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	आयुक्त, सीमा शुल्क का कार्यालय, OFFICE OF THE COMMISSIONER OF CUSTOMS न्यू कस्टम हाउस, बालाजी मंदिर के पास, न्यू कांडला-370210 NEW CUSTOMS HOUSE, NEAR BALAJI TEMPLE, NEW KANDLA-370210 E-mail : adj.kandla-customs@nic.in	
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SHOW CAUSE NOTICE*(Under Section 124 read with Sections 111, 112, 114AA, and 117 of the Customs Act, 1962)*

Whereas, based on Specific intelligence, the goods imported by M/s A K International (IEC: ABQFA2636P), Plot No. 47C, Sector-II, Kandla Special Economic Zone, Gandhidham-370230, vide Bill of Entry no. 4722665, 4722661 and 4722690 all dated 25.09.2025, were examined by the officers of DRI, DZU under Panchanama dated 01.10.2025 **(RUD-1)**, the details of which are as under:

S. No.	B/E No. & date	Goods declared	CTH	Qty (in MTs)	No. of Containers
1	4722690 dt 25.09.2025	Heavy Aromatics	27075000	271.74	14
2	4722661 dt 25.09.2025	Heavy Aromatics	27075000	194.27	10
3	4722665 dt 25.09.2025	Petroleum Hydrocarbon Solvent	27101990	311.91	16

- Whereas, during examination, 5 (five) representative samples were drawn in triplicate, randomly, for testing of the goods imported. The samples drawn under panchanama dated 01.10.2025 were sent to C.R.C.L. New Delhi, for further testing and analysis.
- Whereas, It was further gathered and also learnt from the e-way bill data that M/s Maa Roadways, Shop No. 09, Plot No. 54, Sector 9, Gandhidham and M/s Nagraj Logistics, Shop No. 08, Plot No. 54, Sector 9, Gandhidham were engaged in transporting the goods from premises of M/s A K International, KASEZ to other customers. Therefore, a search of the said premises i.e. Shop No. 08 & 09, Plot No. 54, Sector 9, Gandhidham was carried out under Panchanama dated 02.10.2025 **(RUD-2)**. Further, the mobile phone of Mr. Vishal Lakhani, prop., M/s Nagraj Logistics was resumed for further investigation. The forensic examination of the said mobile phone was carried out under Panchanama dated 06.10.2025 **(RUD-3)**. The whatsapp chats recovered from the mobile phone of Shri Vishal Lakhani were confronted with him during his statement dated 14.11.2025.
- Whereas, CRCL, New Delhi vide test reports dated 17.10.2025 **(RUD-4)** in respect of representative samples drawn from the goods imported by M/s AK International under Panchanama dated 01.10.2025. The details in brief of the test reports are as below:

S. No.	B.E No. & date	Sample Marking	CRCL Report No.	Test Report
1	4722690 dt 25.09.2025	AK-1	CRCL/27/972(DRI)	Based on the above tested parameters, the sample u/r does not meet the requirement of Automotive diesel fuel as per IS 1460: 2025 with respect to parameter at S.no.4 & 15 (Cetane Index and Sulphur Content). However it has the characteristics of Diesel fraction. It is other than, Heavy aromatics.
2	4722690 dt 25.09.2025	AK-4	CRCL/27/973(DRI)	
3	4722661 dt 25.09.2025	AK-7	CRCL/27/974(DRI)	

4	4722665 dt 25.09.2025	AK-11	CRCL/27/975(DRI)	Based on the above tested parameters, the sample u/r does not meet the requirement of Automotive diesel fuel as per IS 1460: 2025 with respect to parameter at S.no.4 & 14 (Cetane Index and Sulphur Content). However, it has the characteristics of Diesel fraction. It is other than, Petroleum Hydrocarbon solvents (125/240, 60/80, 50/120, 145/205) as per IS 1745.
5	4722665 dt 25.09.2025	AK-13	CRCL/27/976(DRI)	

5. Whereas, in view of the test reports, it was evident that M/s AK International had imported the subject goods by way of mis-declaring the same as "Heavy Aromatics" and "Petroleum Hydrocarbon Solvent" under CTH 27075000 and 27101990 respectively, thus rendering the above said goods liable for confiscation under Section 111 of the Customs Act, 1962. Therefore, the said goods (777.92 MT), having declared assessable value as Rs. 2,87,30,971.74/-, were placed under seizure under section 110 of the Customs Act, 1962 vide Seizure memo dated 22.10.2025 **(RUD-5)**.

6. Whereas, vide letter dated 23.10.2025, CRCL New Delhi was requested to perform GC-MS and FTIR tests. Accordingly, CRCL New Delhi vide letter dated 28.10.2025 **(RUD-6)** submitted that GC analysis on all five samples under reference has been conducted and the chromatic data indicated diesel fractions. It was further reported that the GC data did not indicate the presence of Bio Diesel.

7.1 Whereas, statement of Shri Gaurav Kakkar, Partner, M/s AK International was recorded on 13.11.2025 **(RUD-7)** under Section 108 of the Customs Act, 1962, wherein he, inter alia, stated that-

- In 2015–2016, Shri Nimish Aggarwal and he jointly established a partnership firm under the name M/s A.K. International, with equal (50:50) shareholding. This firm was engaged in the import and trading of petroleum products used in the paint and pesticide industries viz., Mineral Hydrocarbon Oil (MHO), Heavy Aromatics, Petroleum Hydrocarbon Solvent, and other petroleum-based products, which were subsequently sold to traders.
- In 2023, M/s A.K. International established its principal place of business in KASEZ, Gujarat, and became fully operational in April, 2025. At this location, they had set up a blending plant for processing Heavy Aromatics, Petroleum Hydrocarbon Solvent and similar petroleum products. The blending process modifies the properties of these petroleum products in accordance with specific customer requirements and they sell it as Mineral Hydrocarbon Oil (MHO).
- **M/s A.K. International** was a partnership firm, with himself and Shri Nimish Aggarwal as equal partners. he further stated that since **April 2025**, Shri Nimish Aggarwal had been the **deciding authority** in the day-to-day business operations of the firm. Additionally, for the **past six months**, he had not been involved in the day-to-day business affairs of the firm due to certain minor disputes with his partner. **Shri Nimish Aggarwal** was responsible for overseeing the **import and domestic sale of petroleum products**, as well as managing the **finance and accounts** of the firm.
- M/s. A. K. International, was engaged in blending of Heavy Aromatics and Petroleum Hydrocarbon Solvent. These goods were imported and there was almost negligible domestic procurement of the same.
- In respect of above said petroleum products, he stated that during the period January and February 2025, when he was actively involved in his firm M/s A.K. International, the said goods were procured by importing the same from the following suppliers:
 - a. M/s Gulf Petro, UAE (Contact Person: Shehzad, +971 544577185);
 - b. M/s Eagle Petrochem, UAE (Contact Person: V.P. Shukla, +971 564345174)
 - c. M/s Vision Petrochem, UAE
- However, from the period around March 2025 to till date, he was not looking after any business activities of the firm M/s. A.K. International.

- The Heavy Aromatics declared by them falls under the petroleum products category, classified under CTH 27075000 and Petroleum Hydrocarbon Solvent under CTH 27101990. Further, their major buyers for the product Mineral Hydrocarbon Oil (MHO) manufactured after blending of Heavy Aromatics and Petroleum Hydrocarbon Solvent were M/s Pitamber Organics (contact person: Shri Deepak Jain), M/s Ganpati Chemisol (Shri Nimish Aggarwal, Proprietor), M/s Rajdeep Plastics, etc. As per his knowledge, they sell only MHO to their various buyers domestically.
- They had regularly imported Heavy Aromatics and Petroleum Hydrocarbon Solvent from around January 2025.
- For M/s. A.K. International, the turnover for 2024-25: Rs. 50.24 Crores; and 2025-26 (till date): Rs. 80.98 Cr.
- Shri Nimish Aggarwal was the deciding authority for placing purchase orders for procurement of goods to be imported based on the demand received from their clients. Further, he did not know how the orders were placed to the overseas suppliers, as Shri Nimish Aggarwal looks after the same. Further, he stated that from around Mar-April 2025, he also did not know the name of the overseas suppliers from whom the above said petroleum products were being procured. Further, as per his knowledge, he stated that the demands were received telephonically from their customers.
- The payments to overseas supplier in respect of imports of M/s A.K. International was paid directly through company's bank account. In respect of present import consignment of Heavy Aromatics and Petroleum Hydrocarbon Solvent imported vide BoE Nos. 4722690, 4722661 & 4722665 all dated 25.09.2025, he did not know whether the payments were made to their suppliers or not.
- M/s A.K. International had not made any exports from KASEZ unit till date. Although they were in discussions with one or two prospective overseas buyers, the deals could not be finalized due to price-related issues. He further stated only DTA sales had been made till date by the firm.
- They were aware of the export obligations applicable to units operating in SEZs. However, as their blending plant became fully operational only in 2025, they were still in the process of developing export clientele and meeting the necessary compliance requirements. They had initiated discussions with potential overseas buyers, but due to pricing issues, no export transactions had been completed so far. The firm intends to commence exports in the near future to comply with SEZ guidelines.
- The said imported products viz., Heavy Aromatics and Petroleum Hydrocarbon Solvent were used as base materials for blending purposes in their plant located within the KASEZ premises. After blending the imported Heavy Aromatics and Petroleum Hydrocarbon Solvent, they had made sales in the Domestic Tariff Area (DTA) under the product name Mineral Hydrocarbon Oil (MHO). These sales were carried out after obtaining due permission from the SEZ authorities, as the goods were sold in DTA upon payment of applicable duties and taxes as per SEZ regulations.
- They import heavy aromatics and petroleum hydrocarbon solvent as main raw materials and they blend to increase or decrease the initial boiling point and final boiling point, which can vary from 2-10% as per buyer requirement.
- Furthermore, as per his knowledge, during blending, if the quantity of heavy aromatics exceeds that of the petroleum hydrocarbon solvent, the resulting product, i.e., MHO, was utilized in the pesticide industry; conversely, if the petroleum hydrocarbon solvent was higher, the product i.e., MHO was utilized in the paint industry.
- On being shown CRCL test reports dated 17.10.2025 in respect of representative samples drawn from the goods imported vide BoE Nos. 4722690, 4722661 & 4722665 all dated 25.09.2025 by you under Panchanama dated 01.10.2025, he agreed with the tested and reported parameters and had no objection regarding the values reported therein, however, he cannot comment on the same as Shri Nimish Aggarwal would be in better position to answer these kinds of questions, as he was the deciding person for purchase and sale of the imported petroleum products.
- On being shown Rule 3 of Petroleum Rules, 2002 regarding restriction on delivery and dispatch of petroleum, wherein no person shall deliver or dispatch any petroleum to anyone in India other than the

holder of a storage license issued under the said rules or his authorized agent or port authority or a person who was Authorized under the act to store petroleum without a license and being asked the petroleum class of MHO being supplied by them and whether they had verified that their customers or end users had any such storage licenses or not, he stated that as per his knowledge MHO can fall under any category of petroleum class A, B or C, it all depends upon flash point. Further, he stated that since they had sold MHO to traders, they had not verified this aspect of the rules.

7.2 Further, Statement of Shri Vishal Lakhani, Proprietor, M/s Nagaraj Logistics was also recorded on 14.11.2025 **(RUD-8)** under Section 108 of the Customs Act, 1962, wherein he, inter alia, stated that-

- In 2015, he founded proprietorship firm, M/s Nagaraj Logistics, of which he was the sole proprietor. This firm was involved in offering transportation services on rent, and they also directly provide transportation solutions to various customers.
- M/s. Nagaraj Logistics, was engaged in transportation of the following goods/ commodities: Edible Oils and Mineral Hydrocarbon Oil (MHO), etc. As per his knowledge, these goods were generally imported. Further, this firm was also involved in offering transportation services on rent to various customers.
- Further, in respect of petroleum products/hazardous/flammable products, he stated that from the year 2024, they were actively engaged in transportation of Mineral Hydrocarbon Oil (MHO) and other petroleum products.
- They had totally 35 truck tankers, wherein, around 6-7 truck tankers were used for transportation of petroleum products and they did have valid PESO approvals and licenses. They had 35KL and 40 KL truck tankers.
- They provide LR, Invoices and e-way bills during transportation of Mineral Hydrocarbon Oil (MHO).
- Shri Nimish Aggarwal, Partner of M/s A.K. International and Shri Deepak Jain of M/s Pitamber Organics were their customers and they provide transportation of MHO for them. Further, he stated that on request of Shri Nimish Aggarwal and Shri Deepak Jain, they provide truck tankers to them for transportation of MHO. The said goods were loaded from the premises of M/s A.K. International in KASEZ and then transported to various customers all over India. Further, the request for tankers was received via whatsapp and they provide the vehicle no. to Deepak Jain. The e-way bills in respect of transportation of such goods were being generated by Shri Deepak Jain or his staff only and not by them.
- He was shown panchnama dated 06.10.2025 drawn at DRI Delhi Zonal Unit, B-3, 6th Floor, Pt. Deendayal Antyodya Bhawan, CGO Complex, Lodhi Road, New Delhi – 110003, wherein, forensic examination of his mobile phone One Plus 7T resumed during panchnama dated 02.10.2025 drawn at Shop No. 8&9, Ground Floor, Plot No.54, Sector 9, Gandhidham, Gujarat-370201 was done and printouts of whatsapp group chat, pages serially numbered from 1 to 41, wherein, Nagaraj Logistics (owner), Deepak Karnal Mto (admin), Manu (admin), Simmi Kaur Aekvot Deepak Jain Mto (admin), Manish Bhai 426, Ofish, Vishalbhai Bhai and 9818839444 were members. On being asked to offer his comments on the above mentioned whatsapp chats, he stated that the said whatsapp group was created by him for ease of sharing documents and details of the consignment, truck numbers, quantity, etc. In this group, Shri Deepak Jain, himself and both companies' staff were group members.
- The details of the members were as follows:

Sl. No.	Mobile No.	Details
1	9909993408	Shri Vishal Lakhani (myself), M/s Nagaraj Logistics
2	9910006960	Shri Deepak Jain, Prop. of M/s Pitamber Organics
3	9909993407	Shri Vishal Lakhani (myself), M/s Nagaraj Logistics
4	8920569293	Ms. Simmi Kaur, staff of M/s Pitamber Organics
5	9818839444	I do not remember as of now, however, this was neither his number nor

any of his staffs.

6	9909993426	Shri Bhavesh, Office boy of M/s Nagaraj Logistics
7	9978693406	Shri Lal Moreya, office boy of M/s Nagaraj Logistics
8	9825224662	Shri Vishal Lakhani (myself), M/s Nagaraj Logistics

- He was specifically shown page nos.3, 6, 10, 11, 15, 20, 27, 33, 34, 35 & 38, wherein, they had mentioned 10 ppm along with truck numbers, quantity and phone numbers in various occasions and Deepak Karnal Mto and Simmi Kaur Aekvot Deepak Jain Mto had also mentioned 10 ppm on various occasions. On being asked as to what was 10 ppm, he stated that he did not know what goods they were going to transport in the truck tankers. His job was to provide them truck tankers for transportation of goods from one place (M/s. A.K. International, KASEZ) to another. Further, he had mentioned 10 ppm in his chats, as it was the terms used by Shri Nimish Aggarwal and Deepak Jain, hence, Shri Nimish Aggarwal and Shri Deepak Jain only knows what was 10 ppm, he did not know what was 10 ppm. Hence, Shri Nimish Aggarwal and Deepak Jain would only be knowing what was 10 ppm. Further, Shri Nimish Aggarwal told him what will be transported in the tankers, whether it was 10 ppm or MHO.

7.3 Statement of Shri Nimish Aggarwal, Partner, M/s AK International was recorded on 24.11.2025 **(RUD-9)** under Section 108 of the Customs Act, 1962, wherein he, inter alia, stated that-

- In 2015-2016, Shri Gaurav Kakkar and he jointly established a partnership firm under the name M/s A.K. International, with equal (50:50) shareholding. This firm was engaged in the import and trading of petroleum products used in the paint and pesticide industries viz., Mineral Hydrocarbon Oil (MHO), Heavy Aromatics, Petroleum Hydrocarbon Solvent, and other petroleum-based products, which were subsequently sold to traders.
- In 2023, M/s A.K. International established its principal place of business in KASEZ, Gujarat, and became fully operational in the last quarter of 2023. At this location, they had set up a blending plant for processing Heavy Aromatics, Petroleum Hydrocarbon Solvent, toluene, Xylene and other petroleum products. The blending process modifies the properties of these petroleum products in accordance with specific customer requirements and they sell it as Mineral Hydrocarbon Oil (MHO).
- **M/s A.K. International** is a partnership firm, with himself and Shri Gaurav Kakkar as equal partners. Since **April 2025**, he was the **deciding authority** in the day-to-day business operations of the firm. Additionally, for the **past six months**, Shri Gaurav Kakkar had not been involved in the day-to-day business affairs of the firm due to certain minor disputes with him. From April 2025, he was solely responsible for overseeing the **import and domestic sale of petroleum products**, as well as managing the **finance and accounts** of the firm.
- M/s. A. K. International, is engaged in blending of Heavy Aromatics, Petroleum Hydrocarbon Solvent, toluene, etc. These goods were imported and there is almost negligible domestic procurement of the same.
- In respect of above said petroleum products, he stated that the said goods were procured by importing the same from the following overseas suppliers:
 - a. Panorma Petrochem, UAE (Contact Person: Shri Shehzad: +971 553404162);
 - b. Novelty Petrochem, UAE (Contact Person: Shri Shridhar: +971 545687087);
 - c. Vision Petrochem, UAE (Contact Person No.: +971 559595970);
 - d. Dynamic Petrochem, UAE (Contact Person: Shri Rajesh: +971 60346469);
 - e. Eagle Refinery, UAE (Contact Person: Shri Shukla: +971 564345174);
 - f. M/s ATM Industries FZC, UAE (Contact Person: Shri Paras: +971 559595970)
- The Heavy Aromatics imported by them falls under the petroleum products category, classified under CTH 27075000 and Petroleum Hydrocarbon Solvent under CTH 27101990. Further, their major buyers for the

product Mineral Hydrocarbon Oil (MHO) manufactured after blending of Heavy Aromatics, Petroleum Hydrocarbon Solvent, Toluene, etc., were M/s Pitamber Organics (contact person: Shri Deepak Jain), M/s Ganpati Chemisol (Shri Nimish Aggarwal, Proprietor), M/s Rainbow Corporation, M/s. Shyam Industries, M/s Parth Rasayan, M/s Global Chemical, M/s Opal Impex, M/s Vinayak Chemicals, M/s Rajdeep Plastics, etc. Further, they sell only MHO to their various buyers domestically.

- They had regularly imported Heavy Aromatics and Petroleum Hydrocarbon Solvent from around last quarter of 2023. However, they had also imported toluene, xylene, etc.
- He was the deciding authority for placing purchase orders for procurement of goods to be imported based on the demand received from their clients. Further, he stated that the orders were placed telephonically to the overseas suppliers. Further, he stated that the demands were also received telephonically from their customers.
- The payments to overseas suppliers in respect of imports of M/s A.K. International is paid directly through company's bank account. In respect of present import consignment of Heavy Aromatics and Petroleum Hydrocarbon Solvent imported vide BoE Nos. 4722690, 4722661 & 4722665 all dated 25.09.2025, the payments were not made to their suppliers till date, as the said consignment was under investigation by DRI.
- M/s A.K. International had not made any exports from KASEZ unit till date. Although they were in discussion with one or two prospective overseas buyers situated in Nepal, Sri Lanka, and after finalization of the deal/agreement, exports will be made. He further stated only DTA sales had been made till date by the firm.
- They were aware of the export obligations applicable to units operating in SEZs. However, as their blending plant became fully operational only in 2025, they were still in the process of developing export clientele and meeting the necessary compliance requirements. They had initiated discussions with potential overseas buyers, but due to pricing issues, no export transactions had been completed so far. The firm intends to commence exports in the near future to comply with SEZ guidelines.
- The said imported products viz., Heavy Aromatics and Petroleum Hydrocarbon Solvent were used as base materials for blending purposes in their plant located within the KASEZ premises. After blending the imported Heavy Aromatics and Petroleum Hydrocarbon Solvent, they had made sales in the Domestic Tariff Area (DTA) under the product name Mineral Hydrocarbon Oil (MHO). These sales were carried out after obtaining due permission from the SEZ authorities, as the goods were sold in DTA upon payment of applicable duties and taxes as per SEZ regulations.
- They import heavy aromatics and petroleum hydrocarbon solvent as main raw materials and they blend to increase or decrease the initial boiling point and final boiling point, which can vary from 2-10% as per buyer requirement. Also, they manage flash point according to application whether it is being used in the paints or pesticide industries. If the same is going to be used in paint industry, they manage flash point for drying purpose of paints and they reduce the aromatic content to decrease smell, so that it can be used easily for painting purposes in residential premises. In this process, they blend Heavy aromatics, petroleum hydrocarbon solvent and toluene in different ratios.
- Further, if the product is going to be used in pesticide industry then mainly Heavy aromatics, petroleum hydrocarbon solvent were used and minimal quantity of toluene is used.
- Furthermore, he stated that during blending, if the quantity of heavy aromatics exceeds that of the petroleum hydrocarbon solvent, the resulting product, i.e., MHO, is utilized in the pesticide industry; conversely, if the petroleum hydrocarbon solvent is higher, the product i.e., MHO is utilized in the paint industry.
- On being shown CRCL test report nos. CRCL/27/972 to 976 (DRI) dated 17.10.2025 in respect of representative samples drawn from the goods imported vide BoE Nos. 4722690, 4722661 & 4722665 all dated 25.09.2025 by you under Panchnama dated 01.10.2025, he agreed with the contents of the test reports that the goods were other than the declared goods.
- He further stated that they had placed order for Heavy Aromatics and Petroleum Hydrocarbon Solvent only, he was not aware how this product, which is other than the declared one, had been supplied to them by their overseas supplier.

- Heavy Aromatics and Petroleum Hydrocarbon Solvent were both petroleum products derived from crude oil having different specifications. As per his knowledge, aromatic content of Heavy aromatics is higher. He was not aware about rest of the differences in both the said products and technical specifications of the same.
- On being asked to explain the manufacturing process as to how Mineral Hydrocarbon Oil is manufactured from Heavy Aromatics and Petroleum Hydrocarbon Solvent he stated that he blend some fixed quantity of Heavy Aromatics with Petroleum Hydrocarbon Solvent for around 30-40 minutes. After Blending Mixed Hydrocarbon Oil is prepared. Then if required, some amount of Toulene (generally around 1%) is mixed for lowering the flash point of the blended product. The flash point of their product i.e. Mineral Hydrocarbon Oil, is generally 0°C to 30°C and Final boiling point is around 315°-330°C.
- He submitted sample test reports in respects of consignments supplied under e-waybills shown to him as detailed above. He also submitted the Test reports in respect of MHO manufactured by them during the month September 2025.
- On being pointed out that the raw materials imported by them i.e. Petroleum Hydrocarbon Solvents and Heavy Aromatics, both had high Flash point (above 120°C) and high Boiling point (around 320°C), then how come simple blending of these two products can lower the flash point to 0°C and without considerably altering the Boiling point, he stated that he was not well versed in technical aspects.
- On being pointing out that as per the above submitted test reports, only Petroleum Hydrocarbon Solvent and Heavy Aromatics (both of which had flash point above 100°C, as per the test reports attached with import documents) had been used for manufacturing of MHO having flash point 0°C, which is not technically feasible, he stated that he cannot comment on the same.
- On being specifically asked to provide details of the technical person responsible for overseeing production and subsequent testing, he stated that he only oversaw production and they do not have any technical person with them. Further, testing upon production is done by him and one person named Shivakant Tripathi (9990376363), who also signed the test reports. On being asked he stated that he was not aware of the qualification of Shivakant Tripathi and he also manages/ oversees their accounts.
- On being asked to state the apparatus used for testing of final product, he stated that one machine is used for checking flash point, however he do not know the apparatus name or the method used by it for testing flash point; one machine for testing IBP and FBP and density is measured by using density meter.
- He was shown panchnama dated 06.10.2025 drawn at DRI Delhi Zonal Unit, B-3, 6th Floor, Pt. Deendayal Antyodya Bhawan, CGO Complex, Lodhi Road, New Delhi – 110003, wherein, forensic examination of a mobile phone One Plus 7T resumed during panchnama dated 02.10.2025 drawn at Shop No. 8&9, Ground Floor, Plot No.54, Sector 9, Gandhidham, Gujarat-370201 was done. He was further shown printouts of whatsapp group chat, pages serially numbered from 1 to 41, wherein, Nagaraj Logistics (owner), Deepak Karnal Mto (admin), Manu (admin), Simmi Kaur Aekvot Deepak Jain Mto (admin), Manish Bhai 426, Ofish, Vishalbhai Bhai and 9818839444 were members. Further, the details of the members as identified by Shri Lakhani Vishalkumar, M/s Nagaraj Logistics in his statement dated 14.11.2025, were as follows:

Sl. No.	Mobile No.	Details
1	9909993408	Shri Vishal Lakhani, M/s Nagaraj Logistics
2	9910006960	Shri Deepak Jain, Prop. of M/s Pitamber Organics
3	9909993407	Shri Vishal Lakhani, M/s Nagaraj Logistics
4	8920569293	Ms. Simmi Kaur, staff of M/s Pitamber Organics
6	9909993426	Shri Bhavesh, Office boy of M/s Nagaraj Logistics
7	9978693406	Shri Lal Moreya, office boy of M/s Nagaraj Logistics
8	9825224662	Shri Vishal Lakhani, M/s Nagaraj Logistics

- He stated that he had seen the above said Panchnama for forensic examination and printouts of above said whatsapp group chat, and had appended his dated signature as a token of having seen, perused and understood the same. He further stated that he was not aware about the said whatsapp group.
- On being specifically shown page nos.3, 6, 10, 11, 15, 20, 27, 33, 34, 35 & 38 of above mentioned whatsapp chat, wherein, 10 ppm along with truck numbers, quantity and phone numbers in various occasions had been mentioned by the group members and Shri Deepak Jain had also mentioned 10 ppm on various occasions and on being asked to comment as to what is 10 ppm, as the said goods is being supplied by his firm only, he stated that he cannot comment on the messages between third parties.
- On being shown Rule 3 of Petroleum Rules, 2002 regarding restriction on delivery and dispatch of petroleum, wherein no person shall deliver or dispatch any petroleum to anyone in India other than the holder of a storage license issued under the said rules or his authorized agent or port authority or a person who is Authorized under the act to store petroleum without a license and on being asked that the MHO being supplied by them, falls under the which category of Petroleum Class and whether he had verified that their customers or end users had any such storage licenses or not, he stated that as per his knowledge MHO can fall under category of petroleum class A. Further, he stated that since they had sold MHO to traders, they had not verified this aspect of the rules. Further, their raw materials i.e. Petroleum Hydrocarbon Solvent and Heavy Aromatics falls under Petroleum Class C.
- They had storage license issued by PESO for storage of petroleum products for storage of 90KL each of Petroleum Class A, Class B and Class C products.
- On being specifically asked as to why they were importing petroleum products more than 90KL at one go when they do not have permission/ license to store more than 90KL under the PESO license, he stated that they store the excess quantity in plastic tanks arranged in their premises.

8.1 Whereas, after initial statement of Shri Nimish Kumar Aggarwal, summons dated 24.11.2025, 28.11.2025 and 16.01.2026 (**RUD-10 colly**) for further enquiries, however, Shri Nimish Kumar Aggarwal did not appear before the summoning authority despite service of summons.

8.2 In view of the above, an application for non-compliance of summons by Shri Nimish Kumar Aggarwal was filed before the Hon'ble CJM, Patiala House Courts.

9 Further statement of Shri Nimish Kumar Aggarwal was recorded on 16.04.2026 (**RUD-11**) under Section 108 of the Customs Act, 1962, wherein he, inter alia, stated that-

- He confirmed the facts stated by him in his earlier statement dated 24.11.2025 as true.
- On being shown test reports dated 17.10.2025 in respect of samples drawn from goods imported by you vide bills of entry no. 4722665, 4722661 and 4722690 all dated 25.09.2025 he agreed with the tested parameters and the report that the goods are other than the declared goods viz. 'Heavy Aromatics' and 'Petroleum Hydrocarbon Solvent'.
- He reiterated that they had placed order for Heavy Aromatics and Petroleum Hydrocarbon Solvent only and he was not aware how this product, which is other than the declared one, has been supplied to them by their overseas supplier.
- On being pointed out that the goods imported by them vide above mentioned bills of entry had been reported to be "composed of mixture of mineral hydrocarbon oil, having more than 70% by weight of mineral hydrocarbons" and % recovery at 250°C ranging from 55.7% to 56.8%. and the said goods declared as "Heavy Aromatics" imported vide bills of entry no. 4722665 and 4722661 both dated 25.09.2025, appear classifiable under CTH 27101990 instead of CTH 27075000 (as declared by them), he agreed that the goods declared as Heavy Aromatics are classifiable under CTH 27101990, as the % recovery at 250°C is less than 65%.
- On being shown Public Notice No. 08/2024 dated 27.09.2024 issued by the Pr. Commissioner of Customs, Mundra Port, which specifically prohibits import of such petroleum products having flash point less than

93°C, in flexi bags on account of safety, handling, and environmental concerns and pointing out that since all the goods imported by them have been reported to have flash point in the range of 56°C - 64.97°C, therefore, the said goods could not have been imported in flexi bags, he agreed that the goods imported by them vide the above mentioned bills of entry had flash point less than 93°C and should not have been imported in Flexi Bags.

- On being pointing out that they had declared the flash point of the said products to be 120°C – 125°C and it appears that the flash point of the imported goods has been deliberately reported to be above 120°C to circumvent the guidelines issued by the above-mentioned Public Notice. He stated that they just uploaded the certificate of analysis as provided by their supplier and had not verified the product themselves.
- On being asked to provide any communication between them and their supplier regarding placing of orders, receipt of invoices, Certificate of analysis and other import documents he stated that did not have any communication between supplier and themselves, as the same was done verbally over phone.
- On being asked to state the actual import price of the said goods declared to be Heavy Aromatics and Petroleum Hydrocarbon Solvent imported by them, which have been found not to match the declarations made by them in the bills of entry, he stated that he was not aware regarding the prices of the goods, which have been found in the said consignments, as he had never ordered the same.

10. Whereas, on request of the said importer, the Assistant Commissioner, SIIB, Customs House, Kandla, vide Order dated 23.04.2026, allowed provisional release of the goods imported vide Bill of Entry Nos. 4722690, 4722661 and 4722665, all dated 25.09.2025, which had been seized vide Seizure Memo dated 22.10.2025, solely for the purpose of re-export, subject to specified conditions. The said order was passed on the basis that the goods had been reported by CRCL to be other than the declared goods and to possess characteristics of Diesel Fractions, whereas the importer did not possess the requisite permission under the Letter of Approval for import of such goods for authorised manufacturing operations within the Special Economic Zone.

11. Classification of goods imported-

From the Table-I above in Para 1, it can be seen that M/s A. K. International imported the impugned goods by way of declaring the goods as **'Heavy Aromatics' classifying under CTH 27075000 and 'Petroleum Hydrocarbon Solvent' classifying under CTH 27101990, -**

S. No.	B/E No. & date	Goods declared	CTH	Qty (in MTs)	No. of Containers
1	4722690 dt 25.09.2025	Heavy Aromatics	2707 5000	271.74	14
2	4722661 dt 25.09.2025	Heavy Aromatics	2707 5000	194.27	10
3	4722665 dt 25.09.2025	Petroleum Hydrocarbon Solvent	2710 1990	311.91	16

11.1 The CRCL, New Delhi, test report nos. CRCL/27/972(DRI), CRCL/27/973(DRI) and CRCL/27/974(DRI) all dated 17.10.2025 in respect of representative samples drawn from three of the 24 containers imported vide bill of entry No. 4722690 and 4722661 both dated 25.09.2025 (S. No. 1 & 2 of above table), reported that the said goods were composed of mixture of mineral hydrocarbon oil, having more than 70% by weight of mineral hydrocarbons. It has been further informed that the sample u/r is other than heavy aromatics, however, it has characteristics of diesel fraction. CRCL, New Delhi vide letter dated 28.10.2025 has further informed that GC analysis on all the samples under reference has been conducted and the chromatographic data indicated Diesel fraction. Also, the GC data did not indicate the presence of biodiesel.

11.2 Whereas, the test report nos. CRCL/27/975(DRI) and CRCL/27/976(DRI) both dated 17.10.2025 of the representative samples drawn from two of the sixteen containers imported vide bill of entry No. 4722665 dt 25.09.2025 (S. No. 3 of above table), reported that the said goods were composed of mixture of mineral hydrocarbon

oil, having more than 70% by weight of mineral hydrocarbons. It has been further informed that the sample u/r is other than petroleum hydrocarbon solvents (125/240, 60/80, 50/120,145/205), however, it has characteristics of diesel fraction. CRCL, New Delhi vide letter dated 28.10.2025 has further informed that GC analysis on all the samples under reference has been conducted and the chromatographic data indicated Diesel fraction. Also the GC data did not indicate the presence of biodiesel.

11.3 Further, M/s A. K. International vide bill of entry No. 4722690 and 4722661 both dated 25.09.2025 (S. No. 1 & 2 of above table) imported the impugned goods by way of declaring the goods as 'Heavy Aromatics' classifying under CTH 27075000, however, a perusal of the CTH 27075000, indicates that it covers "*Other aromatic hydrocarbon mixtures of which 65% of more by volume (including losses) distils at 250°C by the ISO 3405 method (equivalent to the ASTM D 86 method)*". Further on perusal of the said CRCL test report nos. CRCL/27/972(DRI), CRCL/27/973(DRI) and CRCL/27/974(DRI) all dated 17.10.2025, it is observed that the said value ranges only between 55.7 to 56.8% which is below the prescribed threshold.

11.4.1 The CRCL New Delhi vide test reports dated 17.10.2025 reported that the said goods were composed of mixture of mineral hydrocarbon oil, having more than 70% by weight of mineral hydrocarbons. Further, the CRCL New Delhi vide letter dated 28.10.2025 had reported that the GC data did not indicate the presence of Bio Diesel. On the basis of the same, the most appropriate heading for classification of the said goods appears to be CTH 2710. The relevant part of the CTH 2710 as per Customs Tariff Act, 1975 is as under:

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; 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:*
- *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, containing biodiesel, other than waste oils:*
- *Waste oil :*

11.4.2 The CRCL, New Delhi vide test reports dated 17.10.2025 had further reported the said goods to be other than Light oil preparations. Therefore, the appropriate sub heading for classification of the said goods appear to be 2710 19. The relevant part of the CTH 2710 as per Customs Tariff Act, 1975 is as under:

2710 12 -- Light oils and preparations:

2710 19 -- Other:

11.4.3 The CRCL vide test reports dated 17.10.2025 have further reported that the said goods are other than Heavy aromatics/ Petroleum Hydrocarbon Solvent (125/240, 50/120, 60/80, 145/205) as per IS 1745, Base Oil, Transformer Oil, Petrol, Light oil preparations, Kerosene (IS 1459, IS 1571), Kerosene Intermediate IS 17793, Gas Oil (IS 17789), Vacuum Gas Oil as per 17792, Light Diesel Oil (IS IS15770) HFHSD (IS 16861) Diesel Blend (IS16531), Motor Gasoline as per IS 2796, IS 17021, IS 17076, IS 17586, Automatic Diesel Fuel containing Bio Diesel IS 1460, Automatic Diesel Fuel not containing Bio Diesel (IS 1460) and Bio diesel. On the basis of the same, the said goods appear more appropriately classifiable under CTI 27101990.

2710 1990 --- Other kg. 5% -

11.5 In view of the findings of the Test Reports of the CRCL, New Delhi, the goods imported under the said Bill of Entry No. 4722690, 4722661 and 4722665 all dated 25.09.2025 appears to be classifiable under CTH 27101990 of the Customs Tariff.

S. No.	B/E No. & date	Goods declared	Declared CTH	Correct CTH	No. of Containers
1	4722690 dt 25.09.2025	Heavy Aromatics	2707 5000	27101990	14
2	4722661 dt 25.09.2025	Heavy Aromatics	2707 5000	27101990	10
3	4722665 dt 25.09.2025	Petroleum Hydrocarbon Solvent	2710 1990	27101990	16

12. Restriction on import of petroleum products having flash point less than 93°C in flexi bags-

S. No.	B/E No. & date	Goods declared	Flash Point Declared	Flash Point as per Test Reports
1	4722690 dt 25.09.2025	Heavy Aromatics	125°C	63.47°C & 64.97°C
2	4722661 dt 25.09.2025	Heavy Aromatics	125°C	59.97°C
3	4722665 dt 25.09.2025	Petroleum Hydrocarbon Solvent	120°C	56°C & 57.8°C

In view of the foregoing, it is evident that the flash point of the imported goods was mis-declared vis-à-vis the actual values obtained in the test reports, which are significantly below 93°C. This indicates a deliberate misstatement with the apparent intent to classify the goods as permissible for import in flexi bags, whereas in reality they fall under petroleum products with flash point below 93°C, the import of which in flexi bags is not permitted. Such import is in clear contravention of the provisions of the Petroleum Rules, as well as the stipulations contained in Public Notice No. 08/2024 dated 27.09.2024 (**RUD-12**) issued by the Pr. Commissioner of Customs, Mundra Port, which specifically prohibits import of such hazardous petroleum products in flexi bags on account of safety, handling, and environmental concerns.

13. Valuation of the goods imported-

13.1 Whereas, the details of assessable values, of the imported goods declared as 'Heavy Aromatics' (CTH 27075000) and 'Petroleum Hydrocarbon Solvent' (CTH 27101990) imported by M/s A.K. International as declared in the respective bills of entry/ commercial invoices are as under-

S. No.	B/E No. & date	Goods declared	Declared CTH	Correct CTH	Declared Unit Price (In foreign currency)	Declared Assessable Value (in INR)
1	4722690 dt 25.09.2025	Heavy Aromatics	2707 5000	27101990	AED 1432	9719690
2	4722661 dt 25.09.2025	Heavy Aromatics	2707 5000	27101990	USD 450	7854784
3	4722665 dt 25.09.2025	Petroleum Hydrocarbon Solvent	2710 1990	27101990	AED 1431.99*	11156493

* 1AED= Rs 24.7 and 1 USD= Rs. 88.85 as per Exchange Rate Notification No.: 38/2025 w.e.f. 19.09.2025.

On the basis of the above, AED 1432 and AED 1431.99 = approx. USD 398.09.

13.2 Redetermination of the value of the goods declared as Heavy Aromatics found to be classifiable under CTH 27101990 oil imported under bills of entry No. 4722690 and 4722661 both dated 25-09-2025:

Whereas, as per CRCL New Delhi reports, the goods imported vide above mentioned bills of entry were composed of mixture of mineral hydrocarbon oil, having more than 70% by weight of mineral hydrocarbons. Therefore, the description of the said goods appears more akin Hydrocarbon Oil instead of Heavy Aromatics. Further, all the parameters reported by the CRCL vide the said test reports, in respect of goods imported by M/s AK International vide bills of entry no. 4722690 and 4722661 both dated 25.09.2025, are similar expect the Sulphur content which has been reported to be 167-177 mg/Kg for goods imported vide bill of entry no. 4722690 and 275 mg/kg for goods imported vide bill of entry no. 4722661. Sulphur content in petroleum products is an important indicator of quality, particularly from the perspective of environmental compliance, refining standards, and end-use suitability. Therefore, it appears that the goods imported by M/s AK International vide bill of entry no. 4722661 are of inferior quality as compared to the goods imported vide bill of entry no. 4722690. However, the said importer himself had declared the unit price of the said goods imported vide bill of entry no. 4722661 (USD 450/ MT) to be higher than the goods imported vide bill of entry no. 4722690 (AED 1432~ USD 398.09/ MT). It appears that the value of the goods imported vide bill of entry no. 4722690 dated 25.09.2025 should be at least USD 450/MT or higher.

In view of the above, it appears that the value of the goods as declared by the said importer in bill of entry no. 4722690 dated 25.09.2025 was not the true or actual transaction values of the goods, in terms of Section 14(1) of the Customs Act, 1962 read with Rule 3(1) of CVR, 2002 and thus is liable to be rejected in terms of Rule 12 of the CVR, 2007.

Further, no contemporaneous import data in respect of similar description, quality, and origin could be traced from the National Import Database or other reliable sources. Since the said importer themselves had imported similar goods at same commercial level, at same time and from the same supplier, the value of the said goods imported vide bill of entry 4722690 dated 25.09.2025 at unit price of USD 450/ Mt appears appropriate and hence, the same is re-determined at USD 450 / MT in terms of Rule 4 of the CVR, 2007 and the declared value of the goods imported vide bill of entry no. 4722661 dated 25.09.2025 may be considered as transaction value under the provisions of Rule 3(1) of the Customs Valuation Rules, 2007 read with Section 14 of the Customs Act, 1962.

S. No.	B/E No. & date	Declared description	Declared CTH	Correct CTH	Quantity (in MTs)	Re-determined Unit Price (in USD)	Exchange Rate USD into INR	Re-determined Assessable Value (in INR)
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1	4722690 dt 25.09.2025	Heavy Aromatics	2707 5000	2710 1990	271.74	450	88.85	1,08,64,845
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13.3 Redetermination of the value of the goods declared as Petroleum Hydrocarbon Solvent
imported under bill of entry no. 4722665 dt 25.09.2025:

From the discussions in foregoing paras and on the basis of CRCL reports, it is clear that the value of imported goods, as declared in respective Bill of Entry and as detailed in Colum (5) of the table as given under Para 13.1 above, were not the true or actual transaction values of the goods, in terms of Section 14(1) of the Customs Act, 1962 read with Rule 3(1) of CVR, 2002 and thus are liable to be rejected in terms of Rule 12 of the CVR, 2007, for reasons for mis-declaration of goods in parameters such as Flash Point and non-declaration of specifications of goods. As the value declared by the importer for the said consignment is liable to be rejected for the reasons discussed above, the same is required to be re-determined in terms of the provisions of the relevant rules of the CVR, 2007, read with Section 14 of the Customs Act, 1962.

As per Rule 3(4) & 12(1) of CVR, 2007, if the value cannot be determined under the provisions of sub-rule (1), the value of the imported goods is required to be determined by proceeding sequentially through Rule 4 to 9 of the CVR, 2007.

13.3.1 Application of Rule 4 of CVR, 2007:

Whereas, from the plain reading of Rule 4, it is evident that the said Rule provides for the determination of transaction value of the imported goods by comparing the declared value with the contemporaneous imports 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. The contemporaneous import data available on record was duly examined for the purpose of determining the assessable value. However, upon detailed analysis, it was observed that import data of identical goods, as required under Rule 4 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, was not available. In the absence of contemporaneous imports of identical goods meeting the parameters prescribed under Rule 4, the valuation of the subject goods could not be determined under the said rule.

13.3.2 Application of Rule 5 of CVR, 2007:

Whereas, Rule 5 of the CVR 2007 provides for the determination of the transaction value of the imported goods by comparing the declared transaction value of the similar goods imported by other importer(s) at or around the same time and goods which can be considered as similar goods are specified in Rule 2(1)(f) of the CVR, 2007. The contemporaneous import data was duly examined for the purpose of determining the assessable value. The import data pertaining to goods classified under CTH 2710 19 90 and declared as petroleum hydrocarbon solvent, from UAE, during the period i.e. September-2025 (since bills of entry filed by M/s A. K. International were dated 25.09.2025), are given below:

S. N o.	Port Code	BE NUMBE R	BE DATE	Name of the importer	Count ry of origin	Item description	CTH	Quanti ty (in MTs)	Unit price (in USD)
1	INKDL 6	471418 2	25-09- 2025	Skylink Petrochemicals Private Limited	AE	Petroleum Hydrocarbon Solvent	2710 1990	199.4	485
2	INKDL 6	471417 1	25-09- 2025	Skylink Petrochemicals Private Limited	AE	Petroleum Hydrocarbon Solvent	2710 1990	198.8	485

3	INKDL 6	471417 9	25-09- 2025	Skylink Petrochemicals Private Limited	AE	Petroleum Hydrocarbon Solvent	2710 1990	199.17	485
4	INKDL 6	458334 1	18-09- 2025	Skylink Petrochemicals Private Limited	AE	Petroleum Hydrocarbon Solvent	2710 1990	198.7	485
5	INKDL 6	458338 1	18-09- 2025	Skylink Petrochemicals Private Limited	AE	Petroleum Hydrocarbon Solvent	2710 1990	197.11	485

Further, in accordance with the mandate of Rule 5, the import value of the similar goods at or around the same time, is found to be USD 485/MT. Therefore, the assessable values in respect of the said bill of entry is re-determined as under:

S. No.	B/E No. & date	Correct CTH	Declared CTH	Quantity (in MTs)	Re-determined Unit Price (in USD)	Exchange Rate USD into INR	Re-determined Assessable Value (in INR)
1	4722665 dt 25.09.2025	Petroleum Hydrocarbon Solvent	2710 1990	311.91	485	88.85	1,34,40,904

13.4 The re-determined values of the goods imported vide bills of entry no. 4722690, 4722661 and 4722665 all dated 25.09.2025, as detailed supra, is tabulated below:

S. No.	B/E No. & date	Declared Unit Price (In foreign currency)	Re-determined Unit Price (in USD)	Assessable Value (in INR)
1	4722690 dt 25.09.2025	AED 1432 (~USD 398.09)	450	1,08,64,845
2	4722661 dt 25.09.2025	USD 450	450 (not re-determined)	78,54,784
3	4722665 dt 25.09.2025	AED 1431.99 (~USD 398.09)	485	1,34,40,904
				3,21,60,533

LEGAL PROVISIONS

14.1 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-

- the tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act;*
- the value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act;*
- 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;*
- 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;*
- 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;*
- 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;*

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

14.3 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.*

14.4 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 had been complied with;

14.5 Section 2(39) of the Customs Act'1962- *"smuggling", in relation to any goods, means any act or omission which will render such goods liable to confiscation under section 111 or section 113;*

14.6 Section 17 of the Customs Act, 1962:

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.*

14.7. 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.*

14.8. 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 had 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”

14.9. 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.

14.10 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.

14.11 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 had not been applied for within the prescribed period or had been refused and which had 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.*

14.12 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.

14.13 Rule 5 of Petroleum Rules, 2002- Containers for petroleum Class A.-

(1) Containers for petroleum Class A shall be constructed of tinned, galvanized or externally rust proofed sheet iron or steel and be of a type approved by the Chief Controller: Provided that glass bottles of a capacity not exceeding 2.5 litres and of a type approved by Chief Controller can be used as a container for laboratory chemicals classified as petroleum Class "A".

(2) The containers shall be so constructed and secured as not to be liable except under circumstances of gross negligence or extraordinary accident to become defective, leaky or insecure in transit and they shall be kept in proper repair.

(3) The containers shall have well-made filling aperture which shall be fitted with well-fitting and secure airtight screw plugs or screw caps or other caps.

(4) Containers made of sheet iron or steel shall have the following thickness of metal, namely: -

Capacity of Container exclusive of the free space Minimum thickness in mm. Prescribed in sub-rule (6) of sheet iron or steel

Not exceeding 10 litres 0.443(27BG)

Exceeding 10 but not exceeding 25 litres 0.63 (24BG)

Exceeding 25 but not exceeding 50 litres 0.80 (22BG)

Exceeding 50 but not exceeding 200 litres 1.25 (18BG)

Exceeding 200 but not exceeding 300 litres 1.59 (16BG)

(5) The capacity of any container, other than those approved by the Chief Controller for specific purposes, shall not exceed 300 litres.

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

(7) The container shall bear a stamped, embossed or painted warning exhibiting in conspicuous characters the words "Petrol" or "Motor Spirit" or an equivalent warning of the highly inflammable nature of the petroleum.

(8) Nothing in sub-rules (1), (3), (4), (5), (6) and (7), shall apply to containers in the possession of the Defence Forces of the Union.

14.14 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.

14.15 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.

14.16 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 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.*

14.17 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 suction 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

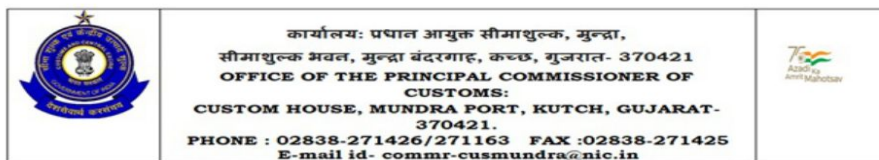
(c) Ventilators similarly protected shall be fitted to all spaces, around tanks.

14.18 Para 5 & 6 of the Public Notice No. 8/2024 dated 27.09.2024 issued by the Office of the Principal Commissioner of Customs, Mundra, Customs House: Mundra-

5. In light of the above mentioned rules, PESO has clarified that flexi bags fitted in general purpose 20 feet containers are not covered under the definition of container falling under Petroleum Rules, 2002. Further, Petroleum and Explosives Safety Organisation (PESO) is not giving any license/permission for transportation of petroleum products in flexi bags fitted in general purpose 20 foot containers.

6. Therefore, it is clarified that the petroleum products covered under the Petroleum Rules, 2002 framed under Petroleum Act, 1934 must be imported only in containers as specified under the provisions of the said Rules.

Said public notice is reproduced below-



DIN: 20240964WY0000111FCA

Date: 27.09.2024

PUBLIC NOTICE NO. 08/2024**Subject: Import of Petroleum Products and Safety Requirements for handling Petroleum Cargo – Reg.**

1. The Petroleum (Amendment) Rules, 2024 have been notified by the Ministry of Petroleum and Natural Gas, G.S.R. 154(E), vide Notification dated 04.03.2024. Following discussion with the Petroleum and Explosives Safety Organization (PESO), which is the nodal agency for regulating safety of hazardous substances such as explosives, compressed gas and petroleum, the following guidelines are issued for all stakeholders including Importers & Exporters, Terminal Authority, Customs Brokers (CBs), Shipping Liners/Agents, CFS's and all concerned with import/export and handling of petroleum products.

2. The Petroleum Rules, 2002 framed under the Petroleum Act, 1934 are only applicable to the petroleum products covered under the definition of petroleum given under Section 2 of the Petroleum Act, 1934.

3. Classification of Petroleum Products

Petroleum is defined under Section 2(a) of the Petroleum Act, 1934 as :

"petroleum" means any liquid hydrocarbon or mixture of hydrocarbons, and any inflammable mixture (liquid, viscous or solid) containing any liquid hydrocarbon

Further, section 2(b) categorizes petroleum class A, B and C on the basis of flash point -

- *"petroleum Class A" means petroleum having a flash-point below twenty-three degrees Centigrade*
- *"petroleum Class B" means petroleum having a flash-point of twenty-three degrees Centigrade and above but below sixty-five degrees Centigrade;*
- *"petroleum Class C" means petroleum having a flash-point of sixty-five degrees Centigrade and above but below ninety-three degree Centigrade;*

4. Containers and Storage Requirements

As per Rule 33 of Petroleum Rules, 2002, petroleum in bulk shall not be carried by water, except in a ship or other vessel licensed for the carriage of petroleum in bulk by an officer appointed by the Central Government in this behalf and the petroleum shall be stored in

such part of the ship or other vessel and in such manner as may be approved by general or special order by the licensing authority after consultation with the Chief Controller.

Storage and transportation of Class A, B and C petroleum products is allowed in containers as defined in the Petroleum Rules, 2002 as amended. Further, Rule 5 and Rule 6 of the Petroleum Rules, 2002 provide the specifications of the containers for Petroleum Class A, B & C products. As per Rule 4 of the Petroleum Rules, 2002, 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.

5. In light of the above mentioned rules, PESO has clarified that flexi bags fitted in general purpose 20 feet containers are not covered under the definition of container falling under Petroleum Rules, 2002. Further, Petroleum and Explosives Safety Organisation (PESO) is not giving any license/permission for transportation of petroleum products in flexi bags fitted in general purpose 20 foot containers.

6. Therefore, it is clarified that the petroleum products covered under the Petroleum Rules, 2002 framed under Petroleum Act, 1934 must be imported only in containers as specified under the provisions of the said Rules.

7. It may be noted that the objective of this Public Notice remains limited to the clarification given above and Importers/Exporters and all concerned with petroleum products in any way shall remain bound by the various other Acts/Rules/Guidelines in place. Any difficulty noticed in the implementation of this Public Notice may be brought to the notice of the Principal Commissioner of Customs, Customs House, Mundra.

Signed by K Engineer

Date: 27-09-2024 17:01:13

(K. ENGINEER)

Principal Commissioner of Customs
Custom House, Mundra.

Copy for information to:

1. All the Concerned Officers
2. All the Trade Associations
3. EDI Section, CHM, with the request to upload the above Public Notice on official website.
4. Notice Board

14.19 The Special Economic Zones Act, 2005:

Section 21- Single enforcement officer or agency for notified offences.

(1) The Central Government may, by notification, specify any act or omission made punishable under any Central Act, as notified offences for the purpose of this Act.

(2) The Central Government may, by general or special order, authorize any officer or agency to be the enforcement officer or agency in respect of any notified offences or offences committed in a Special Economic Zone.

(3) Every officer or agency authorized under sub-section (2) shall have all the corresponding powers of investigation, inspection, search or seizures' as is provided under the relevant Central Act in respect of the notified offences.

Notification No. 2665(E) dated 05.08.2016

S.O. 2665(E).—In exercise of the powers conferred by sub-section (1) of section 21 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government hereby, notifies the offences contained in the under-mentioned sections of the Customs Act, 1962 (52 of 1962), the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) as offences under the Act:-

The offences under Section 28, 28A, 28AAA, 74, 75, 111,113,115,124,135 and 104 of Customs Act, 1962, have been notified offences under SEZ Act, 2005.

Notification No. 2666(E) dated 05.08.2016

S.O. 2666(E).—In exercise of the powers conferred by **sub-section (2) of section 21** and second proviso to section 22 of the Special Economic Zones Act, 2005 (28 of 2005) (hereinafter referred as the Act), the Central Government hereby authorises the Additional Director General, Directorate of Revenue Intelligence for offences under the Customs Act, 1962 (52 of 1962) and the Additional Director General, Directorate General of Central Excise Intelligence for offences under the Central Excise Act, 1944 (1 of 1944) and the Finance Act, 1994 (32 of 1994) to be the enforcement officer(s) in respect of any notified offence or offences committed or likely to be committed in a Special Economic Zone. The enforcement officer(s), for the reasons to be recorded in writing, may carry out the investigation, inspection, search or seizure in the Special Economic Zone or Unit and shall intimate the details of any action initiated under sub-section (3) of section 21 of the Act to the Joint Secretary in charge of Special Economic Zones Division in the Department of Commerce immediately and in any case not later than seven days of initiation of any action.

15. Summary of Investigation-

- A. M/s A. K. International imported goods declared as "Heavy Aromatics" classifying under CTH 27075000 and 'Petroleum Hydrocarbon Solvent' classifying under CTH 27101990 in flexi bags in 40 containers vide bills of entry no. 4722690, 4722661 and 4722665 all dated 25.09.2025.
- B. The consignments covered under the said 3 Bills of Entry were physically examined at Mundhra CFS, and representative samples were drawn under panchnama dated 01.10.2025. The representative samples were then forwarded to Central Revenues Control Laboratory (CRCL), New Delhi for testing.
- C. CRCL test reports conclusively established that the goods imported were composed of mixture of mineral hydrocarbon oil, having more than 70% by weight of mineral hydrocarbons. It has been further informed that the sample u/r is other than heavy aromatics/ petroleum hydrocarbon solvents (125/240, 60/80, 50/120,145/205), however, it has characteristics of diesel fraction. CRCL, New Delhi vide letter dated 28.10.2025 has further informed that GC analysis on all the samples under reference has been conducted and the chromatographic data indicated Diesel fraction. Also, the GC data did not indicate the presence of biodiesel.
- D. (i) From the lab test reports received from the CRCL, New Delhi in respect of samples of all the Bills of Entry under investigation, it appears that the Petroleum Class B products, in terms of Section 2(b) of the Petroleum Act, 1934, having flash point far less than 93°C have been imported by the said importer.

(ii) Storage and transportation of Class A, B and C petroleum products is allowed in containers as defined in the Petroleum Rules, 2002 as amended. Rule 5 and Rule 6 of the Petroleum Rules, 2002 provide the specifications of the containers for Petroleum Class A, B & C products. As per Rule 4 of the Petroleum Rules, 2002, 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.

The Pr. Commissioner of Customs, Mundra Port, Customs House, Mundra, vide Public Notice No. 08/2024 dated 27.09.2024 has issued guidelines for all stakeholders including Importers & Exporters, Terminal Authority, Customs Brokers (CBs), Shipping Liners/Agents, CFS's and all concerned with import/export in respect of handling of petroleum products.

The said Public Notice (PN) states that in light of the rules 4, 5 & 6 of the Petroleum Rules, 2002, PESO has clarified that **flexi bags fitted in general purpose 20 feet containers are not covered under the definition of container falling under Petroleum Rules, 2002 and Petroleum and Explosives Safety Organisation (PESO) is not giving any license/permission for transportation of petroleum products in flexi bags fitted in general purpose 20 foot containers.**

It further clarified that the **petroleum products covered under the Petroleum Rules, 2002 framed under Petroleum Act, 1934 must be imported only in containers as specified under the provisions of the said Rules.**

- E. This PN was issued on 27.09.2024, but the importer i.e. M/s A. K. International did not follow the guidelines issued by the Pr. Commissioner of Customs, Mundra Port, Customs House Mundra, this also amounts to clear violations of the Petroleum Act, 1934 and the Petroleum Rules, 2002.
- F. Further, the investigation revealed that the imported goods declared as "Heavy Aromatics" were not only mis-declared in terms of description but were also incorrectly classified under CTH 27075000. In view of the CRCL test reports, which established that the goods were in fact mixtures of mineral hydrocarbon oils exhibiting characteristics of diesel fractions, and distillation range of only 55.7% to 56.8%, which is below the prescribed threshold, the same are more appropriately classifiable under CTH 27101990. The incorrect classification/ misdeclaration with regard to the parameters of the imported goods appears to have been deliberately adopted to avoid the stricter regulatory framework applicable to petroleum products falling under CTH 2710, thereby rendering the goods liable for confiscation under the provisions of the Customs Act, 1962.
- G. Further, with respect to the goods imported vide Bill of Entry No. 4722690 dated 25.09.2025 declared as "Heavy Aromatics", the investigation revealed that, as per CRCL reports, the goods were composed of mineral hydrocarbon oils containing more than 70% by weight of mineral hydrocarbons and appeared more akin to "Hydrocarbon Oil" than the declared description. It was also observed that the test parameters of the goods imported vide Bill of Entry Nos. 4722690 and 4722661, both dated 25.09.2025, were substantially similar except for sulphur content, which was higher in the latter consignment, indicating comparatively inferior quality. However, despite the inferior quality, the importer had declared a higher unit price of USD 450/MT for the goods imported vide Bill of Entry No. 4722661 as against approximately USD 398.09/MT declared for the goods imported vide Bill of Entry No. 4722690, though both consignments were imported from the same supplier at the same commercial level and around the same time. Accordingly, the declared value of the goods imported vide Bill of Entry No. 4722690 appeared understated and liable to rejection under Rule 12 of the Customs Valuation Rules, 2007, and the assessable value was liable to be re-determined at USD 450/MT in terms of Rule 4 of the said Rules read with Section 14 of the Customs Act, 1962.

- H.** Further, with respect to the goods imported vide bill of entry no. 4722665 dated 25.09.2025 declared as "Petroleum Hydrocarbon Solvent", the investigation indicates that the declared transaction value was not the true and correct value in terms of Section 14 of the Customs Act, 1962. The contemporaneous import data of similar goods revealed significantly higher unit prices (USD 485/MT) as against the declared values, thereby clearly establishing undervaluation. Such suppression of value appears to have been deliberately done. Accordingly, the declared value was found liable to be rejected under Rule 12 of the Customs Valuation Rules, 2007, and the assessable value was required to be re-determined in terms of Rule 5 of the said Rules.
- I.** Based on the test results and investigation: 466.01 MT of goods declared as "Heavy Aromatics" and 311.91 MTs of goods declared as Petroleum Hydrocarbon Solvent were seized vide seizure memo dated 22.10.2025 under Section 110 of the Customs Act, 1962, as they appeared liable for confiscation under Section 111 (d) and 111 (m) of the Customs Act, 1962, due to mis-declaration, improper classification and undervaluation, and violation of conditions laid down by Pr. Commissioner of Customs, Mundra vide Public Notice No. 08/2024 dated 27.09.2024 read with Rule 4, 5 and 6 of the Petroleum Rules, 2002.
- J.** It is further brought out from the statement of Shri Nimish Kumar Aggarwal that he was the sole person responsible for the day-to-day operations of M/s A.K. International, including procurement, import, blending, and sale of goods, as well as financial management of the firm. Upon being confronted with the CRCL test reports, he unequivocally accepted the findings therein and admitted that the goods imported were other than the declared description. He, however, tried to avoid the responsibility by claiming that he had placed orders only for "Heavy Aromatics" and "Petroleum Hydrocarbon Solvent" and expressed his inability to explain how goods of different specifications were supplied by the overseas suppliers.
- K.** M/s A.K. International claimed to use the imported goods for blending to manufacture Mineral Hydrocarbon Oil (MHO) for use in paint and pesticide industries. However, the investigation revealed absence of technical expertise, lack of standard procedures, and no documentary evidence of customer specifications.
- L.** 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 to determine duty, classification etc. by way of self-assessment. The importer, at the time of self-assessment, was required to ensure that they declare the correct description & classification of the import goods, applicable rate of duty thereon, correct value thereof, benefit of exemption notifications claimed, if any, while presenting the Bill of Entry before Customs. By furnishing incorrect and wrong information in the import documents, it appears that M/s A.K. International, appears to have violated the provisions of the said Section 17(1) read with Section 2(2) of the Customs Act 1962.
- M.** In terms of Section 46(4) of the Customs Act, 1962, the importer had 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. Thus, in view of the facts discussed in the foregoing paras and material evidences available on records, it appears that the importer had 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 and parameters of the goods imported by them with a mala-fide intention to circumvent the applicable rules and guidelines.
- N.** Since the said goods were imported by way of mis-declaration, mis-classification & undervaluation, in the manner as discussed above in contravention of Section 17 (1), Section 46(4) and 46(4A), it appears the said

goods are liable for confiscation in terms of Section 111 (d) and 111 (m) of Customs Act, 1962. Further, M/s A. K. International and Shri Nimish Kumar Aggarwal appear to have rendered themselves liable for imposition of penalty under Section 112 (a) and/or 112 (b), and 114 AA of the Customs Act, 1962.

16. Role Played

A. Role of M/s A.K. International-

M/s A.K. International played a central role in the import of the impugned goods by deliberately mis-declaring their description, classification, flash point and value. The firm declared the goods as "Heavy Aromatics" and "Petroleum Hydrocarbon Solvent" despite CRCL reports establishing that the goods were mixtures of mineral hydrocarbon oils having characteristics different from those declared. The goods (Heavy Aromatics) were misclassified under CTH 27075000 instead of the appropriate CTH 27101990, and flash point (for both Heavy Aromatics and Petroleum Hydrocarbon Solvent) was falsely declared in the range of 120–125°C as against actual values of 56°C to 64.97°C, in order to circumvent restrictions on import in flexi bags. Further, in respect of "Petroleum Hydrocarbon Solvent", the declared value was found to be significantly lower than contemporaneous import prices, indicating deliberate undervaluation. The firm also relied upon incorrect and inconsistent supporting documents, thereby establishing that the imports were effected through systematic misdeclaration and submission of false particulars. The illicit import of the said goods by way of mis-declaration in description, parameters, CTH and value amounts to an act of smuggling as defined under Section 2(39) of the Customs Act 1962. Thus, by their acts of omission and commission in the case, as brought out by the investigation, M/s A. K. International appear to have rendered the said imported goods, having total declared assessable value of Rs. 2,87,30,967/-, re-determined as Rs. 3,21,60,533/-, liable for confiscation under Section 111(d) and 111(m) of the Customs Act, 1962 and have rendered themselves liable for penalty under the provisions of Sections 112 (a) and/or 112(b) and 114 AA of the Customs Act 1962.

B. Role of Shri Nimish Kumar Aggarwal-

Shri Nimish Kumar Aggarwal, partner of M/s A.K. International, was the key person responsible for the overall conduct of the business, including procurement, import documentation, and financial decisions. He admitted that he was handling the day-to-day affairs of the firm and had placed orders with overseas suppliers. Upon being confronted with CRCL test reports, he accepted the findings that the goods were other than those declared, though he failed to provide any satisfactory explanation for such discrepancies. Despite this, he continued to take responsibility as the main decision-maker for the imports, including acceptance and clearance of the goods. His role establishes that he was fully responsible for the misdeclaration of description, incorrect classification, false declaration of flash point, and undervaluation. He also caused to make false and incorrect declarations and documents before the customs authorities, in the course of importation of the impugned goods. By his acts of omission and commission, Shri Nimish Kumar Aggarwal appears to have thereby rendered himself liable for penalty under the provisions of Sections 112 (a) and/or 112(b) and 114 AA of the Customs Act 1962. Further, Shri Nimish Kumar Aggarwal appears liable for penalty under Section 117 of the Customs Act, 1962, for failure to comply with the three summons issued by a proper officer under Section 108 of the act *ibid*.

17.1 Now therefore, M/s A K International (IEC: ABQFA2636P), Plot No. 47C, Sector-II, Kandla Special Economic Zone, Gandhidham-370230, is hereby called upon to show cause to the Additional Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch, within 30 days of receipt of this notice as to why:-

- (i) The impugned goods i.e. "Heavy Aromatics", under Customs Tariff Item 27075000, imported vide Bill of Entry no. 4722690 and 4722661 both dated 25.09.2025, having total quantity 466.01 MTs, should not

be rejected and re-classified as "Hydrocarbon Oil" under the Customs Tariff Item 27101990, for the reasons detailed supra.

- (ii) The declared value i.e. AED 1432/- per MT (approx. USD 398.09/ MT), of the impugned goods i.e. "Heavy Aromatics" vide bill of entry no. 4722690 dated 25.09.2025, should not be rejected in terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determined at USD 450/- per MT (as detailed in Para 13.2 above) amounting to Rs. 1,08,64,843/- in terms of Rule 4 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.
- (iii) The declared value i.e. AED 1431.99/- per MT (approx. USD 398.09/ MT), of the impugned goods i.e. "Petroleum Hydrocarbon Solvent" vide bill of entry no. 4722665 dated 25.09.2025, should not be rejected in terms of Rule 12 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 and re-determined at USD 485/- per MT (as detailed in Para 13.3 above) amounting to Rs. 1,34,40,904/- in terms of Rule 5 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.
- (iv) The impugned goods i.e. 466.01 MTS of "Heavy Aromatics" and 311.91 MTs of "Petroleum Hydrocarbon" solvent imported in flexi bags contained in 40 containers vide bills of entry no. 4722690, 4722661 and 4722665 all dated 25.09.2025, imported by way of mis-declaration of description, mis-classification, mis-declaration of valuation parameters and CTH, and imported in flexi bags in clear violations of Petroleum Rules and Public Notice issued by Mundra Port, having declared value of Rs. 2,87,30,967/- (Two Crores Eighty-Seven Lakhs Thirty Thousand Nine Hundred Sixty-Seven Rupees), which is re-determined as Rs. 3,21,60,533/- (Three Crores Twenty One Lakhs Sixty Thousand Five Hundred Thirty Three Rupees), seized under Section 110 of the Customs Act, 1962 vide Seizure Memo dated 22.10.2025 should not be confiscated under Sections 111(d) and 111(m) of the Customs Act, 1962.
- (v) Penalty should not be imposed upon them under Section 112 (a) / or 112(b) of the Customs Act'1962, for the reasons as discussed supra.
- (vi) Penalty should not be imposed upon them under Section 114AA of the Customs Act'1962, for the reasons as discussed supra.

17.2 Now therefore, Shri Nimish Kumar Aggarwal, Partner, M/s A. K. International is hereby called upon to show cause to the Additional Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch, within 30 days of receipt of this notice as to why penalty should not be imposed on him under Section 112 (a) and/ or 112(b), Section 114AA and Section 117 of the Customs Act, 1962, in respect of the goods as discussed above, for the reasons as detailed supra.

18. This Show Cause Notice is being issued under Section 124 of the Customs Act, 1962, without prejudice to any other action that may be taken against the Noticee(s) or any other person / party connected with this case under the Customs Act, 1962 or any other law for the time being in force. The aforesaid Noticees are directed to submit their written reply within the stipulated time. In their reply, they should clearly state whether they wish to be heard in person or not. If no cause is shown within the stipulated time, or within extended time period, if any, provided by the Adjudicating Authority on a written request being made in that regard, or, if they do not appear when the case is posted for hearing, the case will be decided *ex-parte* on the basis of evidence available on record without making any further reference to them.

19. The Department reserves its rights to add, alter, amend, modify or supplement this Notice at any time on the basis of any evidence, material facts related to export of goods by them, which may come to the notice of the Department after issuance of this Notice and prior to the adjudication of the case.

20. The list of relied upon documents (Annexure-R) is enclosed. It may be noted that all the documents and charts enclosed with this Show Cause Notice are an integral part of this Show Cause Notice. Scanned copies of the same are being supplied by email. If any of the Noticee(s) desire to inspect any of the documents which are relied upon and / or wish to take copies of the same, they may do so with prior appointment with the Additional/ Joint Commissioner of Customs (Adjudication), having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch, on any working day within one month from the date of receipt of this Show Cause Notice.

Encl: Annexure – R

**Digitally signed by
Rakesh Kumar Jain
Date: 24-09-2026
14:34:25**

Additional Commissioner of Customs

Customs House, Kandla

Noticees:

1. M/s A K International (IEC: ABQFA2636P), Plot No. 47C, Sector-II, Kandla Special Economic Zone, Gandhidham-370230 (email id- akinternational401@gmail.com)
2. Shri Nimish Kumar Aggarwal S/o Shri Mahesh Chand Agarwal, Resident of House No. 18, Phase 2, Harilok Colony, Jwalapur, Hardwar, Haridwar, Uttarakhand- 249407 (email id- ganpati670@gmail.com)

Copy to:

1. The Pr. Additional Director General, DRI, DZU, B-3&4, 6th Floor, Pt. Deendayal Antyodaya Bhawan, CGO Complex, Lodhi Road, New Delhi-110003.
2. The Superintendent, EDI Section, Custom House, Kandla for uploading the same on official portal.

Annexure-R

List of Relied Upon Documents

S. No.	Details of RUD	Dated
1	Panchanama dated 01.10.2025 in respect of examination of goods imported by M/s A.K. International vide Bills of entry no. 4722665, 4722661 and 4722690 all dated 25.09.2025	01.10.2025
2	Panchanama dated 02.10.2025 in respect of search conducted at Shop No. 08 & 09, Plot No. 54, Sector 9, Gandhidham	02.10.2025
3	Panchanama dated 06.10.2025 in respect of forensic examination of mobile phone of Shri Vishal Lakhani	06.10.2025
4	CRCL, New Delhi test reports dated 17.10.2025	17.10.2025
5	Seizure memo dated 22.10.2025	22.10.2025
6	CRCL New Delhi letter dated 28.10.2025	28.10.2025
7	Statement of Shri Gaurav Kakkar, Partner, M/s AK International dated 13.11.2025	13.11.2025
8	Statement of Shri Vishal Lakhani, Proprietor, M/s Nagraj Logistics dated 14.11.2025	14.11.2025
9	Statement of Shri Nimish Aggarwal, Partner, M/s AK International dated 24.11.2025	24.11.2025
10	Summons dated 24.11.2025, 28.11.2025 and 16.01.2026 issued to Shri Nimish Kumar Aggarwal	-----
11	Statement of Shri Nimish Kumar Aggarwal dated 16.04.2026	16.04.2026
12	Public Notice No. 08/2024 dated 27.09.2024 issued by the Pr. Commissioner of Customs, Mundra Port	-----
Link of the RUDs		
https://drive.google.com/drive/folders/15uiL9myU5izVZpsqVZUY44wP0UZ-wGQm?usp=sharing		

