



सीमा शुल्क के प्रधान आयुक्त का कार्यालय

सीमा शुल्क सदन, मुंद्रा, कच्छ, गुजरात

**OFFICE OF THE PRINCIPAL COMMISSIONER  
OF CUSTOMS**

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<b>A. File No.</b>	: GEN/ADJ/ADC/ 424/2025-Adjn-O/o Pr. <b>Commr- Cus-Mundra</b>
<b>B. Passed by</b>	: Amit Kumar Mishra, Additional Commissioner of Customs, Customs House, AP & SEZ, Mundra.
Noticee(s) / Party / Importer	: <b>M/s. Nexgen Petrochemicals (IEC: AASFN5923B)</b>
<b>D. DIN</b>	: 20250271MO000000CFB1
<b>SCN Date</b>	: 10.02.2025

**SHOW CUASE NOTICE UNDER  
(UNDER SECTION 124 OF THE CUSTOMS ACT, 1962)**

Specific intelligence gathered by the Directorate of Revenue Intelligence (hereinafter referred to as 'DRI') indicated that some importers are indulged in import of 'Restricted Goods' through mis-declaration by declaring the same as 'Distillate Oil'. Intelligence further suggested that M/s. Nexgen Petrochemicals (*hereinafter also referred to as "the Importer"*), (**IEC: AASFN5923B**) and having address at 'Third Floor, 301/26, Pragati Tower, Rajendra Place, New Delhi -110008' has imported 'Restricted Goods' under Bill of Entry No. 5020740 dated 12.08.2024 (**RUD-1**) at Mundra Port and declared the same as 'Distillate Oil'. Details of the said consignment is as under:

**Table-I**

<b>Bill of Entry No.</b>	5020740 dated 12.08.2024 (INMUN1)
<b>Bill of Lading No.</b>	ARGJEAMUN2401212 dated 07.08.2024
<b>Declared Goods in BE</b>	Distillate Oil, CTH: 27101961
<b>Declared Quantity</b>	187.69 MTS
<b>Customs Broker</b>	M/s. Gaurav M. Jhaveri (AGRPJ9989QCH001)
<b>Country of Origin</b>	United Arab Emirates
<b>Supplier</b>	Taurus International (FZE), Sharjah, UAE

2. Accordingly, the above said consignment was put on hold by the DRI and further examination and sampling of goods contained in 10 containers covered under the aforesaid consignment was carried out by the DRI under panchnama dated 20.08.2024 (**RUD-2**) in presence of the representative of the Customs Broker at M/s CWC CFS (M/s Speedy Multimodes Ltd.). During the said examination proceedings, representative samples, in duplicate, were drawn from each of the 10 containers, for laboratory testing to ascertain the exact nature of the import goods in the said consignment.

**3. Testing and Seizure:**

3.1 The 10 representative samples were sent to Central Excise and Customs Laboratory (CECL), Vadodara for testing of the same. The Central Excise and Customs Laboratory (CECL), Vadodara submitted their test reports dated 20.09.2024 and 27.09.2024 (**RUD-3**) in respect of the said 10 samples. The said test reports in respect of all of the 10 samples,

on the basis of the tested parameters by the CECL Vadodara, indicated that "**the sample meets the requirement of Petroleum Hydrocarbon Solvent 125/240 as per IS 1745:2018.**"

**3.2** As per Schedule 1 Import Policy under ITC(HS), 2022 for Chapter-27 (Mineral Fuels, Mineral Oils, etc.), import of "Solvent 125/240 (Petroleum Hydrocarbon Solvent) as specified under standard IS 1745" covered under CTH 27101920, is restricted into India, and the same can only be imported subject to Policy Condition No. 5 of Chapter 27. Therefore, it appeared that said importer has imported restricted goods i.e. "**Petroleum Hydrocarbon Solvent 125/240**" by mis-declaring the same as "Distillate Oil". under the said consignment. Accordingly, there being a reasonable belief that that the said goods are liable for confiscation under the provisions of Section 111 of the Customs Act, the same were placed under seizure under Section 110 of the Customs Act, 1962, vide Seizure Memo dated **16.10.2024 (RUD-4)**.

**4.** During the course of investigation, statements of concerned persons were recorded under Section 108 of the Customs Act, 1962 and some documents were collected as given below:

**4.1** Letter dated 17.09.2024 was sent to Shipping Agent M/s Sky Bliss Shipping Agency Pvt. Ltd., Gandhidham requesting to provide copies of all the documents i.e. Customs declaration, etc. submitted by the shipper M/s. Taurus International (FZE), Sharjah, located in UAE in case of the subject Bill of Lading No. ARGJEAMUN2401212, wherein vide email dated 18.09.2024 (**RUD-5**) received from Shipping Agent M/s Sky Bliss Shipping Agency Pvt. Ltd, it was informed by their principal that 'Customs declaration has been done by shipper itself and in Dubai, it is not mandatory to collect ED copy to release the BL'.

**4.2.** Statement of Shri Nitin Hans, Partner of M/s. Nexgen Petrochemicals was recorded under Section 108 of the Customs Act, 1962 on 08.10.2024 (**RUD-6**), during which he interalia, stated that his firm was incorporated in March 2021 and apart from him, Shri Tushar Popli was another Partner in the firm. He further stated that his firm is mainly involved in trading of Distillate Oil; that their firm sells the product to buyers based on their requirements. He further stated that his firm has been importing Distillate Oil from Dubai and in past they have imported around 12 consignments in year 2024. On being asked about placing of order of goods, he stated that mostly he places orders for goods and in all cases, their supplier was Taurus International (FZE), Sharjah, UAE. On being asked about correspondence with the supplier, Shri Nitin Hans stated that no email communication was conducted with the supplier, as all interactions were telephonic and documents related to the import were also shared over the phone. Shri Nitin Hans submitted copies of the analysis report, invoice, packing list, and an overseas declaration made in Sharjah Customs (**RUD-7**) as supporting documents for the import transaction. Upon being presented with reports received from the Central Excise and Customs Laboratory, Vadodara, Shri Nitin Hans accepted the reports and denied for re-testing of cargo. On being asked about the overseas declaration presented by Shri Nitin Hans himself, which was primarily appearing to be falsified and no such HS code 2710 1961 appearing in Sharjah Customs (**RUD-8**), Shri Nitin Hans submitted that he will provide after getting details from supplier.

**4.3** Statement of Shri Gaurav Madhusudan Jhaveri, an 'F Card' holder of Customs Broker M/s. Gaurav M. Jhaveri, was recorded under Section 108 of the Customs Act, 1962 on 28.11.2024 (**RUD-9**), during which he interalia, stated that he has filed the Bill of Entry based on documents and declarations provided by the importer; that these documents included a chemical analysis/test report and other import-related paperwork, which declared the goods as 'Distillate Oil' under CTH 27101961. On being shown the Shipping declaration submitted by Shri Nitin Hans, Partner of M/s. Nexgen Petrochemicals wherein HS Code mentioned 27101961 and same HS Code in BL which was non-existing in Sharjah Customs, he stated that he was not aware of the HS code List of Sharjah Customs and also further stated that he was not aware of the said shipping declaration submitted by Shri Nitin Hans, Partner of M/s. Nexgen Petrochemicals. Shri Gaurav also acknowledged the test reports from the Central Excise and Customs Laboratory, Vadodara, which classified the

imported goods as Petroleum Hydrocarbon Solvent 125/240 under CTH 27101920. He accepted that the said item was 'Restricted' for import as per Policy Condition No. 5 of Chapter 27 of the ITC (HS) Import Policy and noted that the importer had opted not to re-test the said goods.

**4.4** Statement of Shri Nitin Hans, Partner of M/s. Nexgen Petrochemicals was again recorded under Section 108 of the Customs Act, 1962 on 24.01.2025 (**RUD-10**) and on being asked about non-submission of the details asked in his previous statement dated 08.10.2024, he stated that he contacted the supplier telephonically and the supplier told him that they provided the same HS Code to all their customer and after that they stopped responding to him (Shri Nitin). On being asked about his involvement with their supplier to falsify HS Codes and mis-declared goods, he stated that they had imported Distillate Oil however it appeared that the mis-declared goods wrongly supplier by the supplier and they had no knowledge of it. Further, on being asked about goods declaration and HS code which primarily appeared to be 'rewritten' in document related to Sharjah Customs, he stated that the supplier was not responding. When asked to provide any evidence – such as email/chat/messages, confirming that M/s Nexgen Petrochemicals had contacted the supplier after knowing the goods were mis-declared or having invalid HS Code, Shri Nitin Hans failed to present any such proof. When asked about any action taken against supplier for sending 'Restricted goods', he stated that he had not taken any action. When asked to provide proof of ordering 'Distillate Oil', Shri Nitin Hans failed to present any supporting documents.

#### **5. Findings of the investigation & Evidences collected :**

**5.1** Specific intelligence gathered by the Directorate of Revenue Intelligence indicated that M/s. Nexgen Petrochemicals is indulged in import of 'Restricted Goods' through mis-declaration by declaring the same as 'Distillate Oil'. Accordingly, the consignment covered under Bill of Entry No. 5020740 dated 12.08.2024 was put on hold by the DRI and further examination and sampling of goods contained in 10 containers covered under the aforesaid consignment was carried out by the DRI under panchnama dated 20.08.2024 in presence of the representative of the Customs Broker at M/s CWC CFS (M/s Speedy Multimodes Ltd.). The representative samples were sent to Central Excise and Customs Laboratory (CECL), Vadodara for testing of the same. The Central Excise and Customs Laboratory (CECL), Vadodara submitted their test reports dated 20.09.2024 and 27.09.2024 and in respect of all the samples, on the basis of the tested parameters by the CECL Vadodara, indicated that "***the sample meets the requirement of Petroleum Hydrocarbon Solvent 125/240 as per IS 1745:2018.***" As per Schedule 1 Import Policy under ITC(HS), 2022 for Chapter-27 (Mineral Fuels, Mineral Oils, etc.), import of "Solvent 125/240 (Petroleum Hydrocarbon Solvent) as specified under standard IS 1745" covered under CTH 27101920, is restricted into India, and the same can only be imported subject to Policy Condition No. 5 of Chapter 27. Therefore, it appeared that said importer has imported restricted goods i.e. "**Petroleum Hydrocarbon Solvent 125/240**" by mis-declaring the same as "Distillate Oil" under the said consignment. Accordingly, there being a reasonable belief that that the said goods are liable for confiscation under the provisions of Section 111 of the Customs Act, the same were placed under seizure under Section 110 of the Customs Act, 1962, vide Seizure Memo dated **16.10.2024**.

**5.2** The Central Excise and Customs Laboratory (CECL), Vadodara test results revealed significant discrepancies between the declared and actual specifications of the imported goods. The declared product, "Distillate Oil," was described under CTH 27101961, while the laboratory's findings confirmed the goods to be "**Petroleum Hydrocarbon Solvent 125/240**" falling under CTH 27101920. The reported properties, such as flash point and boiling point ranges, also deviated from the specifications declared by the importer. The deviation noticed in respect of CECL Test Reports and Chemical Analysis Report (submitted by the importer) was also very huge and none of the specifications mentioned in 'Chemical Analysis Report' were matching/in-line with the test reports received from the CECL, Vadodara. Further, the importer accepted the Test Reports received from the CECL

Vadodara and did not opt for any re-testing of the samples for their goods imported vide Bill of Entry No. 5020740 dated 12.08.2024.

**5.3** During the course of the investigation, statements from key individuals involved in the imports were recorded. Upon being presented with the CECL test results, Shri Nitin Hans, Partner of the importing firm, accepted the test reports issued by CECL Vadodara and chose not to request a re-test of the samples for the goods imported under Bill of Entry No. 5020740 dated 12.08.2024. He acknowledged the laboratory's findings and declined the option of re-evaluation. Shri Nitin Hans attributed the discrepancy in product specifications to a possible error on the supplier's part. However, when asked to provide any supporting evidence—such as emails, chat records, or messages—confirming that M/s Nexgen Petrochemicals had contacted the supplier upon discovering the misdeclaration or invalid HS Code, he failed to present any proof. This indicates that the importer was fully aware of the nature of the 'Restricted' goods and had deliberately imported them in collusion with the supplier. Had the DRI not intervened, these 'Restricted' goods could have been cleared for consumption within Indian territory.

**5.4** Shri Nitin Hans, Partner of the importing firm, submitted documents that were found to be falsified. The discrepancies were brought to his attention, particularly the absence of HS Code 2710 1961 in the Sharjah Customs HS Code List but appearing the declaration given to Federal Customs Authority (Sharjah Ports, Customs and Free Zone Authority), which clearly indicated that the overseas declaration had been forged to support his claim. However, when asked to provide any credible supporting evidence, he failed to do so and merely stated that the supplier was not responding to him.

**5.5** During the cargo examination on 20.08.2024, the Customs Broker presented a draft Bill of Lading (No. ARGJEAMUN2401212) dated 29.07.2024 (Draft) (**RUD No. 11**), whereas a different version of the same Bill of Lading, dated 07.08.2024 (**RUD No. 12**), was used for filing Bill of Entry No. 5020740 on 12.08.2024 at Mundra Custom House. This final Bill of Lading was provided to DRI by the Shipping Agent, M/s Sky Bliss Shipping Agency Pvt. Ltd., Gandhidham, via email on 18.09.2024. Upon reviewing both versions, it was observed that the draft Bill of Lading initially contained an 'ED No.' field, which was left blank. However, in the final issued Bill of Lading, this detail was deliberately removed. This appears to be a deliberate act intended to conceal crucial information related to the overseas 'Export Declaration.' The importer, in collusion with the supplier, has manipulated the overseas declaration to obscure the actual facts, thereby engaging in a clear act of misrepresentation.

**5.6** From the investigation carried out by the DRI, it was revealed that the imported goods covered under Bill of Entry No. 5020740 dated 12.08.2024 filed at Mundra, were misdeclared by M/s. Nexgen Petrochemicals to circumvent import restrictions. The importer's partner, Shri Nitin Hans, admitted to the findings but attributed the misdeclaration to the supplier's error. No any supporting evidence—such as emails, chat records, or messages—confirming that M/s Nexgen Petrochemicals had contacted the supplier upon discovering the misdeclaration or invalid HS Code.

## **6. Relevant Legal provisions:**

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

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

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

### ***2.21 State Trading Enterprises (STEs)***

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

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

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

### 6.3 Relevant Sections of the Customs Act, 1962 :

#### **SECTION 112 of the Customs Act. Penalty for improper importation of goods, etc.**

Any person, -

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

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

shall be liable, -

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

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

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

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

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

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

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

**6.4** Import of "Petroleum Hydrocarbon Solvent 125/240" into India is subject to Policy Condition No. 5 of Chapter 27 of Customs Tariff, which is produced above, therefore, the importer has violated the provisions of import of the said imported goods, since the importer is not an STE and neither possesses a license to import the same. Therefore, it appears that the importer has violated the provisions of the Customs Act, 1962, by importing restricted import goods, as discussed in foregoing paras, and rendered the said goods liable for confiscation under the Customs Act, 1962.

**7. Valuation: -**

**7.1.** In view of the above facts, since the goods have been mis-declared by the importer, the value declared by the importer in the corresponding Bill of Entry and invoices do not appear to be the true transaction value under the provisions of Section 14 of the Customs Act, 1962 read with the provisions of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and thus the same appear liable to be rejected in terms of Rule 12 of.CVR, 2007.

Rule 12 of the Customs Valuation (Determination of value of Imported goods) Rules, 2007, is reproduced below:

"Rule 12. Rejection of declared value. -

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

(2) *At the request of an importer, the proper officer, shall intimate the importer in writing the grounds for doubting the truth or accuracy of the value declared in relation to goods imported by such importer and provide a reasonable opportunity of being heard, before taking a final decision under sub-rule (1).*

*Explanation. -*

(1) *For the removal of doubts, it is hereby declared that: -*

(i) *This rule by itself does not provide a method for determination of value, it provides a mechanism and procedure for rejection of declared value in cases where there is reasonable doubt that the declared value does not represent the transaction value; where the declared value is rejected, the value shall be determined by proceeding sequentially in accordance with rules 4 to 9.*

(ii) *The declared value shall be accepted where the proper officer is satisfied about the truth and accuracy of the declared value after the said enquiry in consultation with the importers.*

(iii) *The proper officer shall have the powers to raise doubts on the truth or accuracy of the declared value based on certain reasons which may include -*

(a) *the significantly higher value at which identical or similar goods imported at or about the same time in comparable quantities in a comparable commercial transaction were assessed;*

(b) *the sale involves an abnormal discount or abnormal reduction from the ordinary competitive price;*

(c) *the sale involves special discounts limited to exclusive agents;*

- (d) the misdeclaration of goods in parameters such as description, quality, quantity, country of origin, year of manufacture or production;
- (e) the non-declaration of parameters such as brand, grade, specifications that have relevance to value;
- (f) the fraudulent or manipulated documents. "

**7.2** The value is required to be re-determined by sequentially proceeding in terms of **Rules 3 to 9 of CVR, 2007**. The relevant Rules of CVR, 2007 are reproduced hereunder: -

**3. Determination of the method of valuation. -**

(1) Subject to rule 12, the value of imported goods shall be the transaction value adjusted in accordance with provisions of rule 10;

(2) Value of imported goods under sub-rule (1) shall be accepted:

Provided that -

(a) there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which -

- (i) are imposed or required by law or by the public authorities in India; or
- (ii) limit the geographical area in which the goods may be resold; or
- (i) do not substantially affect the value of the goods;

(b) the sale or price is not subject to some condition or consideration for which a value cannot be determined in respect of the goods being valued;

(c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with the provisions of rule 10 of these rules; and

(d) the buyer and seller are not related, or where the buyer and seller are related, that transaction value is acceptable for customs purposes under the provisions of sub-rule (3) below.

(3) (a) Where the buyer and seller are related, the transaction value shall be accepted provided that the examination of the circumstances of the sale of the imported goods indicate that the relationship did not influence the price.

(b) In a sale between related persons, the transaction value shall be accepted, whenever the importer demonstrates that the declared value of the goods being valued, closely approximates to one of the following values ascertained at or about the same time.

- (i) the transaction value of identical goods, or of similar goods, in sales to unrelated buyers in India;
- (ii) the deductive value for identical goods or similar goods;
- (iii) the computed value for identical goods or similar goods;

Provided that in applying the values used for comparison, due account shall be taken of demonstrated difference in commercial levels, quantity levels, adjustments in accordance with the provisions of rule 10 and cost incurred by the seller in sales in which he and the buyer are not related;

(c) substitute values shall not be established under the provisions of clause (b) of this sub-rule.

(4) if the value cannot be determined under the provisions of sub-rule (1), the value shall be determined by proceeding sequentially through rule 4 to 9.

#### **4. Transaction value of identical goods. -**

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

Provided that such transaction value shall not be the value of the goods provisionally assessed under section 18 of the Customs Act, 1962.

(b) In applying this rule, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the value of imported goods.

(c) Where no sale referred to in clause (b) of sub-rule (1), is found, the transaction value of identical goods sold at a different commercial level or in different quantities or both, adjusted to take account of the difference attributable to commercial level or to the quantity or both, shall be used, provided that such adjustments shall be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustments, whether such adjustment leads to an increase or decrease in the value.

(2) Where the costs and charges referred to in sub-rule (2) of rule 10 of these rules are included in the transaction value of identical goods, an adjustment shall be made, if there are significant differences in such costs and charges between the goods being valued and the identical goods in question arising from differences in distances and means of transport.

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

**7.3** On going through the import data for the said period, it was found that value of the import goods which have been declared as Petroleum Hydrocarbon Solvent 125/240" as per IS 1745:2018, was available. It was noticed that the import value of such import goods, was declared to be **USD 810 USD/MTS** during relevant time period (Rs. 68,526/MTS as per exchange rate of Rs. 84.6 Per USD). Thus, as per Rule 4 of CVR, 2007, the same value can be taken for the offending goods in this case.

**7.4** As per the facts discussed in foregoing paras, the consignment imported in this case vide aforesaid Bill of Entry 5020740 dated 12.08.2024 was reported to be "Petroleum Hydrocarbon Solvent 125/240" as per IS 1745:2018" as per Test Reports of CECL, Vadodara. The outcome of Test Reports of CECL, Vadodara and end use of the subject goods gathered during investigation give reason to believe that the value of the goods reflected in the invoice provided by the importer with Customs authorities at Mundra port is not reflecting the actual value of the subject goods i.e. "Petroleum Hydrocarbon Solvent 125/240" as per IS 1745:2018" since the goods is mis-declared in the BE. In view of these facts, the declared value of **Rs. 71,49,165/-**, cannot be considered true and accurate "transaction value" for the purposes of section 14 of Customs Act, 1962 and is liable to be rejected in terms of Rule 12 of the CVR, 2007, as above.

**7.5** Accordingly, for valuation purpose, in order to arrive at a fair and reasonable value of the subject goods in question within the framework of law and procedures as given in the Valuation Rules, import data of the goods "Petroleum Hydrocarbon Solvent 125/240" as per IS 1745:2018" was referred, and it was noticed that the import price of such goods, covered under CTH 27101920 was found to be **USD 810 USD/MTS** on relevant date (i.e. Rs. 68,526/MTS as per exchange rate of Rs. 84.6 Per USD), during the said period, while the declared value of the import consignment was around 450 USD (approx. Rs. 38,090/- per

MTS). Accordingly, the re-determined value of the consignment as per the said import data, of "Petroleum Hydrocarbon Solvent 125/240" as per IS 1745:2018, having total quantity of 187.69 MT, is **Rs. 1,28,61,645/-**, in terms of provisions of Rule 4 (Transaction value of identical goods), of the CVR, 2007.

#### **8. Confiscation of the goods:**

**8.1** M/s Nexgen Petrochemicals, New Delhi imported a consignment, covered under Bill of Entry No. 5020740 dated 12.08.2024 filed at Mundra, which was declared as "Distillate Oil," classified under CTH 27101961. On testing of the samples drawn from the said consignment, the import goods were found to be "Petroleum Hydrocarbon Solvent 125/240", falling under CTH 27101920. Therefore, the said misdeclared goods having declared value of **Rs. 71,49,165/-** and re-determined value of **Rs. 1,28,61,645/-**, appear to be liable for confiscation under Section 111(f), 111(l) and 111(m) of the Customs Act, 1962.

**8.2** Further, import of "Petroleum Hydrocarbon Solvent 125/240", is restricted into India, and the same can only be imported subject to Policy Condition No. 5 of Chapter 27 of Customs Tariff, which stipulates that only *'import is allowed through IOC subject to para 2.21 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NGs Resolution No. P23015/1/2001-MKT. Dated 8.3.2002'* to import the same. Therefore, it appeared that said importer has imported restricted goods i.e. "Petroleum Hydrocarbon Solvent 125/240" by mis-declaring the same as "Distillate Oil" under the said consignment, Therefore the said goods having declared value of **Rs. 71,49,165/-** and re-determined value of **Rs. 1,28,61,645/-**, appear to be liable for confiscation under Section 111(d) of the Customs Act, 1962.

#### **9. Role played by M/s Nexgen Petrochemicals (IEC: AASFN5923B), Third Floor, 301/26, Pragati Tower, Rajendra Place, New Delhi - 110008 (Importer):**

M/s Nexgen Petrochemicals, Gandhidham imported a consignment, covered under Bill of Entry No. 5020740 dated 12.08.2024 filed at Mundra, by mis-declaring the import goods as "Distillate Oil" classified under HS Code 27101961. During investigation by the DRI, it was found that the actual goods covered under the said consignments was "Petroleum Hydrocarbon Solvent 125/240", which was '**Restricted**' for import into India and only allowed to be imported as per Policy Condition No. 5 of the Customs Tariff. During the investigation, the proprietor of the importer Shri Nitin Hans, accepted the mis-classification and agreed to the test reports. Shri Nitin Hans submitted documents that were found to be falsified. The discrepancies were brought to his attention, particularly the absence of HS Code 2710 1961 in the Sharjah Customs HS Code List but appearing the declaration given to Federal Customs Authority (Sharjah Ports, Customs and Free Zone Authority), which clearly indicated that the overseas declaration had been forged to support his claim. However, when asked to provide any credible supporting evidence, he failed to do so and merely stated that the supplier was not responding to him. From the investigation carried out by the DRI, it was revealed that the imported goods covered under Bill of Entry No. 5020740 dated 12.08.2024 filed at Mundra, were mis-declared by M/s. Nexgen Petrochemicals to circumvent import restrictions. The importer's partner, Shri Nitin Hans, admitted to the findings but attributed the misdeclaration to the supplier's error. No any supporting evidence—such as emails, chat records, or messages—confirming that M/s Nexgen Petrochemicals had contacted the supplier upon discovering the misdeclaration or invalid HS Code. Therefore, it appears that M/s. Nexgen Petrochemicals, by filing incorrect declarations and failing to ensure proper classification of the goods, violated several provisions concerning the importation of such restricted goods, and classification of the same, thus rendering the said goods liable for confiscation under the provisions of the Section 111(d), 111(f), 111(l) and 111(m) of the Customs Act, 1962. Therefore, M/s Nexgen Petrochemicals have made themselves liable for penalty under Section 112(a) and 112(b) of the Customs Act, 1962. Furthermore, M/s Nexgen Petrochemicals have deliberately filed false and incorrect documents with the Customs Authorities, suppressing the actual nature of the goods, in order to import restricted goods, M/s Nexgen Petrochemicals are also liable for penalty under Section 114AA of the Customs Act, 1962.

**10.** Now therefore, in the light of the aforesaid facts, **M/s. Nexgen Petrochemicals (IEC: AASFN5923B)** located at 'Third Floor, 301/26, Pragati Tower, Rajendra Place, New Delhi – 110008' are hereby called upon to show cause to the Additional Commissioner of Customs, Customs House, Port User Building, Mundra Port, Mundra as to why:

- (i) The classification of goods covered under Bill of Entry No. 5020740 dated 12.08.2024 filed at Mundra Port, declared as 'Distillate Oil', under CTH 27101961, should not be rejected and the same should not be re-classified as 'Petroleum Hydrocarbon Solvent 125/240' under CTH 27101920.
- (ii) The declared value of the said goods declared as Distillate Oil, as **Rs. 71,49,165/-** should not be rejected in terms of Rule 12 of the CVR, 2007 and the same should not be re-determined as **Rs. 1,28,61,645/-**, in terms of provisions of Rule 4 (Transaction value of identical goods), of the CVR, 2007
- (iii) The goods declared as Distillate Oil, under the Bill of Entry No. 5020740 dated 12.08.2024 filed at Mundra Port, should not be held liable for confiscation under Section 111(d), 111(f), 111(l) and 111(m) of the Customs Act, 1962.
- (iv) Penalty should not be imposed upon them under Sections 112(a), 112(b), and 114AA of the Customs Act, 1962, separately.

**11.** The noticee are hereby required to produce at the time of showing cause all the evidences upon which they intend to rely in support of their defense. They are further required to indicate in their written explanation as to whether they desire to be heard in person before the case is adjudicated. If no mention is made about this in their written explanation, it will be presumed that they do not desire a personal hearing.

**12.** If no cause is shown by them against the action proposed to be taken within 30 days of receipt of this notice or if they do not appear before the adjudicating authority when the case is posted for hearing, the case would be liable to be adjudicated on the basis of evidences on records.

**13.** This Show Cause Notice is issued without prejudice to any other actions that may be taken against the persons involved in the subject case, under the provisions of the Customs Act, 1962 or any other Allied Acts for the time being in force.

**14.** The documents as listed at Annexure-R are relied upon and are enclosed with this show cause notice.

*Amit Kumar Mishra*  
(Amit Kumar Mishra)  
Additional Commissioner,  
Custom House, Mundra.

F. No. GEN/ADJ/ADC/424/2025-Adjn  
DIN: 20250271MO000000CFB1  
To,

**M/s. Nexgen Petrochemicals (IEC No. AJUPA3490K),**  
Third Floor, 301/26, Pragati Tower,  
Rajendra Place, New Delhi,  
India. (e-mail-[nexgenpetrochemicals@gmail.com](mailto:nexgenpetrochemicals@gmail.com))

**Copy to:**

1. The Deputy Director, Directorate of Revenue Intelligence, Gandhidham (Kutch)
2. The Assistant Commissioner, EDI, Customs Mundra (For upload on Website)
3. Guard File.