कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:
CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421.
PHONE : 02838-271426/271163 FAX :02838-271425
E-mail id- adj-mundra@gov.in

A. File No.	**:**	**GEN/ADJ/ADC/790/2026-Adjn-O/o Pr. Commr-Cus-Mundra**
B. SCN No.	**:**	**47/2026-27/ADC/ZDC/MCH**
C. Passed by	**:**	**Dipak Zala, Additional Commissioner of Customs, Customs House, AP&SEZ, Mundra.**
D. Noticess(s)/Importer	**:**	**M/s Asphaltera Pvt. Ltd. (IEC: AAYCA6579M)**
E. DIN	**:**	**20260571MO0000999A59**

(Show Cause Notice under Section 124 of the Customs Act, 1962)

Whereas it appeared that:

1.1 M/s Asphaltera Pvt. Ltd. (IEC: AAYCA6579M), having its registered office/ /principal place located at 84A SFS Flats DG-2, Vikas Puri, New Delhi-110018. (hereinafter referred to as *"M/s.* Asphaltera Pvt. Ltd.*"* or *"the Importer"*), imported goods vide **Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026 (RUD-01)** at Customs House Mundra**.**

1.2 Specific intelligence gathered by the **Directorate of Revenue Intelligence (DRI)** indicated that the aforesaid consignments imported by M/s. Asphaltera Pvt. Ltd. lying at Mundra Port and declared as "**Industrial Oil"** under **CTH 27101990**, were **mis-declared with respect to their description and nature,** with the deliberate intent to clear prohibited/restricted goods.

The details of the import consignment are as follows:

Table-I

	Details of 1st Bill of Entry	**Details of 2nd Bill of Entry**	**Details of 3rd Bill of Entry**
Bill of Entry No.	4861025 dated 01.10.2025	4968340 dated 08.10.2025	6760319 dated 08.01.2026
Bill of Lading No.	RST/JEAMUN/ 25/000152	RST/JEAMUN/ 25/000163	RSL/JEA7806/MUN
Declared Goods in BE	Industrial Oil	Industrial Oil	Industrial Oil
Declared Quantity	283080 (in KGS)	199250 (in KGS)	226230 (in KGS)
No of Containers	14	10	11
Customs Broker	M/s Airtrax Freight Logistics	M/s Airtrax Freight Logistics	M/s Airtrax Freight Logistics
Country of Origin	UAE	UAE	UAE
Supplier	M/s. DVN International FZE	M/s. DVN International FZE	M/s. DVN International FZE

1.3 Based on the aforesaid intelligence, the consignments imported by M/s. Asphaltera Pvt. Ltd., lying at Mundra Port and declared as "Industrial Oil" under CTH 27101990, were placed on hold by the DRI. Accordingly, Bill of Entry No. 4861025 dated 01.10.2025 was put on hold on 08.10.2025, followed by Bill of Entry No. 4968340 dated 08.10.2025 put on hold on 09.10.2025, and subsequently, as a follow-up action, Bill of Entry No. 6760319 dated 08.01.2026 was also placed on hold on 15.01.2026.

2. Examination and drawl of Samples:

The examination of the aforesaid consignments was conducted by the Directorate of Revenue Intelligence (DRI) under duly drawn panchnamas. The consignments covered under Bill of Entry No. 4861025 dated 01.10.2025 and Bill of Entry No. 4968340 dated 08.10.2025 were examined under panchnama dated 11.10.2025 **(RUD-2).** Further, the consignment covered under Bill of Entry No. 6760319 dated 08.01.2026 was examined under panchnama dated 24.01.2026 **(RUD-3).** All the above examinations were carried out at M/s Mundhra CFS Pvt. Ltd., Bharat CFS Zone-I, AP & SEZ Ltd., Mundra, Kutch, Gujarat–370421, in the presence of the authorized representative of the Customs Broker appointed by the importer. During the said examination proceedings, representative samples, in duplicate, were drawn from each of the 35 containers,

for laboratory testing to ascertain the exact nature of the import goods in the said consignments.

3. <u>Testing of the Samples</u>:

3.1 The 35 samples drawn from the containers covered under Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026 were sent to Custom House Laboratory, Visakhapatnam for testing. The samples pertaining to Bill of Entry No. 4861025 dated 01.10.2025 and Bill of Entry No. 4968340 dated 08.10.2025 were sent vide Test Memos No. 305/2025 to 318/2025 and 319/2025 to 328/2025, respectively, both dated 16.10.2025. Further, the samples relating to Bill of Entry No. 6760319 dated 08.01.2026 were forwarded vide Test Memos No. 893/2025 to 903/2025 dated 31.01.2026.

3.2 The laboratory subsequently submitted their test reports reference numbers 245 to 258 in respect of Bill of Entry No 4861025 dated 01.10.2025, reference numbers 259 to 268 in respect of Bill of Entry No. 4968340 dated 08.10.2025 and reference numbers 776 to 786 in respect of Bill of Entry No. 6760319 dated 08.01.2026 respectively.

3.3 The test reports in respect of all 14 samples (**RUD-4**) pertaining to Bill of Entry No. 4861025 dated 01.10.2025, based on the parameters tested by the Custom House Laboratory, Visakhapatnam indicated that all the samples conform to the stringent parameters of Automotive Diesel Fuel. Since all the samples yielded similar findings, the report in respect of Lab No. 245-DRI is reproduced hereunder for illustration:

- ***The sample has been tested for all the characteristics parameters tested above & which are stringent parameters also to characterize petroleum fuels.***

- ***The sample meets all characteristic parameters of HFHSD as mentioned in IS: 16861 except flash point (23.0°C), which is 43.0°C lower than required i.e. 66.0°C and the percentage distillation recovery at 370°C is 94% (1% lower than requirement of 95%).***

- ***The GCMS chromatogram of sample reveals that the sample is mainly composed of diesel fraction (more than 95% & less than 98%) & adulterated with lighter hydrocarbons.***

- ***The sample is most akin of HFHSD (IS 16861) / adulterated HFHSD.***

3.4 The test reports in respect of all 10 samples (**RUD-5**) pertaining to Bill of Entry No. 4968340 dated 08.10.2025, based on the parameters tested by the Custom House Laboratory, Visakhapatnam indicated that all the samples conform to the stringent parameters of Automotive Diesel Fuel. Since all the samples yielded similar findings, the report in respect of Lab No. 259-DRI is reproduced hereunder for illustration:

- ***The sample has been tested for all the characteristics parameters tested above & which are stringent parameters also to characterize petroleum fuels.***

- ***The sample meets all the stringent parameter of Automotive diesel fuel as mentioned in IS: 1460:2025 except flash point (which is 13℃ lower than required (decreased by means of using lighter hydrocarbon) and distillation recovery at 360℃ (which is 93% & 2% less than 95%), sulphur content is 15.03 PPM which is very close to limited 10 PPM.***

- ***The GCMS pattern of sample shows presence of lighter hydrocarbons, which cannot a part of diesel fuels, as per standard refinery protocol & classification of petroleum fuels. Minor deviation from the required values of above 03 parameters, does not effects its application as diesel fuel for Automotive purpose.***

- ***The sample is adulterated diesel in respect of the definition of "adulteration" as mentioned in 5.1 of marketing discipline guideline published by PSU's.***

- ***There is no specification available for industrial oil in National & International standards.***

- ***The sample also meets the specification of HFHSD (IS 16861) up to the extent of parameter tested above except flash point which was lowered by using lighter hydrocarbons.***

3.5 The test reports in respect of all 11 samples (**RUD-6**) pertaining to Bill of Entry No. 6760319 dated 08.01.2026, based on the parameters tested by the Custom House Laboratory, Visakhapatnam, indicated that all the samples conform to the stringent parameters of Automotive Diesel Fuel. Since all the samples yielded similar findings, the report in respect of Lab No. 784-DRI is reproduced hereunder for illustration:

- ***a) The sample is other than Kerosene (IS 1459/IS 1571), Kerosene Intermediate (IS 17793).***

  b) The sample meets all the stringent parameter of Automotive Diesel Fuel not containing bio-diesel (IS 1460) except flash point (which is 19°C lower than required) and Distillation Recovery at 360°C (which is 5% less than required 95%).

  c) The sample is other than Light Diesel Oil- LDO (IS 15770).

  d) The sample meets all stringent parameter of HFHSD (IS:16861) except flash point (which is 50°C less than required 66°C) and Distillation Recovery at 370°C (which is 3% less than required 95%).

- ***The sample has tested above parameters mentioned in test report, which are stringent to characterize the product.***

- ***The sample is most akin to Automotive Diesel Fuel not containing bio-diesel (IS 1460) and also meets the requirement of HFHSD (IS:16861). The sample is an adulterated diesel (Automotive diesel fuel) with adulterants like lighter hydrocarbons to decrease the Flash point & heavy hydrocarbons to increase the Distillation recovery temperature for 95% recovery.***

- ***There is no specification available for industrial oil in National & International standards.***
- ***It is non-hazardous.***

3.6 For parameters not covered in the Custom House Laboratory's Vishakhapatnam testing, additional samples were forwarded to Mangalore Refinery and Petrochemicals Limited (MRPL). In this regard, samples pertaining to Bill of Entry No. 4861025 dated 01.10.2025 and Bill of Entry No. 4968340 dated 08.10.2025 were forwarded vide Test Memo No. 943/2025 and 944/2025,

respectively, both dated 07.03.2026. Further, samples relating to Bill of Entry No. 6760319 dated 08.01.2026 were forwarded vide Test Memo No. 949/2025 dated 17.03.2026, to ensure comprehensive testing of all specifications under IS 1460, as mandated by the Hon'ble Supreme Court in ***Gastrade International v. Commissioner of Customs, Kandla.***

3.7 The Mangalore Refinery and Petrochemicals Limited (MRPL) has submitted their reports vide letter No. MRPL/GEN/377 dated 21.04.2026 (**RUD-7**).

The findings of the aforementioned Test Reports are reproduced below:

Table-II

Sl. No.	**Bill of Entry No. & Dated**	**Quantity**	**Declared Description**	**Sample Test Result**	**IS Standards**
01.	4861025 dated 01.10.2025	283080 KGs	Industrial Oil	Conform to the parameters of Automotive Diesel Fuel (ADF)	IS 1460:2025
02.	4968340 dated 08.10.2025	199250 KGs	Industrial Oil	Conform to the parameters of Automotive Diesel Fuel (ADF)	IS 1460:2025
03.	6760319 dated 08.01.2026	226230 KGs	Industrial Oil	Conform to the parameters of Automotive Diesel Fuel (ADF)	IS 1460:2025

4. Whereas, the initial findings of the CRCL Visakhapatnam indicated that the sample conforms to all characteristic parameters of Automotive Diesel Fuel (ADF) except Flash Point, distillation recovery, and Sulphur content. The said report further noted that the sample also meets the stringent parameters of High Flash High Speed Diesel (HFHSD) as per IS: 16861, except for Flash Point and

distillation recovery. Upon further testing of the samples at Mangalore Refinery and Petrochemicals Limited (MRPL), it was observed that the sample covered under Test Memo No. 943/2025 conforms to 17 out of 21 parameters prescribed under IS 1460:2025, with Flash Point, Cetane Number, Sulphur, and Lubricity falling outside the stipulated norms. Further, the sample covered under Test Memo No. 944/2025 conforms to 19 out of 21 parameters, with only Flash Point and Sulphur being outside the prescribed limits. Similarly, the sample covered under Test Memo No. 949/2025 also conforms to 18 out of 21 parameters, with deviations in Flash Point, Lubricity and distillation recovery. As observed in the Custom House Laboratory Vishakhapatnam's report, the reduction in Flash Point is attributable to the deliberate addition of lighter hydrocarbons, while the elevated Sulphur content is a consequence of either the intentional addition of sulphur compounds or deliberately not undergoing de-sulphurization process (*discussed in the subsequent paragraphs*), both of which have caused the said parameters to deviate from the prescribed limits under IS 1460:2025. Based on the totality of the test findings and applying the "most-akin" principle as mandated by the Hon'ble Supreme Court in *Gastrade International v. Commissioner of Customs, Kandla*, the subject goods are determined to be Automotive Diesel Fuel (ADF) conforming to IS 1460:2025.

4.1 Further, the specifications of Automotive Diesel Fuel (ADF) as per IS 1460 of the Bureau of Indian Standards (BIS) are reproduced below:

Table 1 Requirement for Automotive Diesel Fuel

(*Clauses* 3.1.4, 3.2 *and Foreword*)

Sl No.	Characteristic	Requirement	Method of Test, Ref to Parts of IS 1448 ISO/EN/Annex
(1)	(2)	(3)	(4)
i)	Appearance	Clear, bright and free from sediments, suspended matter and undissolved water at normal ambient fuel temperature	Visual
ii)	Total Acid Number (TAN), mg of KOH/g, *Max*	0.20	(Part 2)[8]
iii)	Ash, percent by mass, *Max*	0.01	(Part 4/Sec 1)[8]
iv)	Carbon residue, on 10 percent residue[1], percent by mass, *Max*	0.30	(Part 8)[8] /(Part 189)
v)	Cetane number, *Min*	51[2]	(Part 9)[8]
vi)	Cetane index, *Min*	46[2]	(Part 174)[8]
vii)	Pour point[3], °C, *Max*:		(Part 10/Sec 2)[8]
	a) Winter	3	
	b) Summer	15	
viii)	Copper strip corrosion for 3 h at 50 °C, *Max*	Class 1	(Part 15)[8]
ix)	Distillation, 95 percent *v/v* recovery, °C, *Max*	360	(Part 18)[8]/ISO 3405

Table 1 (*Concluded*)

Sl No.	Characteristic	Requirement	Method of Test, Ref to Parts of IS 1448 ISO/EN/Annex
(1)	(2)	(3)	(4)
x)	Flash point, Abel[4], °C, *Min*	35	(Part 20)[8]
xi)	Kinematic viscosity, mm^2/s, at 40 °C	2.0 to 4.5	(Part 25/Sec 1)[8]/(Part 186)
xii)	Total contamination, mg/kg, *Max*	24	EN 12662[8]
xiii)	Density at 15 °C, kg/m^3	810 to 845[5]	(Part 16)[8] /(Part 32)/(Part 167)
xiv)	Total sulphur, mg/kg, *Max*	10	(Part 160)[8]/(Part 34)/ (Part 161)/(Part 159)
xv)	Water content, mg/kg, *Max*	200	(Part 182)[8]
xvi)	Cold Filter Plugging Point (CFPP)[3], °C, *Max*:		(Part 110)[8]
	a) Winter	6	
	b) Summer	18	
xvii)	Oxidation stability[6], g/m^3, *Max*	25	(Part 154)[8]
	Oxidation stability[6], minutes, *Min*	60	EN 16091[12]
xviii)	Oxidation stability (for diesel fuel having FAME content of above 2 percent *v/v*), hours, *Min*	20	EN 15751[8]
	Oxidation stability (for diesel fuel having FAME content of above 2 percent *v/v*), minutes, *Min*	60	EN 16091
xix)	Polycyclic Aromatic Hydrocarbon (PAH), percent by mass, *Max*	8	EN 12916[8]
xx)	Lubricity, wear scar diameter (wsd) at 60 °C, µm, *Max*	460	(Part 149)[8]
xxi)	FAME content[7], percent *v/v*, Max	7.0	Annex B[8]

4.2 And whereas on analysis of the parameters detailed in the Test Reports vis-a-vis the parameters stipulated in the BIS standards of IS 1460, it appears in accordance with the intelligence, that goods being imported under aforesaid Bills of Entries appear to be mis-declared and following conclusion appears to flow from the analysis.

Table-III

Sr No	Bill of Entry No.	Quantity	Product description as per analysis of Test Report (CRCL+MRPL)
1	4861025 dated 01.10.2025	283080 KGs	Automotive Diesel Fuel (ADF) conforming to Standards IS 1460:2025

2	4968340 dated 08.10.2025	199250 KGs	Automotive Diesel Fuel (ADF) conforming to Standards IS 1460:2025
3	6760319 dated 08.01.2026	226230 KGs	Automotive Diesel Fuel (ADF) conforming to Standards IS 1460:2025

4.3 As per Customs Tariff Act, it appears that the goods found as Automotive Diesel Fuel (ADF)) conforming to standard IS 1460:2025 are classifiable under CTH 27101944.The relevant descriptions of the above mentioned CTHs as per the Customs Tariff Act are as below:

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

Further, as per ITC(HS), 2022, Schedule 1: Import Policy, Section V: Mineral Products, Chapter 27: Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes: Goods falling under the description of "Automotive Diesel Fuel (ADF) conforming to standard IS 1460", the import policy makes the goods restricted by way of importation by State Trading Enterprises only by virtue of Policy Condition No. 5 which prescribes "Import allowed through IOC subject to para 2.21 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NGs Resolution No. P23015/1/2001-MKT. Dated 8.3.2002 including HPCL, BPCL and IBP who have been marketing transportation fuels before this date". The screenshots of the relevant extracts:

Sl.No.	Notes	Notification No.	Notification Date
1	Import of naphtha is free.		
2	Import of SKO shall be allowed through State Trading Enterprises (STEs) i.e. IOC, BPCL, HPCL and IBP for all purposes with STC being nominated as a State Trading Enterprise (STE) for supplies to Advance Licence holders. Advance Licence holders shall however, have the option to import SKO from the above mentioned STEs including STC		
3	Import is restricted in terms of Interim PIC Procedure of Rotterdam Convention on Prior Informed Consent procedure for hazardous chemicals and pesticides.		
4	Automobile industries, having RandD registration, are allowed to make free import of reference fuels (Petrol and Diesel) which are not manufactured in India, up to maximum of 5 KL per annum, subjects to the condition that the said imported reference fuels shall be used for RandD and emission testing purposes only		
5	Import allowed through IOC subject to para 2.21 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NGs Resolution No. P23015/1/2001-MKT. Dated 8.3.2002 including HPCL, BPCL and IBP who have been marketing transportation fuels before this date.	08/2023	29/05/2023
6	Import of pet coke for fuel purpose is prohibited. However, import of Pet coke of the following categories shall be permitted, subject to conditions : a. Import of Pet coke is free for cement, lime kiln, calcium carbide, gasification industries and graphite electrodo industries for use as feed stock or in the manufacturing process only on Actual User basis. b. Total import of 1.9 Million MTs of Raw Petroleum Coke(RPC) for manufacturing Calcined Petroleum Coke(CPC) and 0.5 Million MTs of CPC for Aluminium Industry respectively shall be permissible during 2024-25, and 1.9 Million MTs of RPC for manufacturing CPC Manufacturing and 0.8 Million MTs of CPC for Aluminium Industry respectively shall be permissible from 2025-26 onwards, subject to the following conditions: i. Import of RPC & CPC shall be permitted only as a feedstock / raw material and under no circumstances shall be used as fuel. ii.Import of RPC and CPC shall be permitted to cater entirely to the domestic needs of aluminium	27/2024-25	04/09/2024

5 Confiscation and Seizure:

5.1 As per the test results above, it is evident that the importer had imported restricted petroleum products, by mis-declaring the same as “Industrial oil”. The Custom Laboratory reports confirmed that the goods imported vide Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026 were in fact Automotive Diesel Fuel, which is restricted for import into India, and permissible only subject to Condition No. 5 of Chapter 27 of ITC(HS), 2022, Schedule 1 Import Policy issued by DGFT. Therefore, having a reasonable belief that the goods in **Table No-II** above, were liable to be confiscated under the provisions of the Section 111 of the Customs act, 1962, the same were placed under seizure as per the provisions of Section 110(1) of the Customs Act, 1962. Seizure memos were issued in respect of the said consignments vide Bill of Entry No. 4968340 dated 08.10.2025 was covered under seizure memo dated 24.11.2025, Bill of Entry No. 4861025 dated 01.10.2025 was covered under seizure memo dated 02.12.2025, and Bill of Entry

No. 6760319 dated 08.01.2026 was covered under seizure memo dated 12.03.2026 **(RUD-08).**

6 During investigation, statements of following person were recorded under Section 108 of the Customs Act, 1962, which are briefly discussed herein-below:

6.1 Statement of Sh. Akhil Sethi, Aged 31 years (DOB: 16.11.1989), Director of M/s. Asphaltera Pvt. Ltd., was recorded on 16.12.2025 **(RUD No-9),** wherein he interalia stated that:

- On being asked about his role in the company, he stated that although the company has two directors, he alone takes all operational decisions, including sales, purchases, negotiations, remittances and overall business activities. He stated that he is the authorized signatory and is fully responsible for company operations.

- On being asked about the placing of orders with overseas suppliers, he stated that he personally deals with foreign suppliers and that the mode of communication is through phone calls and personal visits. He further stated that he personally visits the overseas suppliers to negotiate deals and place orders, ensures loading of goods, and collects the import documents, namely invoice, packing list, certificate of origin and certificate of analysis. He categorically stated that no emails or WhatsApp communications are available, as orders are placed through personal visits.

- On being asked about remittances for imports, he stated that payments to overseas suppliers are made in advance and that he is solely responsible for negotiating payment terms. He produced copies of remittance letters issued by Kotak Mahindra Bank in respect of Bill of Entry No. 4968340 dated 08.10.2025 and Bill of Entry No. 4861025 dated 01.10.2025 in support of advance payments made.

- On being asked about the classification of imported goods, he stated that classification is done as per Customs Tariff under the guidance of the CHA, and that the imported product described as Industrial Oil was classified under CTH 27101990.

- On being asked about the use of Industrial Oil, he stated that the imported Industrial Oil is used in the manufacture of grease and lubricants.

- On being asked about dealings with domestic buyers, he stated that he alone handles sales, and that purchase orders from buyers are obtained telephonically. He further stated that no written contracts exist with buyers and that all transactions are verbal.

- On being asked about the specifications of Industrial Oil, he stated that specifications are based on buyer demand, communicated verbally. He stated that the Industrial Oil generally contains flash point around 20–22°C, sulphur less than 2000 ppm, and distillation approximately 375–380°C for 95% recovery. He admitted that he does not have knowledge why buyers require such specifications.

- On being asked about Indian Standard specifications, he stated that Industrial Oil does not have an IS standard, and that as per his understanding, petroleum products outside IS standards are treated as Industrial Oil.

- On being asked about documents supporting buyer demand for low flash point oil, he stated that no such documents are available, as communication with buyers is conducted only through telephone calls.

- On being shown CRCL test reports pertaining to Bill of Entry No. 4968340 dated 08.10.2025 and Bill of Entry No. 4861025 dated 01.10.2025, he stated that he had perused the test reports and signed them in acknowledgement. He agreed with the test results, but disagreed with the comments/conclusions stating that the goods are HFHSD. He stated that only 14 out of 21 parameters were tested and that the report does not clarify the actual nature of the product.

6.2 Further, Statement of Sh. Akhil Sethi, Director of M/s. Asphaltera Pvt. Ltd., was recorded on 28.04.2026 (RUD No-10), wherein he interalia stated that:

- On being asked about specifications ordered for Industrial Oil in absence of any fixed IS standard and whether these were based on pre orders from domestic buyers, he stated that they rely on the Certificate of Analysis (COA) provided by the supplier. He stated that if the COA specifications match the requirements of their buyers, orders are placed. He further

stated that domestic buyers rely mainly on density and flash point as key parameters while purchasing Industrial Oil.

- On being asked about the difference between MHO and Industrial Oil and the specifications ordered, he stated that he is not aware of the difference between the two. He stated that Customs House Agents advise the description and CTH of the goods. He reiterated that they rely on the supplier's COA, and if the specifications match buyer requirements, the order is placed.

- On being shown the CRCL test reports pertaining to Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026, and informed that the reports indicate characteristics of ADF/HFHSD, he stated that he had seen the reports and signed them. He stated that he agrees with the contents of the reports. He further stated that it appears that lighter hydrocarbons were added to reduce flash point. However, he asserted that Industrial Oil was ordered, and that it appears the supplier supplied the wrong cargo. He stated that he was not aware that the imported goods were diesel or any restricted commodity and denied responsibility.

- On being shown MRPL Test Reports No. MRPL/DRI/2026/23, 24 and 29 dated 16.04.2026, he stated that he had seen and signed the reports. He stated that the reports show the cargo meets most parameters of Automotive Diesel Fuel. However, he reiterated that Industrial Oil was ordered, and that the supplier appears to have sent the wrong consignment. He stated that he was not aware that the goods were diesel or restricted and denied responsibility.

- On being asked whether he had specifically demanded goods with low flash point or contamination with lighter hydrocarbons, he stated that no such demand was made. He reiterated that Industrial Oil was ordered only, and that the supplier appears to have sent the wrong cargo. He stated that he was not aware that the goods imported were diesel or any restricted commodity.

- On being confronted with findings that most IS 1460 parameters were met and deviations were due to lighter hydrocarbons, suggesting conscious intent, he denied awareness. He stated that orders were placed strictly on the basis of COA, that no direction for adulteration or addition of lighter hydrocarbons was given, and that deviations pertain entirely to the supplier's end.

- On being asked in light of the Hon'ble Gujarat High Court judgment dated 09.03.2026, he stated that he honours the verdict, but reiterated that Industrial Oil was ordered based on COA, and that he was not aware that the goods were diesel or restricted. He denied responsibility.

- On being informed that the Court held the goods to be adulterated HFHSD/ADF under the 2005 Order, he stated that while he respects the Court's findings, he maintains that Industrial Oil was ordered, no adulteration was done by him or at his direction, and that he was not aware of importing restricted goods.

- On being informed of the Hon'ble High Court's observation that CRCL conclusively found the goods to be most akin to HFHSD/ADF with reduced flash point due to lighter hydrocarbons, he stated that the observation was read over and understood. He reiterated that he respects the findings but maintained that Industrial Oil was ordered, no adulteration was carried out by or at his behest, and that he was not aware the goods were diesel or restricted.

7. Hon'ble High Court of Gujarat at Ahmedabad Order and Judgement dated 09.03.2026 R/Special Civil Application No. 16799 of 2025 and allied matters (RUD No. -11):

7.1 During the course of investigation, the importer had filed **Special Civil Application No. 1355 of 2026** before the Hon'ble High Court of Gujarat at Ahmedabad, challenging the seizure memo dated 24.11.2025 & seizure memo dated 02.12.2025 and seeking provisional release of their consignment.

7.2 The observations of the Hon'ble High Court on the test reports issued by the Customs Laboratory, Visakhapatnam (CRCL) and Mangalore Refinery and Petrochemicals Limited (MRPL) are reproduced below:

"46. *Keeping in mind the aforesaid principles enunciated by the Supreme Court, we have attempted to distinguish the case of the petitioners for the following reasons.*

47. Significantly, in the Test Reports in the case of ***Gastrade International (supra),*** *the Apex Court has recorded that there was no opinion and finding expressed that the imported goods are "most akin" to HSD, which is not the issue in the Test Reports in question. In the first test report of CRCL, Visakhapatnam, out of 18 parameters tested, except for the parameters relating to flash point,*

distillation recovery and sulphur, the report categorically records that the sample is mainly composed of diesel fraction, is adulterated with lighter hydrocarbons, and is most "akin to HFHSD (IS 16861) / adulterated HFHSD". The diesel fraction is found to be between 95% to 98%). Thus, out of 21 parameters, the 18 parameters tested by CRCL, Visakhapatnam and MRPL, there is a clear opinion by the laboratory that the sample meets all characteristics of ADF and HFHSD, except the flash point, which is lowered by mixing lighter hydrocarbons. In this context, we may refer to the definition of 'adulteration' as supplied in the 'Malpractices Order,2005'. It reads thus:

> *"2(a) "adulteration" means [presence of marker in motor spirit and high speed diesel and/or] [Inserted by Notification No. G.S.R. 18(E) dated 12.1.2007 (w.e.f. 21.12.2005).] the introduction of any foreign substance into motor spirit or high speed diesel illegally or unauthorisedly with the result that the product does not conform to the requirements of the Bureau of Indian Standards specifications number IS 2796 and IS 1460 for motor spirit and high speed diesel respectively or any other requirement notified by the Central Government from time to time;"*

Thus, any foreign substance, which is blended in high-speed diesel illegally or unauthorizedly, which ultimate results into failure of requirements of BIS specifications IS 1460 is an adulteration.

48. In the instant case, there is a definite conclusion that the flash point, which is one of the most important parameters as emphasized by the Supreme Court, has been lowered by the use of lighter hydrocarbons and the product is therefore characterized as adulterated HFHSD. No such clear and unambiguous opinion was rendered by any of the three laboratories in the case of ***Gastrade International(supra)*** *and also by the expert, who was examined during the inquiry."*

.

7.3 <u>Application of the "Most Akin Test" by the Hon'ble Gujarat High Court</u>:

"50. Thus, if the rule of the "most akin test" is applied, the product declared by the petitioners as industrial oil is found to be Automotive Diesel Fuel / HFHSD, which is a restricted commodity. Hence, in view of the settled legal position laid down in the cases of ***Om Prakash Bhatia (supra)*** *and* ***Raj Grow Impex (supra)****, we are not inclined to set aside the action of seizure of goods in question."*

7.4 <u>Observations of the Hon'ble Gujarat High Court on Testing Conducted at Different Laboratories:</u>

"Hence, even if there are two or more Test Reports from different laboratories, so long as they conform to the directions of the Supreme Court in the case of ***Gastrade International (supra)*** *and test the parameters prescribed under the relevant Indian Standards, such test results cannot be discarded merely because they were undertaken by different laboratories."*

7.5 **Emphasis by the Hon'ble Gujarat High Court on Environmental Impact**:

"53. The product imported by the petitioners, if released, will have a direct environmental impact affecting society at large. In such circumstances, having regard to the nature of the product, the Test Reports cannot be discarded merely because different parameters were tested in two different laboratories."

7.6 The High Court of Gujarat dismissed the SCA filed by the importer vide common oral judgment and order dated 09.03.2026, in R/Special Civil Application No. 16799 of 2025 and allied matters.

8. Extension under Section 110(2) of the Customs Act, 1962 -

Since the investigation could not be completed within the mandated six-month period, the competent authority granted a further extension of four months under Section 110(2) of the Customs Act, 1962, which was conveyed to the importer vide this office letter dated 06.04.2026 (**RUD No. 12).**

9.Relevant Legal provisions:

9.1 The relevant portion of ITC(HS), 2022 Schedule 1 Import Policy Section V, MINERAL PRODUCTS Chapter 27 Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes is reproduced as under:

27101939	---	obtained from kerosene intermediate: ---- Aviation turbine fuels, kerosene type conforming to standard IS 1571	STE (State Trading Enterprise)	Import as per Policy Condition (5) of Chapter 27.
27101941	---	Gas oil and oils obtained from gas oil: ---- Gas oil	STE (State Trading Enterprise)	Import as per Policy Condition (5) of Chapter 27.
27101942	---	Gas oil and oils obtained from gas oil: ---- Vacuum gas oil	STE (State Trading Enterprise)	Import as per Policy Condition (5) of Chapter 27.
27101943	---	Gas oil and oils obtained from gas oil: ---- Light diesel oil conforming to standard IS 15770	STE (State Trading Enterprise)	Import as per Policy Condition (5) of Chapter 27.
27101944	---	Gas oil and oils obtained from gas oil: ---- Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460	STE (State Trading Enterprise)	Import as per Policy Condition (5) of Chapter 27.
27101949	---	Gas oil and oils obtained from gas oil: ---- High flash high speed diesel fuel conforming to standard IS 16861	STE (State Trading Enterprise)	Import as per Policy Condition (5) of Chapter 27.
27101951	---	Fuel oils conforming to standard IS 1593: ---- Grade LV	Free	

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

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

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

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

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

9.3 Further, Policy Condition of Chapter 27 of the Customs Tariff is reproduced as below:

"(5) Import allowed through IOC subject to Para 2.21 of the Foreign Trade Policy, except for companies who have been granted rights for marketing of

transportation fuels in terms of MoP&NG Resolution No. P-23015/1/2001-MKT dated 08.03.2022 for products excluding gasoline conforming to standard IS 2796 (ITC HS Code: 27101241) and Automotive Diesel Fuel, not containing Bio Diesel conforming to standard IS 1460 (ITC HS Code 27101944) which would be allowed to be imported by entities in terms of MoPNG Resolution No. P-12029(11)/2/2018-OMC-PNG dated 08.11.2019.

(B) RELEVANT PROVISIONS OF CUSTOMS ACT, 1962:

9.4 Section 2(22): *"goods" includes (a) vessels, aircrafts and vehicles; (b) stores; (c) baggage; (d) currency and negotiable instruments; and (e) any other kind of movable property;*

Section 2(23): *"import", with its grammatical variations and cognate expressions, means bringing into India from a place outside India;*

Section 2(25): *"imported goods", means any goods brought into India from a place outside India but does not include goods which have been cleared for home consumption;*

Section 2(26): *"importer", in relation to any goods at any time between their importation and the time when they are cleared for home consumption, includes [any owner, beneficial owner] or any person holding himself out to be the importer;*

Section 2(39): *"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.*

Section 11A: *"illegal import" means the import of any goods in contravention of the provisions of this Act or any other law for the time being in force.*

9.5 Section 17 Assessment of duty:

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

..

(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.

9.6 Section 46 Entry of goods on importation:

(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, relating to the imported goods.*

(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.

9.7 Section 111. Confiscation of improperly imported goods, etc.:

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

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

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

Section 112 Penalty for improper importation of goods, etc.:

Any person,-

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

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

shall be liable,-

i. in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty 5 [not exceeding the value of the goods or five thousand rupees], whichever is the greater;

ii. *in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penaltyot exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever n is higher:*

Section 114AA Penalty for use of false and incorrect material:

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

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

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

……..

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

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

Provided that ……..

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

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

(1) Subject to the provisions of rule 3, if the goods being valued or identical or similar imported goods are sold in India, in the condition as imported at or about the time at which the declaration for determination of value is presented, the value of imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity to persons who are not related to the sellers in India, subject to the following deductions : -

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

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

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

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

(3) (a) If neither the imported goods nor identical nor similar imported goods are sold in India in the condition as imported, then, the value shall be based on the

unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons who are not related to the seller in India.

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

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

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

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

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

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

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

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

Provided that the value so determined shall not exceed the price at which such or like goods are ordinarily sold or offered for sale for delivery at the time and place of importation in the course of international trade, when the seller or buyer has no interest in the business of other and price is the sole consideration for the sale or offer for sale.

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

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

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

(iii) the price of the goods on the domestic market of the country of exportation; (iv) the cost of production other than computed values which have been determined for identical or similar goods in accordance with the provisions of rule 8;

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

(vi) minimum customs values; or

(vii) arbitrary or fictitious values.

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

10. <u>Valuation:</u>

10.1 From the foregoing paras, it is evident that M/s. Asphaltera Pvt. Ltd. was involved in mis-declaration of goods in terms of description and classification and the declared value in the corresponding Bill of Entry appears to be not acceptable as true transaction value and merits rejection in terms of Section 14 of Customs Act, 1962 read with Rule 12 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The value is required to be re-determined by sequentially proceeding in terms of Rules 4 to 9 of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Since exact comparative data in respect of the import goods covered under the subject consignments are not available in absence of clear descriptions and mis-declaration on the part of the importer, the value of the subject import consignments cannot be determined as per the provisions of Rule 4 to Rule 8 to the Customs Valuation (Determination of value of Imported goods) Rules, 2007. Since the goods cannot be fully compared with similar/identical imports as the same are restricted goods, their value appears to be determinable under Rule 9 (Residual method) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 read with sub-section (1) of Section 14 of Customs Act, 1962 and on the basis of objective and quantifiable data available in India. For valuation of the seized goods-ADF, the prevailing market rates of the goods in the 1st week of October-2025 were taken, such as invoices generated by Nayara Energy Limited, ADF-**Rs 52,541.75/KL (RUD-13)**. Accordingly, in terms of Rule 9 of the Customs Valuation Rules, 2007, the same value can be adopted for the offending goods in this case.

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

10.3 As discussed above, the consignment covered under Bill of Entry Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026 were reported as "***Automotive Diesel Fuel (ADF) as per IS 1460:2025***" by the Custom Laboratory, Vishakhapatnam and MRPL.The outcome of the test reports indicate that the invoice value declared by the importer does not reflect the actual value of the goods. Since the goods were mis-declared in above mentioned three Bills of Entry, the declared collective assessable value of **Rs. 2,63,98,706/-** in three Bills of Entry cannot be accepted as the true "transaction value" under Section 14 of the Customs Act, 1962, and is liable to rejection under Rule 12 of the CVR, 2007.

10.4 Accordingly, for valuation purpose, to arrive at a fair and reasonable value within the framework of law and procedures under the Valuation Rules, the ADF data dated 01.10.2025 of the Nayara Energy Limited was referred. The base price was noted as **Rs 52,541.75/KL**. Based on this, the re-determined value of the consignment of "***Automotive Diesel Fuel (ADF) as per IS 1460:2025***", having a total quantity of **7,08,560** KGs equivalent to **861.29 KL** (Using average density of 0.8204 g/ml for BE 4861025, 0.8244 g/ml for BE 4968340 and 0.824 g/ml for BE 6760319 as reported by Custom Laboratory), is **Rs. 4,52,53,846/-**, in terms of provisions of Rule 4 (Transaction value of identical goods), of the CVR, 2007.

Thus, the value of the goods, as per the test reports of the Custom Laboratory and MRPL, is determined accordingly, are as below:

Table-IV

Sl. No.	Bill of Entry No.	Sample Test Result	Declared Description	Quantity (in KGs)	Declared value as per BoE	Approx. Market Value (in Rs.)
01.	4861025	Automotive Diesel Fuel (ADF)	Industrial Oil	283080 KGs	10445393/-	18129594/-
02.	4968340	Automotive Diesel Fuel (ADF)	Industrial Oil	199250 KGs	7422427/-	12698864/-
03.	6760319	Automotive Diesel Fuel (ADF)	Industrial Oil	226230 KGs	8530886/-	14425388/-
Total					**26398706/-**	**4,52,53,846/-**

Therefore, the said goods having declared value of Rs. **2,63,98,706/-** and re-determined value of Rs. **4,52,53,846/-** as per Table-IV, appear to be liable for confiscation under Section 111(d) and 111 (m) of the Customs Act, 1962.

11. <u>Findings of the investigation</u>:

11.1 Specific intelligence gathered by the Directorate of Revenue Intelligence indicated that M/s. Asphaltera Pvt. Ltd. was indulged in import of restricted goods through mis-declaration. The importer had declared the consignment as Industrial Oil, whereas examination and sampling carried out by the DRI revealed otherwise. The representative samples drawn in respect of Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026 were forwarded to the Custom House Laboratory, Vishakhapatnam which confirmed that the goods **met all stringent parameters of Automotive Diesel Fuel (ADF) under IS 1460:2025**

The Custom House Laboratory reports revealed that in all Bills of Entry as "***The sample meets all the stringent parameter of Automotive diesel fuel as mentioned in 1S: 1460:2025"***

To ensure comprehensive testing of all 21 parameters mandated by the Hon'ble Supreme Court in ***Gastrade International v. Commissioner of Customs, Kandla***, additional samples were sent to Mangalore Refinery and Petrochemicals Limited (MRPL). The combined reports from CRCL and MRPL conclusively established that the imported goods were in fact Automotive Diesel Fuel conforming to IS 1460, and not Industrial Oil as declared.

11.2 The sample Test report (CRCL Visakhapatnam, Lab No. 245-DRI, Test Memo No. 305/2025) in respect of Bill of Entry No. 4861025 dated 01.10.2025 is reproduced below:

TEST REPORT **Date: 20.11.2025**

Lab No: 245-DRI **Date:** 22.10.2025
F.No.DRI/GRU/Int-26/2025 **Date**: 16.10.2025
Test Memo No: 305/2025
B.E. No: 4861025 **Date:** 01.10.2025
Sample Received from: Senior Intelligence officer, (DRI), Gandhidham Regional Unit.
Description of Sample: Industrial Oil (CTH 27101990)
Date of Receipt: 22.10.2025
Sample Plan: Sample not Drawn by this laboratory

Report: The sample is in the form of pale yellow coloured oily liquid. It is mainly composed of Mineral Hydrocarbon Oils having mineral oil content more than 70 % by weight. It is having following characteristics:

1. Appearance suspended	= clear & bright, free from sediments, matter & un dissolved water
2. Total Acid Number (mg of KOH/gr)	= Less than 0.20% by wt.
3. Ash content	= Nil
4. Carbon residue on 10% Residue	= Less than 0.30% by wt.
5. Cetane Number	= To be done at Refinery end.
6. Cetane Index	= 54.9
7. Pour Point	= below 3^0C.
8. Flash Point (Abel), deg. C	= 23^0C
9. Density at 15^0 C	= 0.8204g/ml
10. Kinematic viscosity at 40^0 C	= 2.14 cSt.
11. Sulphur Content	= 1492.47 ppm.
12. Distillation: IBP	= 87.6^0C
50% distilled at, ^{0}C	= 255.0^0C
85% Recovery by vol., at ^{0}C	= 332.2^0C
%Volume recovered at 360 deg. C	= 92 % by vol.
%Volume recovered at 370 deg. C	= 94 % by vol.
95% Recovery by vol., at ^{0}C	= 372.8^0C
13. Cold Filter Plugging Point	= Facility available at Refinery end only
14. Oxidation stability	= To be done at refinery end only.
15. Lubricity wear scan at 60° C	= Facility available at Refinery end only
16. Fame Content	= Absent
17. PAH % by max	= not determined as it is not an characteristic parameter.
18. Water	= Less than 500 PPM.

The sample has been tested for all the characteristics parameters tested above & which are stringent parameters also to characterize petroleum fuels.

The sample meets all characteristic parameters of HFHSD as mentioned in IS: 16861 except flash point (23.0°C), which is 43.0°C lower than required i.e. 66.0°C and the percentage distillation recovery at 370°C is 94% (1% lower than requirement of 95%).

The GCMS chromatogram of sample reveals that the sample is mainly composed of diesel fraction (more than 95 % & less than 98 %) & adulterated with lighter hydrocarbons.
The sample is most akin of HFHSD (IS 16861)/adulterated HFHSD.
Sealed remnant sample returned herewith.

The sample Test report (CRCL Visakhapatnam, Lab No. 259-DRI, Test Memo No. 319/2025) in respect of Bill of Entry No. 4968340 dated 08.10.2025 is reproduced below:

TEST REPORT **Date: 21.11.2025**

Lab No: 259-DRI **Date:** 22.10.2025
F.No.DRI/GRU/Int-26/2025 **Date:**16.10.2025
Test Memo No: 319/2025
B.E. No: 4968340 **Date:** 08.10.2025
Sample Received from: Senior Intelligence officer, (DRI), Gandhidham Regional Unit.
Description of Sample: Industrial Oil (CTH 27101990)
Date of Receipt: 22.10.2025
Sample Plan: Sample not Drawn by this laboratory
Report: The sample is in the form of pale yellow coloured oily liquid. It is mainly composed of Mineral Hydrocarbon Oils having mineral oil content more than 70 % by weight. It is having following characteristics:

1.	Appearance	= clear & bright, free from sediments, suspended matter & undissolved water
2.	Total Acid Number (mg of KOH/gr)	= Less than 0.20% by wt.
3.	Ash content	= Nil
4.	Carbon residue on 10% Residue	= Less than 0.30% by wt.
5.	Cetane Number	= To be done at Refinery end.
6.	Cetane Index	= 61.4
7.	Pour Point	= below 3^0C.
8.	Flash Point(Abel), deg. C	= 22.0 ^{0}C
9.	Density at 15^0 C	= 0.8244 g/ml
10.	Kinematic viscosity at 40^0 C	= 2.92 cSt.
11.	Sulphur Content	= 15.03 ppm.
12.	Distillation: IBP	= 89^0C
	50% distilled at, ^{0}C	= 294.8^0C
	85% Recovery by vol., at ^{0}C	= 344.1^0C
	%Volume recovered at 360 deg. C	= 93% by vol.
	95% Recovery by vol., at ^{0}C	= 368^0C
13.	Cold Filter Plugging Point	= Facilility available at Refinery end only
14.	Oxidation stability	= To be done at refinery end only.
15.	Lubricity wear scan at 60° C	= Facility available at Refinery end only
16.	Fame Content	= Absent
17.	PAH % by max	= not determined as it is not an characteristic parameter.
18.	Water	= Less than 200 PPM.

The sample has been tested for all the characteristics parameters tested above & which are stringent parameters also to characterize petroleum fuels.

The sample meets all the stringent parameter of Automotive diesel fuel as mentioned in IS:1460:2025 except flash point (which is 13°C Lower than required (decreased by means of using Lighter hydrocarbon) and distillation recovery at 360^0C (which is 93% & 2% less than 95%), sulphur content is 15.03 PPM which is very close to limited 10PPM.

The GCMS pattern of sample shows presence of lighter hydro carbons, which can not a part of Diesel fuels, as per standard refinery protocol & classification of petroleum fuels. Minor deviation from the required values of above 03 parameters, does not effects its application as diesel fuel for Automotive purpose.

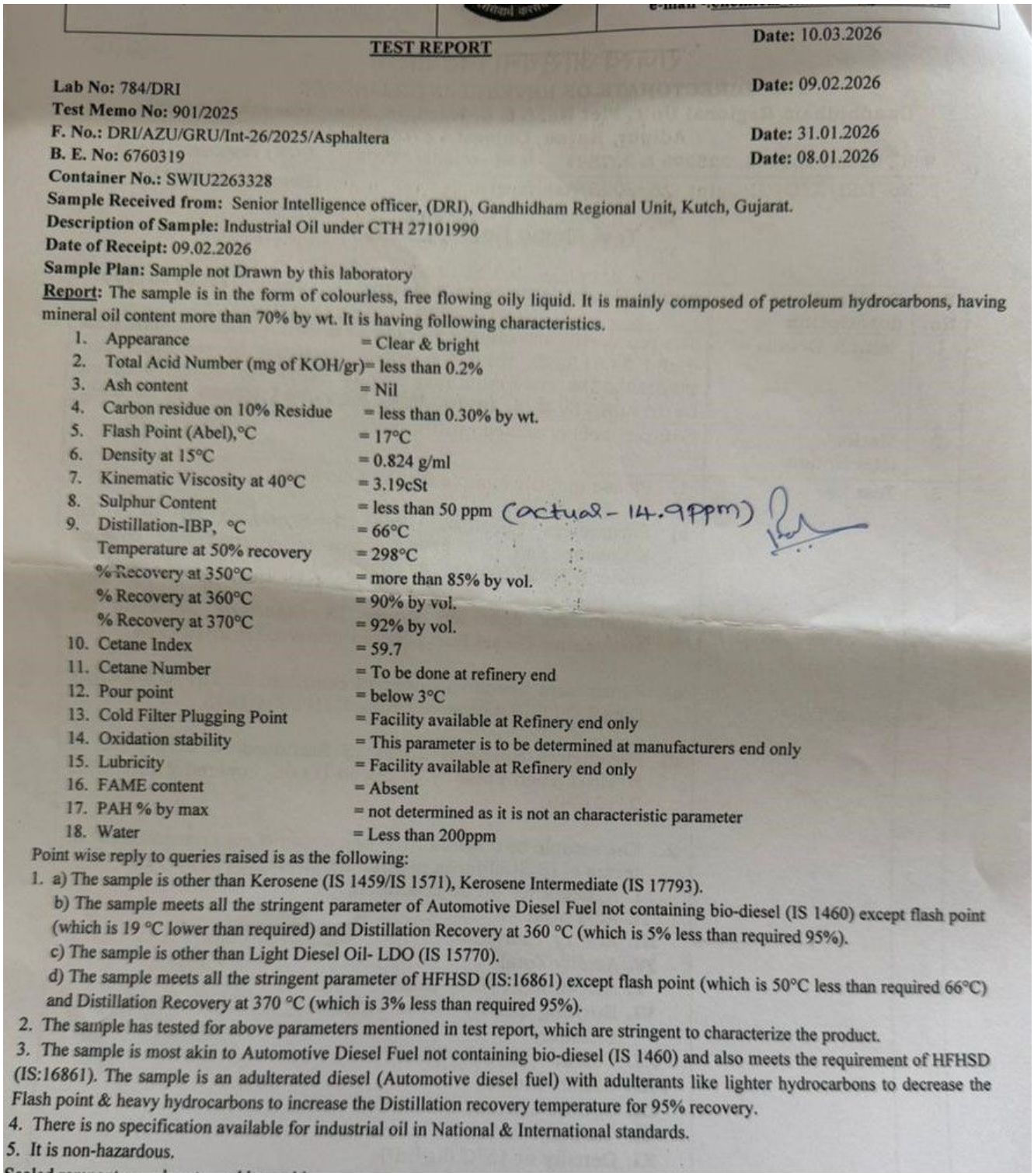
The sample is adulterated diesel in respect of the definition of "adulteration" as mentioned in 5.1 of marketing discipline guideline published by PSU's.

There is no specification available for industrial oil in National & International standards.

The sample also meets the specification of HFHSD (IS 16861) up to the extent of parameter tested above except, flash point which was lowered by using lighter hydrocarbons.

Sealed remnant sample returned herewith.

The sample Test report (CRCL Visakhapatnam, Lab No. 784-DRI, Test Memo No. 901/2025) in respect of Bill of Entry No.6760319 dated 08.01.2026 is reproduced below:



TEST REPORT

Date: 10.03.2026

Lab No: 784/DRI
Test Memo No: 901/2025 **Date:** 09.02.2026
F. No.: DRI/AZU/GRU/Int-26/2025/Asphaltera **Date:** 31.01.2026
B. E. No: 6760319 **Date:** 08.01.2026
Container No.: SWIU2263328
Sample Received from: Senior Intelligence officer, (DRI), Gandhidham Regional Unit, Kutch, Gujarat.
Description of Sample: Industrial Oil under CTH 27101990
Date of Receipt: 09.02.2026
Sample Plan: Sample not Drawn by this laboratory
Report: The sample is in the form of colourless, free flowing oily liquid. It is mainly composed of petroleum hydrocarbons, having mineral oil content more than 70% by wt. It is having following characteristics.

1.	Appearance	= Clear & bright
2.	Total Acid Number (mg of KOH/gr)	= less than 0.2%
3.	Ash content	= Nil
4.	Carbon residue on 10% Residue	= less than 0.30% by wt.
5.	Flash Point (Abel),°C	= 17°C
6.	Density at 15°C	= 0.824 g/ml
7.	Kinematic Viscosity at 40°C	= 3.19cSt
8.	Sulphur Content	= less than 50 ppm (actual - 14.9ppm)
9.	Distillation-IBP, °C	= 66°C
	Temperature at 50% recovery	= 298°C
	% Recovery at 350°C	= more than 85% by vol.
	% Recovery at 360°C	= 90% by vol.
	% Recovery at 370°C	= 92% by vol.
10.	Cetane Index	= 59.7
11.	Cetane Number	= To be done at refinery end
12.	Pour point	= below 3°C
13.	Cold Filter Plugging Point	= Facility available at Refinery end only
14.	Oxidation stability	= This parameter is to be determined at manufacturers end only
15.	Lubricity	= Facility available at Refinery end only
16.	FAME content	= Absent
17.	PAH % by max	= not determined as it is not an characteristic parameter
18.	Water	= Less than 200ppm

Point wise reply to queries raised is as the following:

1. a) The sample is other than Kerosene (IS 1459/IS 1571), Kerosene Intermediate (IS 17793).
   b) The sample meets all the stringent parameter of Automotive Diesel Fuel not containing bio-diesel (IS 1460) except flash point (which is 19 °C lower than required) and Distillation Recovery at 360 °C (which is 5% less than required 95%).
   c) The sample is other than Light Diesel Oil- LDO (IS 15770).
   d) The sample meets all the stringent parameter of HFHSD (IS:16861) except flash point (which is 50°C less than required 66°C) and Distillation Recovery at 370 °C (which is 3% less than required 95%).
2. The sample has tested for above parameters mentioned in test report, which are stringent to characterize the product.
3. The sample is most akin to Automotive Diesel Fuel not containing bio-diesel (IS 1460) and also meets the requirement of HFHSD (IS:16861). The sample is an adulterated diesel (Automotive diesel fuel) with adulterants like lighter hydrocarbons to decrease the Flash point & heavy hydrocarbons to increase the Distillation recovery temperature for 95% recovery.
4. There is no specification available for industrial oil in National & International standards.
5. It is non-hazardous.

The above test reports in respect of Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026 clearly establish, as

the intelligence had suggested, that the importer had in fact imported restricted goods, namely Automotive Diesel Fuel (ADF), conforming to the parameters and specifications of **IS 1460.**

11.2.1 As per Schedule 1 Import Policy under ITC(HS), 2022 for Chapter-27 (Mineral Fuels, Mineral Oils, etc.), import of "***Automotive Diesel Fuel (ADF) as per IS 1460***" covered under CTH 27101944, is restricted into India, and the same can only be imported subject to Policy Condition No. 5 of Chapter 27. Accordingly, there being a reasonable belief that that the said goods are liable for confiscation under the provisions of Section 111 of the Customs Act, the same were placed under seizure under Section 110 of the Customs Act, 1962,

11.3 During the investigation, DRI ensured that all 21 parameters under IS 1460 were tested, as mandated by the Hon'ble Supreme Court in ***Gastrade International v. Commissioner of Customs, Kandla.***

On analyzing the comprehensive test reports of CRCL, Visakhapatnam and MRPL, a combined parameter-wise assessment was carried out for all three consignments against all 21 parameters prescribed under IS 1460:2025 for Automotive Diesel Fuel. The consolidated findings are summarised in the Table below:

Table-V: Combined Parameter-wise Summary of Test Reports (CRCL + MRPL) vs. IS 1460:2025

Sr. No.	Parameter	IS 1460:2025 Limit	B.E. No. 4861025 dated 01.10.2025 (Result / Match) with IS 1460:2025	B.E. No. 4968340 dated 08.10.2025 (Result / Match) with IS 1460:2025	B.E. No. 6760319 dated 08.01.2026 (Result / Match) with IS 1460:2025	Remarks
1	Flash Point (°C)	Min. 35°C	~20°C / Not Matching	~20°C / Not Matching	~20°C / Not Matching	Deliberately Lowered by addition of lighter

Sr. No.	Parameter	IS 1460:2025 Limit	B.E. No. 4861025 dated 01.10.2025 (Result / Match) with IS 1460:2025	B.E. No. 4968340 dated 08.10.2025 (Result / Match) with IS 1460:2025	B.E. No. 6760319 dated 08.01.2026 (Result / Match) with IS 1460:2025	Remarks
						hydrocarbons
2	Sulphur Content (ppm)	Max. 10 ppm	21ppm/ Not Matching	22 ppm / Not Matching	8ppm / Matching	Addition of Sulphur/not undergone Desulfurization (for the B.E.4861025 and 4968340)
3	Lubricity	Max. 460	580/ Not Matching	410/ Matching	480/slightly Above	High Lubricity due to High Sulphur (for the B.E. 4861025)
4	Appearance (Visual)	Clear, bright, free from sediments, suspended matter & undissolved water	Yellow	Clear and bright	Clear & bright	Within Range
5	Total Acid Number (mg KOH/g)	Max. 0.20	0.02	0.04	0.04	Within Range
6	Ash Content (% by mass)	Max. 0.01	<0.001	<0.001	<0.001	Within Range
7	Carbon Residue on 10% Residue (% by mass)	Max. 0.30	<0.1	<0.1	<0.1	Within Range
8	Cetane Number	Min. 51	47.2/Not Matching	55.3	55.2	Slightly Below for the B.E. No. 4861025 dated 01.10.2025
9	Cetane Index	Min. 46	52.7	60.5	61.6	Within Range

Sr. No.	Parameter	IS 1460:2025 Limit	B.E. No. 4861025 dated 01.10.2025 (Result / Match) with IS 1460:2025	B.E. No. 4968340 dated 08.10.2025 (Result / Match) with IS 1460:2025	B.E. No. 6760319 dated 08.01.2026 (Result / Match) with IS 1460:2025	Remarks
10	Pour Point (°C)	Max. +3°C (Winter)	-12	-6	-12	Within Range
11	Copper Strip Corrosion (3h at 100°C)	Max. Class 1	Class1a	Class1a	Class1a	Within Range
12	Distillation, 95% v/v Recovery (°C)	Max. 360°C	354.3	351.2	365°C	For B.E. No. 6760319 dated 08.01.2026, Above IS 1460 limit of Max 360 but CRCL Vishakhapatnam report has reported that it is due to adulteration by mixing heavy hydrocarbons.
13	Kinematic Viscosity @40°C (mm^2/s)	2.0 – 4.5	2.167	2.92	3.177	Within Range
14	Total Contamination (mg/kg)	Max. 24	16	10	8	Within Range
15	Density @15°C (kg/m^3)	810 – 845	820.7	823.2	823.3	Within Range
16	Water Content (mg/kg)	Max. 200	190	150	60	Within Range
17	Cold Filter Plugging Point (CFPP) (°C)	Max. +6°C (Winter)	-8	-3	-7	Within Range

Sr. No.	Parameter	IS 1460:2025 Limit	B.E. No. 4861025 dated 01.10.2025 (Result / Match) with IS 1460:2025	B.E. No. 4968340 dated 08.10.2025 (Result / Match) with IS 1460:2025	B.E. No. 6760319 dated 08.01.2026 (Result / Match) with IS 1460:2025	Remarks
18	Oxidation Stability (min)	Min. 60 min	>60	>60	>60	Within Range
19	Polycyclic Aromatic Hydrocarbon (PAH) (% by mass)	Max. 8.0	1.5	1.1	1.1	Within Range
20	FAME Content (% v/v)	Max. 7	Absent	Absent	Absent	Within Range
21	Oxidation Stability (with FAME above/below 2%)	Required only if blended with biodiesel	Not applicable – FAME absent / Within range	Not applicable – FAME absent / Within range	Not applicable – FAME absent / Within range	Within Range
TOTAL	**21 Parameters tested**	**—**	**17/21 Matching;**	**19/21 Matching;**	**18/21 Matching;**	

11.4 The flash point of the imported goods, as determined by MRPL, was found to be below 20°C in respect of all the three Bills of Entry, which is significantly lower than the prescribed minimum flash point of 35°C under IS 1460. Further, as per the CRCL reports, the flash point was recorded at 23°C for Bill of Entry No. 4861025, 22°C for Bill of Entry No. 4968340, and 17°C for Bill of Entry No. 6760319, all of which are below the mandated standard. The Custom House Laboratory, Visakhapatnam categorically concluded that the flash point was decreased by the adulteration of lighter hydrocarbons. This finding was explicitly upheld by the Hon'ble Gujarat High Court in its judgment dated 09.03.2026 in

the matter of R/Special Civil Application No. 16799 of 2025 and allied matters (including Special Civil Application No. 1356 of 2026 filed by the importer). The Hon'ble High Court categorically recorded the following finding:

"*Thus, out of 21 parameters, the 18 parameters tested by CRCL, Visakhapatnam and MRPL, there is a clear opinion by the laboratory that the sample meets all characteristics of ADF, except the flash point, which is lowered by mixing lighter hydrocarbons*."

The intentional lowering of the flash point is a clear indicator of adulteration, undertaken to pass off Automotive Diesel Fuel. The combined reports from CRCL and MRPL conclusively established that the imported goods were in fact Automotive Diesel Fuel conforming to IS 1460:2025 and not Industrial Oil as declared.

11.4.1 Sulphur Content and BS-VI (Euro VI) Standards: The sulphur parameter is a critical quality and environmental compliance marker for diesel fuel. It may be noted that in Automotive diesel, sulphur parameters are quality parameters only and their focus is on reducing emissions, as required by latest emission standards (BS-VI/Euro V-VI) requiring Ultra-Low Sulphur Diesel (ULSD) at less than 10 ppm ,introduced through e-Gazette Notification dated 16.09.2016 (Central Motor Vehicles (11th Amendment) Rules, 2016),issued by Ministry of Road Transport and Highways . This limit is designed to significantly reduce Sulphur Dioxide (SO2) and particulate emissions from vehicles, thereby safeguarding public health and meeting India's environmental commitments. The reduction of sulphur to these levels ordinarily requires a process known as Desulfurization (generally through hydro-desulfurization). Significantly, the process of HDS, while reducing sulphur content, also simultaneously reduces the lubricity of diesel fuel. In the present case, the sulphur content of the imported goods was found to be 21 ppm in respect of Bill of Entry No. 4861025 and 22 ppm in respect of Bill of Entry No. 4968340, against the maximum permissible limit of 10 ppm prescribed under IS 1460:2025. In the instant case, since lab reports have pointed out towards adulteration of diesel to make it fall out of IS standard parameters, the deviation of the said parameters by way of adulteration with Sulphur and lower hydrocarbons is expected to lead to these specious results in the aforesaid reports

11.4.2 In this regard, it is pertinent to refer to the definition of "adulteration" as contained in Section 2(a) of the Motor Spirit and High Speed Diesel (Regulation of Supply, Distribution and Prevention of Malpractices) Order, 2005 (hereinafter referred to as the "Malpractices Order, 2005"), issued by the Government of India in exercise of powers conferred by Section 3 of the Essential Commodities Act, 1955. The said provision defines "adulteration" as follows:

> *"2(a) 'adulteration' means [presence of marker in motor spirit and high speed diesel and/or] the introduction of any foreign substance into motor spirit or high speed diesel illegally or unauthorisedly with the result that the product does not conform to the requirements of the Bureau of Indian Standards specifications number IS 2796 and IS 1460 for motor spirit and high speed diesel respectively or any other requirement notified by the Central Government from time to time;*
> "

Thus, in terms of the aforesaid statutory definition, any introduction of a foreign substance into high speed diesel, illegally or without authorisation, which results in the product failing to conform to the BIS specification IS 1460, constitutes adulteration. The Hon'ble Gujarat High Court in its judgment dated 09.03.2026 expressly applied this definition and held that the lowering of the flash point through mixing of lighter hydrocarbons constituted adulteration of HFHSD within the meaning of Section 2(a) of the Malpractices Order, 2005.

11.4.3 In sum, viewed collectively, the deviations in sulphur content and lubricity alongside the more pronounced deviation in flash point are not independent anomalies but form a coherent pattern consistent with deliberate adulteration of Automotive Diesel Fuel. The selective parameter deviations serve only to confirm that an otherwise conforming diesel product was manipulated with lighter hydrocarbons and other substances, with the deliberate design to render it non-compliant with IS 1460 specifications, so as to facilitate its illegal import as "Industrial Oil."

11.5 From the above, it is evident that the importation made by the importer is in violation of the Import Policy pertaining to CTH 27101944 and thereby it is in violation of Para 2.01 and 2.21 of the Foreign Trade Policy 2023 as extended. As per Para 2.01 of the FTP, the imports shall be free, except when regulated by way of prohibition, restriction or exclusive trading through State Trading Enterprises (STEs) as laid down in the Indian Trade Classification (Harmonized System) [ITC (HS)] of Exports and Imports. Looking to the aforesaid facts, since the goods falling under HS Code 27101944 not being freely importable, the same would fall in the exceptional character with importation through the STEs only. As per Para 2.21 of the FTP, any goods, import of which is governed through exclusive or special privilege granted to the STEs, may be imported by the concerned STEs as per the condition specified in the ITC (HS). DGFT has however been given authority to grant an authorization to any other person to import the goods notified for exclusive trading through the STEs.

11.5.1 As per Para 11.41 of the FTP,2023, "Prohibited" indicates the import/export policy of an item, as appearing in ITC (HS) or elsewhere, whose import or export is not permitted. In the instant case, since the import of ADF classifiable under HS Code 27101944 is not permitted by the entities other than STEs, the import of said goods by the private entities is prohibited.

11.5.2 As per Section 3 (2) of the FTDR Act, 1992 empowers the Central Government to issue order, making provisions for prohibiting, restricting or otherwise regulating, the import of goods. As per Section 3(3) of the FTDR Act, 1992, all goods to which the order under Section 3(2) applies shall be deemed to be goods the imports of which has been prohibited under Section 11 of the Customs Act, 1962 and all the provisions of that Act shall have effect accordingly.

11.6 And whereas the provisions of Section 17(1) of the Customs Act, 1962 read with Section 2(2) of the Customs Act lay down onus on the importer to determine duty, classification etc. by way of self-assessment. The importer, at the time of self-assessment, is required to ensure that he declares the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any,

in respect of the imported goods while presenting the Bill of Entry. By furnishing incorrect and wrong information in the import documents, it appears that importer appears to have violated the provisions of the said Section 17(1) read with Section 2(2) of the Customs Act, 1962.

11.7 And whereas in terms of Section 46(4) of the Customs Act, 1962, the importer has to certify the truth of the contents of the Bills of Entry. Further, in terms of Section 46(4A) of the Customs Act, 1962, the importer who presents a bill of entry shall ensure the accuracy and completeness of the information given therein; shall ensure the authenticity and validity of any document supporting it; and shall ensure compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force. In the instant case it appears that the importer was fully aware of the actual goods imported by them. Thus, in view of the facts discussed in the foregoing paras and material evidences available on records, it appears that M/s Asphaltera Pvt. Ltd. has contravened the provisions of Section 46(4) and 46(4A) of the Customs Act, 1962, in as much as they had intentionally mis-declared the description of the goods imported by them with a malafide intention to import restricted goods under the garb and guise of freely importable goods.

12 Role and Culpability:

12.1 Role played by M/s Asphaltera Pvt. Ltd. (IEC: AAYCA6579M), located at 84A SFS Flats DG-2, Vikas Puri, New Delhi-(110018):

From the facts narrated in foregoing paras and evidences gathered during investigation, it appears that M/s Asphaltera Pvt. Ltd., New Delhi imported consignments covered under Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026 filed at Mundra, by mis-declaring the import goods as "Industrial Oil" classified under HS Code 27101990. The investigation conducted by DRI revealed that the actual goods were "***Automotive Diesel Fuel (ADF) as per IS 1460***", which is a '***Restricted***' commodity permitted for import only into India under Policy Condition No. 5 of the Customs Tariff. The inquiry further established that the importer deliberately adulterated the goods by mixing lighter hydrocarbons in order to manipulate

certain parameters, thereby attempting to disguise the restricted product as Industrial Oil. This act of mis-declaration and adulteration was intended to circumvent import restrictions and facilitate the clearance of restricted goods for sale in the domestic market.Therefore, it appears that M/s. Asphaltera Pvt. Ltd., by filing incorrect declarations and failing to ensure proper classification of the goods, knowingly violated the provisions of Section 17(1), Section 46(4) and 46(4A) of the Customs Act, 1962 by deliberately mis-declaring and mis-classifying the imported goods with intent to import restricted goods under the garb of freely importable goods, thereby contravening the import restrictions prescribed under the Foreign Trade Policy and rendering the goods liable to confiscation under Section 111(d) and 111(m) of the Customs Act, 1962. Therefore, M/s Asphaltera Pvt. Ltd. have made themselves liable for penalty under Section 112(a) and 112(b) of the Customs Act, 1962. Furthermore, M/s Asphaltera Pvt. Ltd. have deliberately filed false and incorrect documents with the Customs Authorities, suppressing the actual nature of the goods, in order to import restricted goods, M/s Asphaltera Pvt. Ltd. are also liable for penalty under Section 114AA of the Customs Act, 1962.

13. Now therefore, **M/s Asphaltera Pvt. Ltd. (IEC: AAYCA6579M), located at 84A SFS Flats DG-2, Vikas Puri, New Delhi-(110018)**' are hereby called upon to show cause in writing to the Additional Commissioner of Customs, Customs House, Mundra having office situated at office of the Pr. Commissioner of Customs, 5B, Port User Building, Adani Ports & SEZ, Mundra, Kutch, Gujarat – 370421 within 30 (thirty) days from the date of receipt of the notice, as to why:

(i) The classification of goods covered under Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026 filed at Mundra Port, declared as 'Industrial Oil', under CTH 27101990, should not be rejected and the same should not be re-classified as 'Automotive Diesel Fuel (ADF) as per IS 1460:2025' under CTH 27101944;

(ii) The declared value of the said goods declared as 'Industrial Oil', as **Rs. 26398706/- (**Rs. 10445393/- + Rs.7422427/- + Rs 8530886/-) **(Two Crore Sixty-Three Lakh Ninety-Eight Thousand Seven Hundred Six Only)** should not be rejected in terms of Rule 12 of the CVR, 2007 and the same should not be re-determined

as **Rs. 4,52,53,846/-** (Rs. 18129594/- + Rs. 12698864/- + Rs. 14425388/-) **(Rupees Four Crore Fifty-Two Lakh Fifty-Three Thousand Eight Hundred Forty-Six only),** as discussed in **Table IV**;

(iii) The goods declared as 'Industrial Oil', under the Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026 filed at Mundra Port having re-determined value of Rs. **4,52,53,846/- (Rupees Four Crore Fifty-Two Lakh Fifty-Three Thousand Eight Hundred Forty-Six only)** as discussed in **Table-IV**, should not be held liable for confiscation under Section 111(d) and 111(m) of the Customs Act, 1962.

(iv) Penalty should not be imposed upon the importer under Sections 112(a), 112(b), and114AA of the Customs Act, 1962, separately.

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

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

16. This Show Cause Notice is issued without prejudice to any other actions that may be taken against the persons involved in the subject case, under the provisions of the Customs Act, 1962 or any other Allied Acts for the time being in force. The department reserves its right to issue addendum/ corrigendum to show cause notice or to make any additions, deletions amendments or supplements to this notice, if any, at a later stage. The department also reserves its right to issue separate Notice/s for other Noticees, offences etc. related to the above case, if warranted.

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

Encl: Annexure-'R'

Digitally signed by Dipakbhai Zala
Date: 20-05-2026 17:51:38

(DIPAK ZALA)

Additional Commissioner of Customs,

Mundra Customs

F.No. GEN/ADJ/ADC/790/2026-Adjn-O/o Pr. Commr-Cus-Mundra

To,

(1) M/s Asphaltera Pvt. Ltd. (IEC: AAYCA6579M),
84A SFS Flats DG-2, Vikas Puri,
New Delhi-(110018)
(Email- asphaltera@gmail.com)

Copy to:

(1) The Additional Director General, DRI, Ahmedabad

(2) The Additional Director, Directorate of Revenue Intelligence, Regional Unit, Gandhidham (Kutch).

(3) The Assistant Commissioner, EDI, Customs Mundra (For uploading on official website).

Annexure-R

List of Relied upon Documents

Investigation in respect of consignment imported by M/s. Asphaltera Pvt. Ltd. (IEC: AAYCA6579M),

RUD No.	Details of the RUD	No. of Pages
RUD NO. 1	**Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319**	1-18

	dated 08.01.2026	
RUD NO. 2	Panchnama dated 11.10.2025 for Examination of Goods under **Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025** and drawl of Samples.	1-8
RUD NO. 3	Panchnama dated 24.01.2026 for Examination of Goods under **Bills of Entry No. 6760319 dated 08.01.2026** and drawl of Samples.	1-3
RUD NO. 4	CRCL Visakhapatnam Test reports in respect of Bill of Entry No. **4861025 dated 01.10.2025**	1-14
RUD NO. 5	CRCL Visakhapatnam Test reports in respect of Bill of Entry No. **4968340 dated 08.10.2025**	1-10
RUD NO. 6	CRCL Visakhapatnam Test reports in respect of Bill of Entry No. **6760319 dated 08.01.2026**	1-11
RUD NO. 7	Mangalore Refinery and Petrochemicals Limited (MRPL) report dated 21.04.2026 in respect of Bill of **Bills of Entry No. 4861025 dated 01.10.2025, 4968340 dated 08.10.2025 and 6760319 dated 08.01.2026**	1-9
RUD NO. 8	Bill of Entry No. 4968340 dated 08.10.2025 (seizure memo dated 24.11.2025), Bill of Entry No. 4861025 dated 01.10.2025 (seizure memo dated 02.12.2025), and Bill of Entry No. 6760319 dated 08.01.2026 (seizure memo dated 12.03.2026)	1-3
RUD NO. 9	Statement of Sh. Akhil Sethi, Director of M/s. Asphaltera Pvt. Ltd., was recorded on 16.12.2025	1-4
RUD NO. 10	Statement of Sh. Akhil Sethi, Director of M/s. Asphaltera Pvt. Ltd., was recorded on 28.04.2026	1-4
RUD NO. 11	Hon'ble High Court of Gujarat at Ahmedabad order and judgement dated 09.03.2026 R/Special Civil Application No. 16799 of 2025 and allied matters	1-25

RUD NO. 12	Extension under Section 110(2) of the Customs Act, 1962	1-1
RUD NO. 13	Invoice generated by Nayara Energy Limited	1-1