and through their Advocate Ms. Shweta Garge during personal hearings held on 30.04.2025, 04.07.2025 and 27.11.2025, have explicitly and consistently requested permission for re-export of the goods. The goods have remained under customs control at Mundra Port and have not been cleared for home consumption.

35.9 I find that import of Kerosene conforming to IS:1459 (CTH 27101932) and Gas Oil (CTH 27101941) is canalized through State Trading Enterprises and requires authorisation under Policy Condition No. 5 of Chapter 27 of the ITC(HS), which the importer admittedly does not possess. Thus, the issue that arises is not one of absolute prohibition of the goods per se, but of non-fulfilment of the statutory and policy conditions governing their import. The infirmity in the present case lies in the importer's failure to comply with the prescribed statutory conditions. In the absence of fulfilment of these essential conditions, the goods cannot be permitted to be cleared into the domestic market.

35.10 I further observe that ordering confiscation without allowance for re-export would not serve any meaningful revenue purpose. Such a course would only result in unnecessary litigation and prolonged detention of containers at the port without yielding any revenue to the Government. The goods in question are not per se banned items; rather, their import is regulated and conditional. The confiscation ordered herein is thus a legal consequence of non-fulfilment of statutory conditions and absence of requisite authorisation.

35.11 In view of the above discussion, I am of the considered view that the ends of justice would be met by allowing redemption of the subject goods for the limited purpose of re-export. Imposition of redemption fine along with penalty is sufficient to address the violation and convey a clear deterrent message to similarly placed importers. At the same time, this course ensures that the goods do not enter the domestic market in violation of statutory conditions. Therefore, exercising powers under Section 125 of the Customs Act, 1962, I deem it appropriate to allow the importer an option to redeem the goods for the limited purpose of re-export on payment of redemption fine under the provisions of Section 125 of the Customs Act, 1962.

36. PENALTIES ON NOTICEES

36.1 Regarding the fourth issue, I now proceed to examine the role of each Noticee for the purpose of determining liability to penalty under the provisions of the Customs Act, 1962.

PENALTY ON M/S A.A. CABLE LAYERS (NOTICEE NO. 1)

36.1.1 Regarding the proposed penalty on M/s A.A. Cable Layers, I find that they filed 5 Bills of Entry at Mundra Port declaring the goods as "Mix/Mixed Hydrocarbon Oil (MHO)" classifiable under CTH 27101990, whereas the goods on testing by IOCL Panipat were found to be Kerosene conforming to IS:1459 and Gas Oil, both restricted commodities importable only by STEs under Policy Condition No. 5 of Chapter 27 of ITC(HS).

36.1.2 I find that the importer deliberately mis-declared and mis-classified the restricted goods as freely importable MHO with the malafide intent to circumvent import restrictions. I find that:

(a) There is no standard or recognized literature that defines "Mixed Hydrocarbon Oil" or "MHO" as a specific product category. Even Shri Ruparel Ketan (sub-agent) admitted in his statement that no BIS standards are applicable on MHO. The importer has been unable to define the specific composition, specifications or end use of the purported MHO. Shri Gurmeet Singh, Partner, could not explain the specific industrial use of MHO even when questioned during investigation.

(b) The overseas suppliers M/s Swathi Smart Ventures FZC and M/s Ecofuel Nexus, both based in Dubai issued fabricated chemical analysis reports on their own letterheads showing the goods as MHO. No independent test report from a recognized third-party laboratory establishing the goods as MHO was ever produced. This points to a structured arrangement between the importer and the overseas suppliers to create a false paper trail.

(c) Shri Gurmeet Singh in his statement dated 22.07.2024 agreed with the IOCL test reports and admitted that the actual goods are Kerosene and Gas Oil. He sought to shift the blame by claiming the supplier sent "wrong goods by mistake." However, no purchase order, no protest communication to the supplier on receipt of wrong goods, no correspondence with the supplier acknowledging the mistake has been produced. The claim of "supplier mistake" is a mere afterthought devoid of any evidentiary support.

(d) I find that the import of petroleum products declared as "MHO" under CTH 27101990 was not a one-time or isolated transaction. The evidence on record, including the statement of Shri Ruparel Ketan recorded on 01.05.2024, reveals that M/s A.A. Cable Layers had been regularly importing petroleum products under the guise of "MHO" through the same clearance chain. This systematic and repeated pattern of imports conclusively rules out any

possibility of a genuine mistake and establishes a deliberate and organized scheme to import restricted goods under the cover of a fictitious freely importable category.

(e) The importer also violated the provisions of the Petroleum Act, 1934 by importing Class B/C petroleum products in Flexi bags without the requisite PESO licence, a violation that cannot be attributed to any supplier mistake.

36.1.3 I find that the importer has violated the provisions of Section 17(1) of the Customs Act, 1962 (self-assessment obligation) and Sections 46(4) and 46(4A) (declaration of truth and accuracy). The illicit import of restricted Kerosene and Gas Oil by mis-declaration and mis-classification amounts to an act of smuggling as defined under Section 2(39) of the Customs Act, 1962.

36.1.4 I find that M/s A.A. Cable Layers, by mis-declaring the description and classification of the impugned goods and by causing import of restricted goods under the guise of freely importable MHO, have done acts which have rendered the said goods liable to confiscation under Section 111 of the Customs Act, 1962. They are therefore liable to penalty under **Section 112(a)(i)** of the Customs Act, 1962. I further find that imposition of penalty simultaneously under both Section 112(a) and Section 112(b) of the Act would amount to double penalty for the same act, which is not warranted. I therefore refrain from imposing penalty under Section 112(b) of the Act.

36.1.5 Further, I find that M/s A.A. Cable Layers knowingly and intentionally made, signed and caused to be used Bills of Entry and supporting documents including invoices, packing lists and chemical analysis reports which were false and incorrect in material particulars, namely the description and classification of the impugned goods. The chemical analysis reports submitted by the overseas suppliers were fabricated documents prepared on suppliers' own letterheads without any testing by a recognized laboratory, and the same were knowingly used to support the mis-declared Bills of Entry. M/s A.A. Cable Layers thereby rendered themselves liable for penalty under **Section 114AA** of the Customs Act, 1962.

PENALTY ON SHRI GURMEET SINGH, PARTNER (NOTICEE NO. 2)

36.2.1 Regarding the proposed penalty on Shri Gurmeet Singh, Partner of M/s A.A. Cable Layers, I find that he was the active and responsible partner who managed the affairs of the firm including the impugned imports. He personally appeared and gave his voluntary statement on 22.07.2024 before DRI officers. He has signed the letters dated 06.10.2025 and 03.11.2025 as "Authorized Signatory" of M/s A.A. Cable Layers, confirming his active role in the firm.

36.2.2 I find that Shri Gurmeet Singh was fully aware that the goods being imported were restricted petroleum products and intentionally mis-declared them as MHO to bypass import restrictions. In his voluntary statement he admitted to the IOCL test findings but attempted to shift blame to the supplier. As discussed in Para **36.1.2** (c) above, the "supplier mistake" defence is not credible and has not been supported by any corroborating documentation whatsoever.

36.2.3 As a Partner and key decision-maker of the firm, Shri Gurmeet Singh failed to declare the actual description, classification and applicable restrictions on the imported goods, thereby violating Sections 17(1), 46(4) and 46(4A) of the Customs Act, 1962. He failed to ensure compliance with the licensing and safety requirements mandated for Class B/C petroleum products. His acts of omission and commission constitute engagement in smuggling as defined under Section 2(39) of the Customs Act, 1962.

36.2.4 I find that Shri Gurmeet Singh, being the Partner and Authorized Signatory of M/s A.A. Cable Layers, was actively and personally involved in the import transactions and has by his acts and omissions rendered the impugned goods liable to confiscation under Section 111 of the Customs Act, 1962. He is therefore liable to penalty under **Section 112(a)(i)** of the Customs Act, 1962. I further find that imposition of penalty simultaneously under both Section 112(a) and Section 112(b) of the Act would amount to double penalty for the same act, which is not warranted. I therefore refrain from imposing penalty under Section 112(b) of the Act.

36.2.5 Further, I find that Shri Gurmeet Singh, as the Partner and Authorized Signatory of M/s A.A. Cable Layers, knowingly and intentionally caused to be made, signed and used Bills of Entry and supporting documents including invoices, packing lists and chemical analysis reports which were false and incorrect in material particulars, namely the description and classification of the impugned goods. He has thereby rendered himself liable for penalty under **Section 114AA** of the Customs Act, 1962.

PENALTY ON M/S GAURAV M. JHAVERI (CHA) (NOTICEE NO. 3)

36.3.1 M/s Gaurav M. Jhaveri is the Customs Broker which filed Bills of Entry Nos. 9765080 and 9765081 dated 21.01.2024 (Gas Oil BEs — 26 containers) using their F-card. The CHA is based in Mumbai and handled Mundra Port clearance through their representative Shri Ruparel Ketan of M/s Shivshakti Shipping, as admitted by Shri Ruparel Ketan in his voluntary statement recorded on 01.05.2024.

36.3.2 I find that M/s Gaurav M. Jhaveri allowed sub-agents M/s Shivshakti Shipping and M/s Aashirvad Shipping & Logistics to handle the entire documentation, negotiation with the importer, classification decision and forwarding of checklists without the said sub-agents possessing any valid F-Card. I find that the billing arrangement in the present case was that M/s Aashirvad Shipping & Logistics raised the invoice on the importer for the entire agency charges, out of which M/s Shivshakti Shipping retained the major portion, and M/s Gaurav M. Jhaveri received only Rs. 750/- per container as their CHA charges, as admitted by Shri Ruparel Ketan in his statement dated 01.05.2024 and Shri Gaurav M. Jhaveri in his statement dated 10.07.2024. The disproportionately small share received by the licensed CHA vis-à-vis the charges collected from the importer is indicative of the fact that the sub-agents were the de facto operators of the customs clearance process and the licensed CHA's role was largely limited to filing of the Bills of Entry.

36.3.3 The defence of M/s Gaurav M. Jhaveri that they filed the BOE only on the basis of documents provided by the importer and had no knowledge of the goods being restricted is not acceptable for the following reasons:

(a) As a licensed Customs Broker, M/s Gaurav M. Jhaveri was duty bound under Regulation 10 of the Customs Brokers Licensing Regulations, 2018 (CBLR, 2018) to exercise due diligence, advise the client properly, and ensure correctness of classification and compliance with import policy. Regulation 10(d) and 10(e) specifically require the CHA to verify the correctness of the Bill of Entry and to advise the client on compliance with applicable laws.

(b) M/s Gaurav M. Jhaveri failed to insist on a Chemical Analysis Report from a recognized laboratory for such sensitive petroleum product imports, despite the declared commodity (MHO) being itself undefined and lacking any BIS standard. This failure of due diligence enabled the systematic mis-declaration.

(c) Shri Gaurav M. Jhaveri in his voluntary statement dated 10.07.2024, on being shown the IOCL test reports, accepted and agreed with the test findings and admitted that the goods are Kerosene/Gas Oil and not MHO. He admitted that the declared CTH and the actual CTH are different. This admission clearly establishes knowledge of the actual nature of the goods.

(d) M/s Gaurav M. Jhaveri had been regularly clearing consignments for M/s A.A. Cable Layers of petroleum products declared as MHO. As a specialist CHA dealing in petroleum product imports, they had sufficient reason to investigate whether the repeatedly imported "MHO" conformed to any recognized standard, and whether it fell within restricted categories.

(e) The reliance placed on CBIC Instruction No. 20/2024-Customs dated 03.09.2024 is misplaced. The said instruction directs avoidance of routine CHA implication in cases involving interpretative disputes. The present case is not an interpretative dispute; the goods are straightforward restricted petroleum products (Kerosene and Gas Oil) mis-declared as a fictitious freely importable category (MHO). There is no genuine classification dispute involved.

36.3.4 I find that M/s Gaurav M. Jhaveri filed Bills of Entry containing false and incorrect declarations and facilitated the import of restricted petroleum products in unsafe Flexi bags in violation of the Petroleum Act, 1934. They violated Regulation 10(b), (d), (e) and (q) of CBLR, 2018. Their acts of omission and commission tantamount to smuggling in accordance with Section 2(39) of the Customs Act, 1962.

36.3.5 I find that M/s Gaurav M. Jhaveri, being the licensed Customs Broker who filed the Bills of Entry containing false and incorrect declarations regarding the description and classification of the impugned goods, has by its acts and omissions rendered the said goods liable to confiscation under Section 111 of the Customs Act, 1962. M/s Gaurav M. Jhaveri is therefore liable to penalty under **Section 112(a)(i)** of the Customs Act, 1962. I further find that imposition of penalty simultaneously under both Section 112(a) and Section 112(b) of the Act would amount to double penalty for the same act, which is not warranted. I therefore refrain from imposing penalty under Section 112(b) of the Act.

36.3.6 Further, M/s Gaurav M. Jhaveri knowingly and intentionally filed Bills of Entry containing false and incorrect declarations in material particulars, and caused to be used fabricated invoices, packing lists and chemical analysis reports in support thereof, thereby rendering themselves liable for penalty under **Section 114AA** of the Customs Act, 1962.

PENALTY ON M/S CONTINENTAL SHIPPING SERVICES (NOTICEE NO. 4) AND MS. SHANMUGA JAYASHREE (NOTICEE NO. 5)

36.4.1 Regarding the proposed penalty on M/s Continental Shipping Services, I find that M/s Continental Shipping Services is the Customs Broker which filed Bills of Entry Nos. 9788458, 9783769 and 9783627 all dated 23.01.2024 (the Kerosene BEs — 40 containers). The F-card for M/s Continental is held by Shri Rajendra Kumar Chillar. Ms. Shanmuga Jayashree is a Partner of M/s Continental Shipping Services. The customs clearance operations for M/s A.A. Cable Layers were facilitated through sub-agents M/s Krishna Logistics and M/s Versatile Logistics, as established from the statements of Shri Satish Maheshwari recorded on 30.04.2024 and Shri Ravinder Sawant recorded on 15.01.2025.

36.4.2 I find that as per the statement of Shri Satish Maheshwari recorded on 30.04.2024, M/s Krishna Logistics charged Rs. 15,000/- per container as sub-agent charges from the importer, while M/s Continental Shipping Services received a disproportionately smaller amount as their CHA charges. This disproportionate share received by the licensed CHA vis-à-vis the charges collected from the importer is indicative of the fact that the sub-agents were the de facto operators of the customs clearance process and the licensed CHA's role was largely limited to filing of the Bills of Entry.

36.4.3 I find that Ms. Shanmuga Jayashree, Partner of M/s Continental, in her voluntary statement dated 03.10.2024, on being shown the IOCL test reports, accepted and agreed with the test findings and acknowledged that the goods are not MHO but the product as identified in the respective test reports. This admission by the authorized partner is a critical piece of evidence establishing knowledge.

36.4.4 The submission of M/s Continental and Ms. Shanmuga Jayashree that they merely filed the BOE on the basis of importer-provided documents and had no knowledge of the goods being restricted is not tenable. As a licensed Customs Broker, M/s Continental was duty bound under Regulation 10 of CBLR 2018 to exercise due diligence and verify the correctness of the classification declared in the Bills of Entry. Ms. Shanmuga Jayashree, Partner of M/s Continental, in her voluntary statement dated 03.10.2024, accepted and agreed with the IOCL test findings, which itself establishes knowledge of the actual nature of the goods. Further, the reliance on CBIC Instruction No. 20/2024-Customs dated 03.09.2024 is misplaced as the said instruction applies to interpretative disputes, whereas the present case involves outright mis-declaration of restricted petroleum products as a fictitious freely importable category.

36.4.5 The submission that CBLR violations are to be addressed in separate CBLR proceedings and not in the adjudication proceedings is not tenable. The penalty proposed against M/s Continental is under Sections 112(a)/(b) and 114AA of the Customs Act, 1962, which are independent of and distinct from CBLR disciplinary action. Both proceedings can coexist.

36.4.6 The reliance on the Mundra Commissioner's OIO (MUN-CUSTM-000-COM-12-23-24 dt. 04.09.2023) wherein penalty on CHA was dropped is distinguishable. That case involved a complex classification dispute of a technical nature. The present case involves straightforward restricted goods i.e. Kerosene and Gas Oil being mis-declared as a fictitious product (MHO) with no recognized standard, which cannot be characterized as a mere classification dispute.

36.4.7 I find that M/s Continental Shipping Services filed Bills of Entry containing false and incorrect declarations and facilitated the import of restricted petroleum products in unsafe Flexi bags in violation of the Petroleum Act, 1934. They violated Regulation 10(b), (d), (e) and (q) of CBLR, 2018. Their acts tantamount to smuggling in accordance with Section 2(39) of the Customs Act, 1962.

36.4.8 I find that M/s Continental Shipping Services, being the licensed Customs Broker who filed the Bills of Entry containing false and incorrect declarations regarding the description and classification of the impugned goods, has by its acts and omissions rendered the said goods liable to confiscation under Section 111 of the Customs Act, 1962. M/s Continental Shipping Services is therefore liable to penalty under **Section 112(a)(i)** of the Customs Act, 1962. As regards Ms. Shanmuga Jayashree, Partner of M/s Continental Shipping Services, I find that she being the Partner of the firm was aware of and responsible for the customs clearance operations carried out by the firm, and has by her acts and omissions similarly rendered herself liable to penalty under **Section 112(a)(i)** of the Customs Act, 1962. I further find that imposition of penalty simultaneously under both Section 112(a) and Section 112(b) of the Act would amount to double penalty for the same act, which is not warranted. I therefore refrain from imposing penalty under Section 112(b) of the Act.

36.4.9 Further, M/s Continental Shipping Services and Ms. Shanmuga knowingly and intentionally made, signed and filed Bills of Entry containing false and incorrect declarations, thereby rendering themselves liable for penalty under Section 114AA of the Customs Act, 1962.

PENALTY ON SHRI SATISH MAHESHWARI / M/S KRISHNA LOGISTICS (NOTICEES NO. 6 & 7)

36.5.1 Regarding the proposed penalty on Shri Satish Maheshwari, I find that he is the Authorized Representative of M/s Krishna Logistics which acted as sub-agent of M/s Continental Shipping Services for the purpose of customs clearance of the impugned consignments at Mundra Port. Shri Satish Maheshwari handled the port-level customs clearance facilitation work without possessing a valid F-Card, as established from his voluntary statement recorded on 30.04.2024 and his own written submission dated 29.06.2025 wherein he has acknowledged his role as authorized representative of M/s Continental Shipping Services and M/s Krishna Logistics.

36.5.2 I find the following active role of Shri Satish Maheshwari of M/s Krishna Logistics, established from his voluntary statement dated 30.04.2024:

(a) He received import documents from M/s Versatile Logistics (sub-agent of the importer) and directly negotiated with the importer for customs-related work.

(b) He prepared and forwarded checklists for the Bills of Entry and supervised the classification of goods.

(c) He was the primary point of contact between the importer/sub-agent chain and the licensed CHA M/s Continental Shipping Services, negotiating agency charges with the importer and receiving a disproportionately larger share of the total charges compared to the licensed CHA, as established from his voluntary statement recorded on 30.04.2024.

(d) He was exclusively handling petroleum product imports for this clearance chain.

36.5.3 The defence that Shri Satish Maheshwari possessed a valid authorization letter from M/s Continental Shipping Services and M/s Krishna Logistics is not tenable. Even if such authorization existed, it does not legitimize the conduct of unauthorized customs clearance work by a person not holding a valid F-Card. Authorization to bring business does not confer the right to handle customs clearance operations.

36.5.4 The submission that the statement of Shri Satish Maheshwari is inadmissible as it does not bear the sign/seal of a Gazetted Officer is rejected. The DRI officers who recorded the statement under Section 108 are Gazetted Officers of the Central Government. Admissibility of Sec. 108 statements is well-settled in customs law, and the absence of a rubber stamp does not render the statement inadmissible when otherwise properly recorded and signed.

36.5.5 The submission that the SCN is time-barred is also rejected. It is noted that as per RUD-32 referred to in the SCN, an extension under Section 110(2) of the Customs Act, 1962 was duly obtained by the department from the competent authority before issuance of the SCN. The provisions of Section 110(2) do not require a separate notice or opportunity to the importer/CHA before granting such extension, and the grant of extension is entirely within the discretion of the competent authority.

36.5.6 I find that M/s Krishna Logistics and Shri Satish Maheshwari, by actively participating in the customs clearance of the impugned goods and being concerned in dealing with goods which they knew or had reason to believe were liable to confiscation under Section 111 of the Customs Act, 1962, have rendered themselves liable for penalty under **Section 112(b)(i)** of the Customs Act, 1962. I further find that imposition of penalty simultaneously under both Section 112(a) and Section 112(b) of the Act would amount to double penalty for the same act, which is not warranted. I therefore refrain from imposing penalty under Section 112(a) of the Act.

36.5.7 Further, I find that M/s Krishna Logistics and Shri Satish Maheshwari, being actively involved in the sub-agent chain for customs clearance of the impugned consignments and having handled the port-level facilitation work exclusively for petroleum product imports, were knowingly concerned in the use of documents which were false and incorrect in material particulars, thereby rendering themselves liable for penalty under **Section 114AA** of the Customs Act, 1962.

PENALTY ON M/S SHIVSHAKTI SHIPPING AND SHRI RUPAREL KETAN (NOTICEES NO. 8 & 9)

36.6.1 Regarding the proposed penalty on M/s Shivshakti Shipping and its Partner Shri Ruparel Ketan, I find that they acted as unauthorized sub-agents of M/s Gaurav M. Jhaveri at Mundra Port without possessing a valid F-Card, operating from the premises of M/s Aashirvad Shipping & Logistics. As established from the voluntary statements of Shri Ruparel Ketan dated 01.05.2024 and 10.07.2024, he was involved in receiving import documents from the importer, forwarding checklists to the importer for BOE approval, and coordinating the customs clearance process for petroleum product consignments of M/s A.A. Cable Layers. He received Rs. 15,000/- per container as sub-agent charges from the importer, whereas M/s Gaurav M. Jhaveri, the licensed CHA, received only Rs. 750/- per container — this disproportionate distribution of charges is indicative of the substantial role played by the sub-agent in the clearance operations. Significantly, in his statement dated 10.07.2024, Shri Ruparel Ketan agreed with the IOCL test reports and acknowledged that the goods are Kerosene/Gas Oil and not MHO — which itself establishes his knowledge of the actual nature of the goods being cleared.

36.6.2 The defence that M/s Shivshakti Shipping merely forwarded documents and had no knowledge of the goods being restricted is not tenable. Being a specialist exclusively in petroleum product clearances, having regularly handled imports of the same importer declaring the same "MHO", they had every reason to know that the goods were restricted petroleum products. Their admission of the IOCL reports in the 10.07.2024 statement is itself proof of knowledge. They were not merely forwarding documents but were de facto handling the customs clearance operations using the F-card of M/s Gaurav M. Jhaveri without possessing their own valid F-card.

36.6.3 I find that M/s Shivshakti Shipping and Shri Ruparel Ketan, by actively participating in the customs clearance of the impugned goods and being concerned in dealing with goods which they knew or had reason to believe were liable to confiscation under Section 111 of the Customs Act, 1962, have rendered themselves liable for penalty under **Section 112(b)(i)** of

the Customs Act, 1962. I further find that imposition of penalty simultaneously under both Section 112(a) and Section 112(b) of the Act would amount to double penalty for the same act, which is not warranted. I therefore refrain from imposing penalty under Section 112(a) of the Act.

36.6.4 Further, I find that M/s Shivshakti Shipping and Shri Ruparel Ketan, in view of their admission of the IOCL test reports in the statement dated 10.07.2024 and their active role in facilitating the customs clearance of the impugned goods, knowingly and intentionally caused to be used documents which were false and incorrect in material particulars, thereby rendering themselves liable for penalty under **Section 114AA** of the Customs Act, 1962.

PENALTY ON M/S AASHIRVAD SHIPPING & LOGISTICS (NOTICEE NO. 10)

36.7.1 Regarding the proposed penalty on M/s Aashirvad Shipping & Logistics, I find that their role in the present case was that of an infrastructure provider to M/s Shivshakti Shipping and Shri Ruparel Ketan. As established from the statement of Shri Ruparel Ketan and the financial trail of agency charges, M/s Aashirvad provided their office premises, infrastructure and employees specifically Shri Barri Praveen to facilitate the customs clearance operations of petroleum product consignments of M/s A.A. Cable Layers. M/s Shivshakti Shipping is registered at the address of M/s Aashirvad Shipping & Logistics, and the billing arrangement was such that M/s Aashirvad first raised the invoice on the importer for the entire agency charges, thereafter passing on the major portion to M/s Shivshakti Shipping and retaining 25% for themselves.

36.7.2 The Noticee has submitted that the arrangement was merely one of office-sharing between friends of long standing and that they had no knowledge of the nature of goods being cleared. I find this submission not tenable. The scope of the arrangement involving document processing through their employee Shri Barri Praveen, invoice-raising on the importer, and retention of a share of agency charges goes far beyond a mere informal office-sharing arrangement. Further, I note that although the statement of M/s Aashirvad Shipping & Logistics was not recorded by DRI, this does not absolve the Noticee of liability, as their role is duly established from the statements of co-noticees, particularly Shri Ruparel Ketan, and the financial trail of agency charges on record.

36.7.3 I find that M/s Aashirvad Shipping & Logistics, by allowing their office, infrastructure and employees to be used for the customs clearance of goods which they knew or had reason to believe were liable to confiscation under Section 111 of the Customs Act, 1962, are liable to penalty under **Section 112(b)(i)** of the Customs Act, 1962. I further find that imposition of

penalty simultaneously under both Section 112(a) and Section 112(b) of the Act would amount to double penalty for the same act, which is not warranted. I therefore refrain from imposing penalty under Section 112(a) of the Act.

36.7.4 Further, I find that M/s Aashirvad Shipping & Logistics, by providing their office premises, infrastructure and employees for the purpose of facilitating customs clearance of goods which were mis-declared, and by raising invoices on the importer and retaining a share of the agency charges in connection therewith, were knowingly concerned in the use of documents which were false and incorrect in material particulars, thereby rendering themselves liable for penalty under **Section 114AA** of the Customs Act, 1962.

PENALTY ON M/S VERSATILE LOGISTICS / SHRI RAVINDER SAWANT (NOTICEE NO. 11)

36.8.1 Regarding the proposed penalty on M/s Versatile Logistics, I find that M/s Versatile Logistics through its proprietor Shri Ravinder Sawant acted as a sub-agent/facilitator in the customs clearance chain for the impugned consignments of M/s A.A. Cable Layers on the Continental Shipping Services route. As established from the voluntary statement of Shri Ravinder Sawant recorded on 15.01.2025, M/s Versatile Logistics was involved in receiving import documents from the importer and forwarding the same to the CHA chain for the purpose of customs clearance. In his statement, Shri Ravinder Sawant agreed with the IOCL test reports confirming the actual nature of the goods as Kerosene and Gas Oil.

36.8.2 The submission that no statement was recorded before SCN issuance is factually incorrect. Shri Ravinder Sawant's statement was recorded on 15.01.2025, which is prior to the SCN date of 28.01.2025.

36.8.3 I find that M/s Versatile Logistics, by participating in the sub-agent chain for facilitation of customs clearance of restricted goods mis-declared as MHO, was concerned in dealing with goods which it had reason to believe were liable to confiscation under Section 111 of the Customs Act, 1962. M/s Versatile Logistics and Shri Ravinder Sawant are therefore liable to penalty under **Section 112(b)(i)** of the Customs Act, 1962. I further find that imposition of penalty simultaneously under both Section 112(a) and Section 112(b) of the Act would amount to double penalty for the same act, which is not warranted. I therefore refrain from imposing penalty under Section 112(a) of the Act.

36.8.4 Further, I find that M/s Versatile Logistics and Shri Ravinder Sawant, in view of the admission of the IOCL test reports in the voluntary statement of Shri Ravinder Sawant dated 15.01.2025 and their active participation in the sub-agent chain for facilitation of customs

clearance of the impugned goods, knowingly and intentionally caused to be used documents which were false and incorrect in material particulars, thereby rendering themselves liable for penalty under **Section 114AA** of the Customs Act, 1962.

ORDER

37 In view of the aforesaid discussions and findings, I pass the following order:

37.1 Classification and Confiscation:

(i) I order to reject the declared classification of the impugned goods i.e. 'Kerosene conforming to IS:1459' having total quantity 767.88 MTS mis-declared as 'Mix Hydrocarbon Oil' under Customs Tariff Item 27101990, imported vide Bill of Entry Nos. 9788458 dated 23.01.2024, 9783769 dated 23.01.2024 and 9783627 dated 23.01.2024, and order to re-classify the same under Customs Tariff Item 27101932.

(ii) I order to reject the declared classification of the impugned goods i.e. 'Gas Oil' having total quantity 505.08 MTS mis-declared as 'Mix Hydrocarbon Oil' under Customs Tariff Item 27101990, imported vide Bill of Entry Nos. 9765080 dated 21.01.2024 and 9765081 dated 21.01.2024, and order to re-classify the same under Customs Tariff Item 27101941.

(iii) I order to confiscate the impugned goods i.e. Kerosene conforming to IS:1459 (767.88 MTS) and Gas Oil (505.08 MTS) imported by M/s A.A. Cable Layers in 66 containers covered under 5 Bills of Entry having declared value of **Rs. 5,25,23,042/-** (Rupees Five Crore Twenty-Five Lakh Twenty-Three Thousand and Forty-Two Only) under Sections 111(d), 111(f), 111(l) & 111(m) of the Customs Act, 1962. However, I give an option to M/s A.A. Cable Layers to redeem the said goods only for **re-export** upon payment of Redemption Fine of **Rs. 52,00,000/-** (Rupees Fifty Two Lakh Only) under the provisions of Section 125 of the Customs Act, 1962.

37.2 Penalties under Section 112 of the Customs Act, 1962:

(i) I impose a penalty of **Rs. 26,00,000/-** (Rupees Twenty Six Lakh Only) on M/s A.A. Cable Layers (Noticee No. 1) under Section 112(a)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(b) for reasons discussed above.

(ii) I impose a penalty of **Rs. 1,00,000/-** (Rupees One Lakh Only) on Shri Gurmeet Singh, Partner of M/s A.A. Cable Layers (Noticee No. 2) under Section 112(a)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(b) for reasons discussed above.

(iii) I impose a penalty of **Rs. 50,000/-** (Rupees Fifty Thousand Only) on M/s Gaurav M. Jhaveri, Customs Broker (Noticee No. 3) under Section 112(a)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(b) for reasons discussed above.

(iv) I impose a penalty of **Rs. 25,000/-** (Rupees Twenty-Five Thousand Only) on M/s Continental Shipping Services, Customs Broker (Noticee No. 4) under Section 112(a)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(b) for reasons discussed above.

(v) I impose a penalty of **Rs. 25,000/-** (Rupees Twenty-Five Thousand Only) on Ms. Shanmuga Jayashree, Partner, M/s Continental Shipping Services (Noticee No. 5) under Section 112(a)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(b) for reasons discussed above.

(vi) I impose a penalty of **Rs. 25,000/-** (Rupees Twenty-Five Thousand Only) on M/s Krishna Logistics (Noticee No. 6) under Section 112(b)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(a) for reasons discussed above.

(vii) I impose a penalty of **Rs.25,000/-** (Rupees Twenty-Five Thousand Only) on Shri Satish Maheshwari, Authorized Representative of M/s Krishna Logistics (Noticee No. 7) under Section 112(b)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(a) for reasons discussed above.

(viii) I impose a penalty of **Rs. 25,000/-** (Rupees Twenty-Five Thousand Only) on M/s Shivshakti Shipping (Noticee No. 8) under Section 112(b)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(a) for reasons discussed above.

(ix) I impose a penalty of **Rs. 25,000/-** (Rupees Twenty-Five Thousand Only) on Shri Ruparel Ketan, Partner of M/s Shivshakti Shipping (Noticee No. 9) under Section 112(b)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(a) for reasons discussed above.

(x) I impose a penalty of **Rs. 10,000/-** (Rupees Ten Thousand Only) on M/s Aashirvad Shipping & Logistics (Noticee No. 10) under Section 112(b)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(a) for reasons discussed above.

(xi) I impose a penalty of **Rs. 10,000/-** (Rupees Ten Thousand Only) on M/s Versatile Logistics/Shri Ravinder Sawant (Noticee No. 11) under Section 112(b)(i) of the Customs Act, 1962. I do not impose penalty under Section 112(a) for reasons discussed above.

37.3 Penalties under Section 114AA of the Customs Act, 1962:

(i) I impose a penalty of **Rs. 1,00,000/-** (Rupees One Lakh Only) on M/s A.A. Cable Layers (Noticee No. 1) under Section 114AA of the Customs Act, 1962.

(ii) I impose a penalty of **Rs.25,000/-** (Rupees Twenty-Five Thousand Only) on Shri Gurmeet Singh, Partner of M/s A.A. Cable Layers (Noticee No. 2) under Section 114AA of the Customs Act, 1962.

(iii) I impose a penalty of **Rs.25,000/-** (Rupees Twenty-Five Thousand Only) on M/s Gaurav M. Jhaveri, Customs Broker (Noticee No. 3) under Section 114AA of the Customs Act, 1962.

(iv) I impose a penalty of **Rs. 10,000/-** (Rupees Ten Thousand Only) on M/s Continental Shipping Services, Customs Broker (Noticee No. 4) under Section 114AA of the Customs Act, 1962.

(v) I impose a penalty of **Rs. 10,000/-** (Rupees Ten Thousand Only) on Ms. Shanmuga Jayashree, Partner, M/s Continental Shipping Services (Noticee No. 5) under Section 114AA of the Customs Act, 1962.

(vi) I impose a penalty of **Rs. 10,000/-** (Rupees Ten Thousand Only) on M/s Krishna Logistics (Noticee No. 6) under Section 114AA of the Customs Act, 1962.

(vii) I impose a penalty of **Rs. 10,000/-** (Rupees Ten Thousand Only) on Shri Satish Maheshwari, Authorized Representative of M/s Krishna Logistics (Noticee No. 7) under Section 114AA of the Customs Act, 1962.

(viii) I impose a penalty of **Rs. 10,000/-** (Rupees Ten Thousand Only) on M/s Shivshakti Shipping (Noticee No. 8) under Section 114AA of the Customs Act, 1962.

(ix) I impose a penalty of **Rs. 10,000/-** (Rupees Ten Thousand Only) on Shri Ruparel Ketan, Partner of M/s Shivshakti Shipping (Noticee No. 9) under Section 114AA of the Customs Act, 1962.

(x) I impose a penalty of **Rs. 5,000/-** (Rupees Five Thousand Only) on M/s Aashirvad Shipping & Logistics (Noticee No. 10) under Section 114AA of the Customs Act, 1962.

(xi) I impose a penalty of **Rs. 5,000/-** (Rupees Five Thousand Only) on M/s Versatile Logistics/Shri Ravinder Sawant (Noticee No. 11) under Section 114AA of the Customs Act, 1962.

38. This Order is issued without prejudice to any other action that may be taken against any of the Noticees under the provisions of the Customs Act, 1962, or rules made thereunder, or under the Petroleum Act, 1934, or any other law for the time being in force.

39. The Show Cause Notice issued vide F.No. GEN/ADJ/ADC/307/2025-Adjn-O/o Pr. Commr-Cus-Mundra dated 28.01.2025 is hereby disposed of on the above terms.

Digitally signed by Dipakbhai Zala
Date: 05-05-2026 19:06:04

(Dipak Zala)
Additional Commissioner of Customs,
Custom House, Mundra

TO,

1. **M/s A.A. Cable Layers (IEC-AARFA0902A)**
S/o Lochan Singh, 0, Mohalla Asdullapur, behind Tehsil, Milak
Rampur, 243701

2. **Shri Gurmeet Singh, Partner, M/s A.A. Cable Layers**
S/o Lochan Singh, 0, Mohalla Asdullapur, behind Tehsil, Milak
Rampur, 243701

3. **M/s Gaurav M.Jhaveri, (Proprietor- Shri Gaurav Madhusudan Jhaveri)**
305/306 Sai Sadan 3rd floor 76/78 Modi Street Fort Mumbai-400001

4. **M/s Continental Shipping Services**
Office no 17, Ghanshyam complex, near the bridge, New Adani port road,
Dhrab, Kachchh, Gujarat-370421

5. **Ms. Shanmuga Jayashree, Partner M/s Continental shipping Services**
38/66, Purasaiwakkam, Venkatesabakthan Street, Perumalet, VTC: Vepery, PO: Vepery, Chennai, Tamil Nadu-600007

6. **M/s Krishna Logistics**
Ghanshyam Complex, Office no. 16, Mundra Port Road,
Near Rasapir Circle, Mundra Kachchh, Gujrat-370405

7. **Shri Satish Maheshwari,**
Authorized Representative, M/s Krishna Logistics,
S/o Shri Rayshi bhai Maheswari, near GEB Office, Bhatt Pad, Bhachau, Kachchh, Gujarat, 370140

8. M/s Shivshakti Shipping.
Office No 69, 2nd Floor, Grain, Merchant Association Building, Plot No 297, Ward 12/B, near old court, Gandhidham-370201

9. Shri Ruparel Ketan,
137, Rameshwar Nagar, Ward-12, Anjar, Kachchh, Anjar, Gujarat-370110

10. M/s Ashirwad Shipping & Logistics,
Office No 69, 2nd Floor, Grain, Merchant Association Building, Plot No 297, Ward 12/B, near old court, Gandhidham-370201

11. M/s Versatile Logistics, proprietor Shri Ravinder Sawant,
Address 1- office no. 124, 1st floor, Shiv Centre, Sector 17,
Plot No 72, Vashi, Navi Mumbai- 400705

Address 2- 17/1004 Trinity Hills CHS, GB Road Kasarvadavali
Thane West, Haware Citi, Thane, Maharashtra-40061

Copy to:

1. The Deputy Director, DRI, Noida Regional Unit, Noida (E-mail: dri-noida@gov.in)
2. The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra
3. The Dy./Asstt. Commissioner (EDI), Customs House, Mundra
4. The Deputy/Assistant Commissioner of Customs, Group-I, Custom House, Mundra
5. Guard File