
	<p>प्रधान आयुक्त का कार्यालय, सीमा शुल्क सदन, एमपी और एसईजेड, मुंद्रा, कच्छ-गुजरात -370421 <b>OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS, CUSTOMS HOUSE, MP &amp; SEZ MUNDRA, KUTCH-GUJARAT EMAIL: adj-mundra@gov.in</b></p>	 <p>आज़ादी का अमृत महोत्सव</p>
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<b>A</b>	<b>FILE NO.</b> फ़ाइल संख्या	GEN/ADJ/ADC/ 305/2025-Adjn-O/o Pr. Commr- Cus-Mundra
<b>B</b>	<b>OIO NO.</b> आदेश संख्या	MCH/ADC/ZDC/65/2026-27
<b>C</b>	<b>PASSED BY</b> जारीकर्ता	<b>Dipak Zala,</b> Additional Commissioner of Customs/अपर आयुक्त सीमा शुल्क, Custom House, Mundra/कस्टम हाउस, मुंद्रा।
<b>D</b>	<b>DATE OF ORDER</b> आदेश की तारीख	05.05.2026
<b>E</b>	<b>DATE OF ISSUE</b> जारी करने की तिथि	05.05.2026
<b>F</b>	<b>SCN No. &amp; Date</b> कारण बताओ नोटिस क्रमांक	GEN/ADJ/ADC/305/2025-Adjn dated 28.01.2025
<b>G</b>	<b>NOTICEE/ PARTY/ IMPORTER</b> नोटिसकर्ता/पार्टी/ आयातक	1. M/s. Skyfalcon Minerals and Chemicals Private Limited (IEC-ABGCS3469P) 2. Shri Sudhakar. S., Director of M/s Skyfalcon Minerals and Chemicals Private Limited 3. M/s. Continental Shipping Services 4. Ms. Shanmuga Jayashree, Partner, M/s Continental Shipping Services 5. M/s. Krishna Logistics 6. Shri Satish Maheshwari of M/s Krishna Logistics 7. M/s. Versatile Logistics
<b>H</b>	<b>DIN/दस्तावेज़ पहचान</b>	20260571MO0000999FAF

संख्या	
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1. यह अपील आदेश संबन्धित को निःशुल्क प्रदान किया जाता है।

This Order - in - Original is granted to the concerned free of charge.

2. यदि कोई व्यक्ति इस अपील आदेश से असंतुष्ट है तो वह सीमा शुल्क अपील नियमावली 1982 के नियम 3 के साथ पठित सीमा शुल्क अधिनियम 1962 की धारा 128 A के अंतर्गत प्रपत्र सीए- 1- में चार प्रतियों में नीचे बताए गए पते पर अपील कर सकता है-

Any person aggrieved by this Order - in - Original may file an appeal under Section 128 A of Customs Act, 1962 read with Rule 3 of the Customs (Appeals) Rules, 1982 in quadruplicate in Form C. A. -1 to:

**“ सीमा शुल्क आयुक्त (अपील),  
चौथी मंजिल, हुडको बिल्डिंग, ईश्वर भुवन रोड, नवरंगपुरा, अहमदाबाद-380 009”  
“THE COMMISSIONER OF CUSTOMS (APPEALS), MUNDRA  
Having his office at 4<sup>th</sup> Floor, HUDCO Building, Ishwar Bhuvan Road,  
Navrangpura, Ahmedabad-380 009.”**

3. उक्त अपील यह आदेश भेजने की दिनांक से 60 दिन के भीतर दाखिल की जानी चाहिए ।

Appeal shall be filed within sixty days from the date of communication of this order.

4. उक्त अपील के पर न्यायालय शुल्क अधिनियम के तहत 5/- रुपए का टिकट लगा होना चाहिए और इसके साथ निम्नलिखित अवश्य संलग्न किया जाए-

Appeal should be accompanied by a fee of Rs. 5/- under Court Fee Act it must accompanied by –

(i) उक्त अपील की एक प्रति और

A copy of the appeal, and

(ii) इस आदेश की यह प्रति अथवा कोई अन्य प्रति जिस पर अनुसूची-1 के अनुसार न्यायालय शुल्क अधिनियम-1870 के मद सं०-6 में निर्धारित 5/- रुपये का न्यायालय शुल्क टिकट अवश्य लगा होना चाहिए ।

This copy of the order or any other copy of this order, which must bear a Court Fee Stamp of Rs. 5/- (Rupees Five only) as prescribed under Schedule – I, Item 6 of the Court Fees Act, 1870.

5. अपील ज्ञापन के साथ ड्यूटी/ ब्याज/ दण्ड/ जुर्माना आदि के भुगतान का प्रमाण संलग्न किया जाना चाहिये ।

Proof of payment of duty / interest / fine / penalty etc. should be attached with the appeal memo.

6. अपील प्रस्तुत करते समय, सीमा शुल्क (अपील) नियम, 1982 और सीमा शुल्क अधिनियम, 1962 के अन्य सभी प्रावधानों के तहत सभी मामलों का पालन किया जाना चाहिए।

While submitting the appeal, the Customs (Appeals) Rules, 1982 and other provisions of the Customs Act, 1962 should be adhered to in all respects.

7. इस आदेश के विरुद्ध अपील हेतु जहां शुल्क या शुल्क और जुर्माना विवाद में हो, अथवा दण्ड में, जहां केवल जुर्माना विवाद में हो, Commissioner (A) के समक्ष मांग शुल्क का 7.5% भुगतान करना होगा।

An appeal against this order shall lie before the Commissioner (A) on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

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### **BRIEF FACTS OF THE CASE:**

An intelligence was gathered that M/s Skyfalcon Minerals And Chemicals Private Limited, (IEC-ABGCS3469P), 14/1, Velan Nagar 1st Main Road, Arumbakkam, Chennai, Tamil Nadu, 600106 (hereinafter referred to as the “importer” or “Skyfalcon”) were importing restricted products falling under Customs Tariff Heading (CTH) 2710 which, as per the import policy can be imported by State Trading Enterprises (STEs) only. All goods, import of which is permitted only with an Authorisation /Permission/ License or in accordance with the procedure prescribed in a notification / public notice are ‘Restricted’ goods. Restricted items are importable under certain conditions with the necessary approvals from the relevant CA. According to intelligence, the said entities were resorting to the said illicit import by mis-declaring the consignments as “*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed Hydrocarbon Oil (For Industrial Use Only)*” and mis-classifying them under Customs Tariff Item (CTI) 27101990 wherein the import as per the import policy is “Free”. Acting of the said intelligence, 112 containers covered under 8 Bills of Entry pertaining to the importer were put on hold on 29.01.2024 by DRI Noida Regional Unit (hereinafter referred to as “DRI”) for examination by officers of DRI. The details of the containers are given as below:

<b>Sl. No.</b>	<b>BE Number</b>	<b>BE date</b>	<b>Name of the Importer</b>	<b>CONTAINER NUMBER</b>
1	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1904146
2	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2252079
3	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2213745

4	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2276743
5	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2289123
6	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2292739
7	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2297577
8	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2307063
9	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5056872
10	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1107796
11	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1340832
12	9788466	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1829320
13	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	AIYU2269540
14	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5003872
15	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5013649
16	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5014603
17	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5031827
18	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5036731
19	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5047103
20	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5047470
21	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5063887
22	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CSCU3032693
23	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	VSBU2063782
24	9788468	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TRDU7769012
25	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CSYU2000718

26	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5065827
27	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CXDU1598053
28	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU1776278
29	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU1784653
30	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU2827472
31	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1756861
32	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2180744
33	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2200521
34	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2297303
35	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2302098
36	9788470	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2324749
37	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5072750
38	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	BMOU2787089
39	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CSYU2007100
40	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CSYU2008560
41	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CSYU2015343
42	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CXDU1581087
43	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CXDU1604752
44	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CXDU1608172
45	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU2797784
46	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU2825700
47	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1297206

48	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1410586
49	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1983905
50	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2251365
51	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2285405
52	9788488	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2323779
53	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5040032
54	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5067218
55	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	BEAU2031796
56	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	BMOU2625051
57	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CSYU2007688
58	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU1782115
59	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU2828951
60	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1473244
61	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2190655
62	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2198701
63	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2275011
64	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2201934
65	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2251405
66	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2281647
67	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2308753
68	9788473	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2321122
69	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5067814

70	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	BMOU2328177
71	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CXDU1230987
72	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU2802129
73	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU2805745
74	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1542411
75	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1702628
76	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2182201
77	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2193886
78	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2248931
79	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2250939
80	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2272619
81	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2276506
82	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2289036
83	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2301065
84	9788474	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2304418
85	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU2826183
86	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5062155
87	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CSYU2006763
88	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU2800297
89	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1469100
90	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1895804
91	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2027041

92	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2279070
93	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2279212
94	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2279341
95	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2321272
96	9788476	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2284538
97	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5062577
98	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	ASLU5073421
99	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CSYU2009612
100	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	CSYU2013063
101	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU1760374
102	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU2804142
103	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2179933
104	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	PCIU2822845
105	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU1519978
106	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	SEGU2034945
107	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2184328
108	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2196606
109	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2252530
110	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2249178
111	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2295152
112	9788487	23/01/24	Skyfalcon Minerals And Chemicals Private limited	TGCU2323090

2. Thereafter, the said containers covered under the above-mentioned 08 Bills of Entry were subjected to examination on 01.02.2024, 02.02.2024 & 03.02.2024 in the presence of the following persons/representatives detailed below:

<b>S. no</b>	<b>Bill Of Entry No</b>	<b>No Of container</b>	<b>Examination date</b>	<b>CHA/ Authorised Representative</b>	<b>Container Freight Station</b>	<b>Representative of CFS</b>
1	9788466 Dt. 23.01.2024	12	01.02.2024	Shri Naresh Sodham, H-Card Holder Continental Shipping Services	CWC CFS Mundra	Shri Anil Tiwari, Manager Operations
2	9788470 Dt. 23.01.2024	12	02.02.2024	Shri Sayed Salim, G Card Holder of M/s Continental Shipping Services	CWC CFS Mundra	Shri Anil Tiwari, Manager Operations
3	9788488 Dt. 23.01.2024	16	02.02.2024			
4	9788473 Dt. 23.01.2024	16	02.02.2024			
5	9788474 Dt. 23.01.2024	16	02.02.2024			
6	9788476 Dt. 23.01.2024	12	02.02.2024			
7	9788487 Dt. 23.01.2024	16	02.02.2024			
8	9788468 23-01-2024	12	03.02.2024			

2(i). And whereas, during the examination, Shri Sayed Salim, 'G' Card Holder of M/s

Continental Shipping Services and Shri Naresh Sodham H Card Holder of M/s Continental Shipping Services, provided the relevant documents viz Bills of Entry along with the corresponding Invoice and packing list. The details of the consignments as per the documents provided are detailed as under:

S.No	Bill Of Entry No	Goods Description (as per Bill of Entry)	Name of the Supplier (as per Bill of Entry)	Chapter Heading (as per Bill of Entry)	Ass. Value (In Rupees)	Gross Weight (KGs)
1	9788466 Dt. 23.01.2024	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Chevron General Trading LLC	27101990	1,00,13,714/-	233050
2	9788470 Dt. 23.01.2024			27101990	1,00,21,952/-	233240
3	9788488 Dt. 23.01.2024	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	27101990	1,31,52,891/-	306150
4	9788473 Dt. 23.01.2024			27101990	1,32,10,992/-	307490
5	9788474 Dt. 23.01.2024			27101990	1,33,79,658/-	311380
6	9788476 Dt. 23.01.2024	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Chevron General Trading LLC	27101990	99,80,762/-	232290
7	9788487 Dt. 23.01.2024	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	27101990	1,33,09,850/-	309770
8	9788468 Dt. 23-01-2024	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	27101990	98,84,505/-	230070
<b>TOTAL</b>					9,29,54,324/-	2163440

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



(Pictures of the flexibag containers in the consignment)



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

**2(iii).** Representative samples were drawn from one randomly selected container per Bill of Entry. The samples were drawn in triplicate from the container using one-litre aluminium sample containers. After collecting the samples, the DRI Officer resealed the container with the bottle seal provided by the custodian. The proceedings were documented in panchnamas dated 01.02.2024, 02.02.2024 and 03.02.2024.

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

<b>S.No</b>	<b>Bill Of Entry No and date</b>	<b>Sample No</b>
1	9788466 Dt. 23.01.2024	SA2-344923
2	9788470 Dt. 23.01.2024	SE1-344700
3	9788488 Dt. 23.01.2024	SB3-344703
4	9788473 Dt. 23.01.2024	SD2-344693
5	9788474 Dt. 23.01.2024	SC3-344720
6	9788476 Dt. 23.01.2024	SG3-344699
7	9788487 Dt. 23.01.2024	SF2-344695
8	9788468 Dt. 23-01-2024	SH3-344711

4. Further vide email date 15<sup>th</sup> Feb 2024, 44 more containers of the importer, covered under 4 bills of entry viz. 2040130 Dt. 08/02/24, 2087386 Dt. 10/02/24, 2088871 Dt. 10/02/24 and 2088881 Dt. 10/02/24 were also put on hold at Mundra port as they were also suspected to contain similar restricted goods such as Automotive Diesel Fuel, Gas Oil or Kerosene as per IS:1459. The details of the containers are given as below:

<b>Sr. no.</b>	<b>BE No</b>	<b>BE Date</b>	<b>Name of the Importer</b>	<b>Container No</b>
1	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5007760
2	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5021330
3	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5042966
4	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5050370
5	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5064712
6	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5066000
7	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU8639003
8	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	CRSU1259420
9	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	CSCU3027697
10	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	CSCU3029180

11	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	TCKU2963546
12	2040130	08/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	TLLU3043661
13	2088881	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU3951430
14	2088881	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5026672
15	2088881	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5027196
16	2088881	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5027576
17	2088881	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5051926
18	2088881	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	BSIU3168551
19	2088881	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	BSIU3201829
20	2088881	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	CRSU1039301
21	2088881	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	NYKU3050107
22	2088881	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	WHLU2816458
23	2088871	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5039854
24	2088871	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5013000
25	2088871	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5031215
26	2088871	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5044568
27	2088871	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5046350
28	2088871	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5046703
29	2088871	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5047090
30	2088871	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5059444
31	2088871	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5065468
32	2088871	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5044634
33	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU2328262

34	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5006932
35	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5014100
36	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5043962
37	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5062978
38	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5063892
39	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5018260
40	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5064754
41	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	CLHU2977094
42	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	CSCU3029473
43	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	ASLU5030029
44	2087386	10/02/24	SKYFALCON MINERALS AND CHEMICALS PRIVATE LIMITED	TRHU1862502

5. Thereafter, the said 44 containers covered under the above-mentioned 04 Bills of Entry were also subjected to examination on 12.03.2024 in the presence of the following persons/representatives detailed below:

<b>Sr. no</b>	<b>Bill Of Entry No</b>	<b>No Of container</b>	<b>Examination date</b>	<b>CHA/ Authorised Representative</b>	<b>Container Freight Station</b>	<b>Representative of CFS</b>
1	2040130 Dt. 08/02/24	12	12.03.2024	Shri Naresh Sodham H Card Holder Continental Shipping Services	Mundra CFS	Shri Gurpreet Singh, Manager Operations
2	2087386 Dt. 10/02/24	12	12.03.2024	Shri Naresh Sodham H Card Holder Continental Shipping	Mundra CFS	Shri Gurpreet Singh, Manager Operations
3	2088871 Dt. 10/02/24	10	12.03.2024	Shri Naresh Sodham H Card Holder	Mundra CFS	Shri Gurpreet Singh,

				Continental Shipping		Manager Operations
4	2088881 Dt. 10/02/24	10	12.03.2024	Shri Naresh Sodham H Card Holder Continental Shipping	Mundra CFS	Shri Gurpreet Singh, Manager Operations

**6.(i)** And whereas, during the examination, Shri Naresh Sodham 'H' Card Holder of M/s Continental Shipping Services, provided the relevant documents viz Bills of Entry along with the corresponding Invoice and packing list. The details of the consignments as per the documents provided are detailed as under:

S.No	Bill Of Entry No	Goods Description (as per Bill of Entry)	Name of the Supplier (as per Bill of Entry)	Chapter Heading (as per Bill of Entry)	Ass. Value (In Rupees)	Gross Weight (KGs)
1	2040130 Dt. 08/02/24	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	2710199 0	1,02,02,759/ -	237410
2	2087386 Dt. 10/02/24			2710199 0	1,02,05,360/ -	237470
3	2088871 Dt. 10/02/24	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	2710199 0	82,39,906/-	191790
4	2088881 Dt. 10/02/24			2710199 0	82,42,941/-	191860
<b>TOTAL</b>					3,68,90,966/ -	858530

**6(ii)** During the course of the examination it was observed that Flexi bags containing yellow colored liquid substance were kept inside these containers also. Representative samples were also similarly drawn from one randomly selected container per Bill of Entry. The samples were drawn in triplicate from the container using two-litre aluminium sample containers. After collecting the samples, the DRI Officer resealed the container with the bottle seal provided by the custodian. The proceedings were documented in panchnamas dated 12.03.2024.

**6 (iii)** Thereafter, the samples were sent to the lab of CRCL, Vizag for testing purpose. The details of the samples sent to the CRCL are as detailed below:

S.No	Bill Of Entry No and date	Sample No
1	2040130 Dt. 08/02/24	SMD3- A217701
2	2087386 Dt. 10/02/24	SMB1- A217714
3	2088871 Dt. 10/02/24	SMC2- A217709
4	2088881 Dt. 10/02/24	SMA1- A217684

**7.** And whereas IOCL Panipat tested the samples of the 8 bills of entry kept on hold on 29.01.2024 and sent the respective Test Reports of the above samples on 08.04.2024. The test reports as provided by IOCL Panipat, are reproduced as below:



## PANIPAT REFINERY Quality Control Laboratory

Date: 08.04.2024

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

Test Report						
S.No	Parameters	Product	Kerosene		Kerosene	Kerosene
		Name	SB3		SH3	SD2
		Seal No	344703		344711	344693
		Method			Result	
1	Appearance		Clear and bright		Clear and bright	Clear and bright
2	Clour Saybolt		27		27	27
3	Density, Auto, 15 °C (g/mL)	ASTM D4052	0.7832		0.7831	0.7832
4	Distillation (Manual)	ASTM D86				
a	Distillation, Manual, IBP (°C)		160		160	160
b	Distillation, Manual, 5% (°C)		167		167	168
c	Distillation, Manual, 10% (°C)		170		169	170
d	Distillation, Manual, 20% (°C)		173		172	172
e	Distillation, Manual, 30% (°C)		175		175	175
f	Distillation, Manual, 40% (°C)		177		177	177
g	Distillation, Manual, 50% (°C)		180		180	180
h	Distillation, Manual, 60% (°C)		183		183	182
i	Distillation, Manual, 70% (°C)		186		186	185
j	Distillation, Manual, 80% (°C)		190		190	190
k	Distillation, Manual, 90% (°C)		197		198	192
l	Distillation, Manual, 95% (°C)		207		207	208
m	Distillation, Manual, FBP (°C)		234		228	230
n	Distillation, Manual, % Loss (%)		1		1	1
o	Distillation, Manual, % Resid (%)		1		1.5	1.5
5	Flash Point, °C	IS 1448 P-20	51		52	51
6	Sulphur, ppm	ASTM D5453	2.0 ppm		2.0 ppm	2.0 ppm
7	Smoke point, mm	IP 598	26.9		27.2	27
8	Copper Strip Corrosion for 3h @50°C	IS 1448 P-15	1b		1b	1b
9	Acidity, inorganic, mg KOH/g	ISO 6618	Nil		Nil	Nil
10	Aromatic Content, %V	ASTM D 6379	16.4		15.3	14.5
11	Residue on Evaporation, mg/100 ml	IS 1448 P-29	8.3		38.8	51.4
12	Burning quality					
	Char Value, mg/kg of oil consumed	IS 1448 P-5	< 20		< 20	< 20
	Bloom on glass Chimney		Not darker than grey		Not darker than grey	Not darker than grey

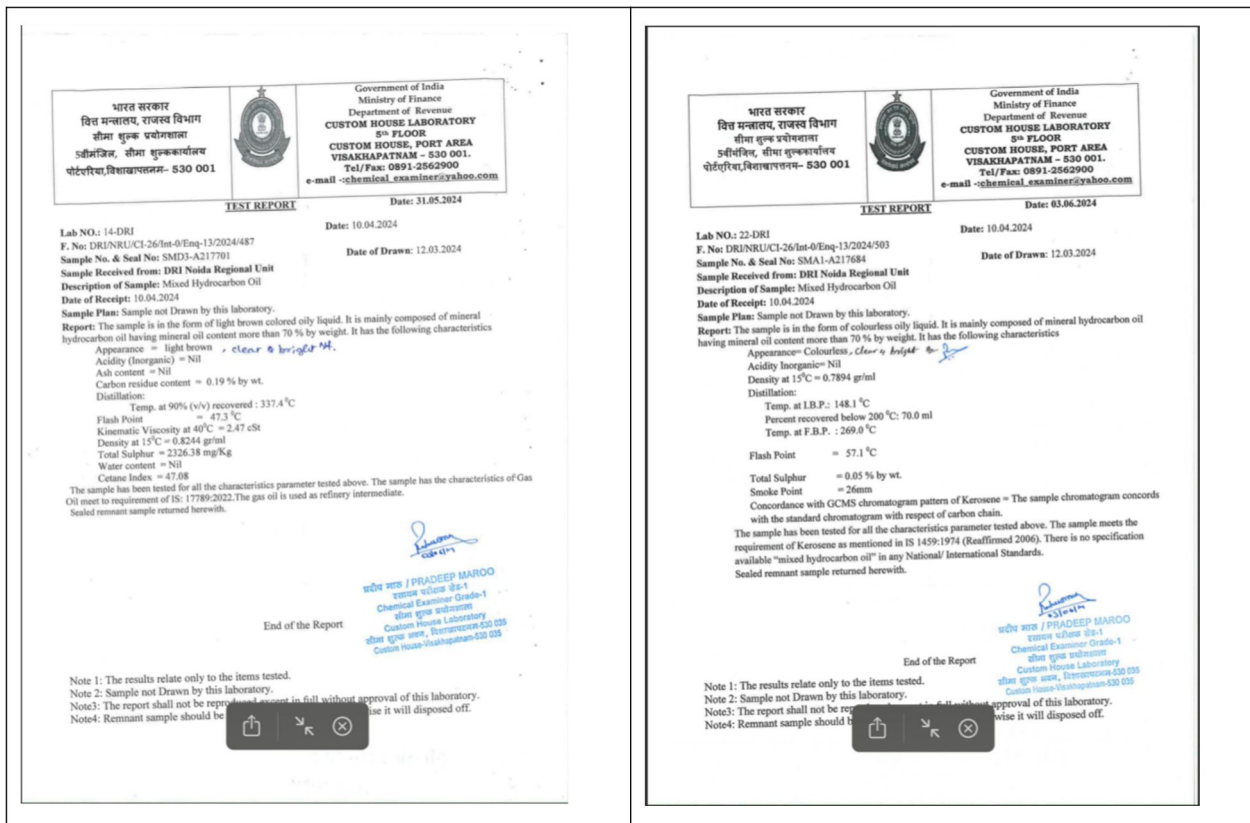
*(Signature)*  
Dr. Y.S.Jhala  
DGM (QC)

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



8. And whereas CRCL tested the samples of the 4 Bills of entry and sent the respective Test Reports of the above samples on 03.06.2024. The test reports as provided by CRCL are reproduced as below:

<div style="display: flex; justify-content: space-between; align-items: center; border-bottom: 1px solid black; padding-bottom: 5px;"> <div style="text-align: center;"> <p><b>भारत सरकार</b> विश्व मन्त्रालय, राजस्व विभाग सीमा शुल्क प्रयोगशाला वीसाखपट्टम, सीमा शुल्कप्रदेश पोस्टल/विभागाध्यक्ष- 530 001</p> </div> <div style="text-align: center;"> </div> <div style="text-align: center;"> <p>Government of India Ministry of Finance Department of Revenue <b>CUSTOM HOUSE LABORATORY</b> 5<sup>th</sup> FLOOR CUSTOM HOUSE, PORT AREA VISAKHAPATNAM - 530 001. Tel/Fax: 0891-2562900 e-mail -&gt;chemical_examiner@yahoo.com</p> </div> </div> <p style="text-align: center;"><b>TEST REPORT</b> <span style="float: right;">Date: 03.06.2024</span></p> <p>Lab NO.: 12-DRI <span style="float: right;">Date: 10.04.2024</span>          F.No: DRUNRU/CI-26/Int-0/Enq-13/2024/502 <span style="float: right;">Date of Drawn: 12.03.2024</span>          Sample No. &amp; Seal No: SMC2-A217709          Sample Received from: DRI Noida Regional Unit          Description of Sample: Mixed Hydrocarbon Oil          Date of Receipt: 10.04.2024</p> <p><b>Sample Plan:</b> Sample not Drawn by this laboratory.  <b>Report:</b> The sample is in the form of colourless oily liquid. It is mainly composed of mineral hydrocarbon oil having mineral oil content more than 70 % by weight. It has the following characteristics          Appearance= Colourless, clear &amp; bright.          Acidity Inorganic= Nil          Density at 15°C = 0.7864 gr/ml          Distillation:            Temp. at I.B.P.: 150.0 °C            Percent recovered below 200 °C: 91 ml            Temp. at F.B.P. : 210.0 °C          Flash Point = 51.4 °C          Total Sulphur = 18.76 mg/Kg          Smoke Point = 25mm</p> <p>The sample has been tested for all the characteristics parameter tested above. The sample meets the requirement of Kerosene as mentioned in IS 1459:1974 (Reaffirmed 2006) and It also confirms to the requirements of petroleum hydrocarbon solvents as per IS 1745:2021 Grade 125/240. There is no specification available "mixed hydrocarbon oil" in any National/ International Standards.          Sealed remnant sample returned herewith.</p> <p style="text-align: right;"><i>Praadeep Maroo</i>          श्री प्रदीप मरू / PRADEEP MAROO          रसायन विज्ञान श्रेणी-1          Chemical Examiner Grade-1          सीमा शुल्क प्रयोगशाला          Custom House Laboratory          सीमा शुल्क क्षेत्र, विसाखपट्टम-530 001          Custom House-Visakhapatnam-530 001</p> <p style="text-align: center;">End of the Report</p> <p>Note 1: The results relate only to the items tested.          Note 2: Sample not Drawn by this laboratory.          Note3: The report shall not be reproduced except in full without approval of this laboratory.          Note4: Remnant sample should be collected within 30 days otherwise it will disposed off.</p>	<div style="display: flex; justify-content: space-between; align-items: center; border-bottom: 1px solid black; padding-bottom: 5px;"> <div style="text-align: center;"> <p><b>भारत सरकार</b> विश्व मन्त्रालय, राजस्व विभाग सीमा शुल्क प्रयोगशाला वीसाखपट्टम, सीमा शुल्कप्रदेश पोस्टल/विभागाध्यक्ष- 530 001</p> </div> <div style="text-align: center;"> </div> <div style="text-align: center;"> <p>Government of India Ministry of Finance Department of Revenue <b>CUSTOM HOUSE LABORATORY</b> 5<sup>th</sup> FLOOR CUSTOM HOUSE, PORT AREA VISAKHAPATNAM - 530 001. Tel/Fax: 0891-2562900 e-mail -&gt;chemical_examiner@yahoo.com</p> </div> </div> <p style="text-align: center;"><b>TEST REPORT</b> <span style="float: right;">Date: 31.05.2024</span></p> <p>Lab NO.: 13-DRI <span style="float: right;">Date: 10.04.2024</span>          F.No: DRUNRU/CI-26/Int-0/Enq-13/2024/488 <span style="float: right;">Date of Drawn: 12.03.2024</span>          Sample No. &amp; Seal No: SMB1-A217714          Sample Received from: DRI Noida Regional Unit          Description of Sample: Mixed Hydrocarbon Oil          Date of Receipt: 10.04.2024</p> <p><b>Sample Plan:</b> Sample not Drawn by this laboratory.  <b>Report:</b> The sample is in the form of light brown colored oily liquid. It is mainly composed of mineral hydrocarbon oil having mineral oil content more than 70 % by weight. It has the following characteristics          Appearance = light brown, clear &amp; bright.          Acidity (Inorganic) = Nil          Ash content = Nil          Carbon residue content = 0.18 % by wt.          Distillation:            Temp. at 90% (v/v) recovered : 334.5 °C          Flash Point = 51.7 °C          Kinematic Viscosity at 40°C = 2.35 cSt          Density at 15°C = 0.8254 gr/ml          Total Sulphur = 2736.59 mg/Kg          Water content = Nil          Cetane Index = 47.22</p> <p>The sample has been tested for all the characteristics parameter tested above. The sample has the characteristics of Gas Oil meet to requirement of IS: 17789:2022. The gas oil is used as refinery intermediate.          Sealed remnant sample returned herewith.</p> <p style="text-align: right;"><i>Praadeep Maroo</i>          श्री प्रदीप मरू / PRADEEP MAROO          रसायन विज्ञान श्रेणी-1          Chemical Examiner Grade-1          सीमा शुल्क प्रयोगशाला          Custom House Laboratory          सीमा शुल्क क्षेत्र, विसाखपट्टम-530 001          Custom House-Visakhapatnam-530 001</p> <p style="text-align: center;">End of the Report</p> <p>Note 1: The results relate only to the items tested.          Note 2: Sample not Drawn by this laboratory.          Note3: The report shall not be reproduced except in full without approval of this laboratory.          Note4: Remnant sample should be collected within 30 days otherwise it will disposed off.</p>
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9. And whereas the parameters of the Test Reports suggested that the goods being imported in the said containers were Kerosene as per IS:1459 of Bureau of Indian Standards (BIS) which is appropriately classifiable under CTH 27101932 and Gas Oil which is appropriately classifiable under CTH 27101941. Further, Gas Oil which is appropriately classifiable under Customs Tariff Heading 27101941, does not stipulate any import condition of conforming to any BIS standard. However, the parameters of Gas oil as per BIS IS: 17789:2022 have been taken here for reference purposes The specifications of Gas Oil as per IS:17789 are reproduced below:

**Table 1 Requirements for Gas Oil**  
( *Clauses Foreword, 4.3 and 7.1* )

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

<sup>1)</sup> In case of dispute, this shall be the referee method.

### **Specifications of Gas Oil as per IS 17789**

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

#### **AMENDMENT NO. 1 JANUARY 2023**

#### **TO**

#### **IS 17789 : 2022 GAS OIL — SPECIFICATION**

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

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

[Page 2, Table 1, Sl No. (iii), col 2] — Substitute ‘total sulphur, mass percent<sup>2)</sup>’ for ‘Total sulphur, mass percent’

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

(Page 2, Table 1) — Add the following below Table 1,<sup>1)</sup>:

<sup>2)</sup> Indian refineries may opt for lower sulphur content on the basis of agreement between seller and purchaser.’

### **Amendment to Gas Oil dated January 2023**

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

IS 1459 : 2018

**Table 1 Specification for Kerosene**  
( Clause 4.2 )

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

**10.** And whereas on analysis of the parameters detailed in the Test Reports vis-à-vis the parameters stipulated in the BIS standards of Gas Oil (IS 17789) and Kerosene (IS 1459), it appeared that in accordance with the intelligence, the goods being imported appeared to be mis-declared and the following conclusion with regard to goods comprising the consignments put on hold and examined by the DRI Officers appeared to flow from the analysis:

Sl. No.	Bill of Entry No.	Date of Bill of Entry	No. of containers	Product description as per the analysis of the Test report
1.	9788466	23.01.2024	12	Gas Oil
2.	9788470	23.01.2024	12	Gas Oil
3.	9788488	23.01.2024	16	Kerosene conforming to standard IS 1459
4.	9788473	23.01.2024	16	Kerosene conforming to standard IS 1459
5.	9788474	23.01.2024	16	Gas Oil
6.	9788476	23.01.2024	12	Gas Oil
7.	9788487	23.01.2024	16	Gas Oil
8.	9788468	23.01.2024	12	Kerosene conforming to standard IS 1459
9.	2040130	08.02.24	12	Gas Oil
10.	2087386	10.02.24	12	Gas Oil
11.	2088871	10.02.24	10	Kerosene conforming to standard IS 1459
12.	2088881	10.02.24	10	Kerosene conforming to standard IS 1459

Thus, 9788466, 9788470, 9788474, 9788476, 9788487, 2040130 and 2087386 conform to limits stipulated in IS: 17789:2022 specifications which pertains to the Indian Standard of Gas Oil, while consignments pertaining to the remaining 5 BOEs 9788488, 9788473, 9788468, 2088871 and 2088881 appear to conform to specification of IS:1459 which pertains to Kerosene. Gas Oil which is appropriately classifiable under Customs Tariff Heading 27101941 does not have any import condition for conforming to IS 1789:2022 and the aforementioned parameters of IS: 1789:2022 have been taken for reference purposes only and that the items, viz kerosene and Gas Oil are restricted and can be imported by the State Trading Enterprises(STEs) only.

**11.** In the light of the parameters of the Test Reports of the IOCL and CRCL, the goods imported under BEs 9788466, 9788470, 9788474, 9788476, 9788487, 2040130 and 2087386 appear to be liable to be classifiable under CTH: 27101941 under the description Gas Oil while the goods imported under BEs 9788488, 9788473, 9788468, 2088871 and 2088881 appeared to be liable to be classifiable under CTH 27101932 under the description of Kerosene conforming to standard IS 1459. The relevant description of CTH 27101941 and 27101932 as per Customs Tariff Act'1985 are as below:

2710 19 39	--- Aviation turbine fuels, kerosene type conforming to standard IS 1571	kg.	5.00	5.00	---	11.00	0.50	17.105	State Trading Enterprises	Exemption: See Ntfn 52/2017-Cus. dated 30.06.2017 Import as per Policy Condition (5) of Chapter 27 ACD Nil by Ntfn 32/2022-Cus. Excise Duty by Ntfn 11/2017-CE dated 30.06.2017
--- Gas oil and oils obtained from gas										
2710 19 41	--- Gas oil	kg.	5.00	5.00	---	18.00	0.50	24.490	State Trading Enterprises	Import as per Policy Condition (5) of Chapter 27
2710 19 42	--- Vacuum gas oil	kg.	5.00	5.00	---	18.00	0.50	24.490	State Trading Enterprises	Import as per Policy Condition (5) of Chapter 27
2710 19 43	--- Light diesel oil conforming to standard IS 15770	kg.	5.00	5.00	---	18.00	0.50	24.490	State Trading Enterprises	Import as per Policy Condition (5) of Chapter 27

**Chapter Heading 27101941**

190 | Section V Chapter 27

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

**Chapter Heading 27101932**

12. Further, as per ITC(HS), 2022, Schedule 1: Import Policy, Section V: Mineral Products, Chapter 27: Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes: Goods falling under the description of “Kerosene intermediate and oils obtained from kerosene intermediate: -- Kerosene conforming to standard IS 1459” and “Gas Oil” the import policy makes the goods restricted by way of importation by State Trading Enterprises only by virtue of Policy Condition No. 5 which prescribes “Import allowed through IOC subject to para 2.21 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NGs Resolution No. P23015/1/2001-MKT. Dated 8.3.2002 including HPCL, BPCL and IBP who have been marketing transportation fuels before this date”. The screenshots of the relevant extracts are as below:

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

### **Product Description and Import Policy**

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

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

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

**14.** Voluntary statement of Shri Satish Maheshwari s/o Shri Rayshi Bhai Maheswari authorised representative of M/s Continental Shipping Services aged 44 years, near GEB Office, Bhatt Pad, Bhachau, Kachchh, Gujarat, 370140, Aadhar Card No- 548545219204 Mobile No. 9913038991 was recorded on 30/04/2024 under Section 108 of the Customs Act 1962(RUD-33) wherein he inter-alia stated:

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

*Ans: My name is Satish Maheshwari S/o Shri Rayshi bhai Maheswari resident, near GEB Office, Bhatt Pad, Bhachau, Kachchh, Gujarat, 370140. I have done my graduation in B.Sc.(Physics) from Adipur Arts and Science, college in the year of 1999. In 2000 due to earthquake we were not working till 2007. After*

that I started carrier as Driver till 2009. After that I joined Adani Power as Supervisor, I used to look after Transportation in Adani Power. After that in 2009, I joined Premier Transport Limited as Supervisor, my job was route Survey from one location to destination i.e. to check the route in respect of Load carrying capacity and expected time as per the load of the consignment till December 2014. I grew my expertise in heavy consignments in project logistics and transport from Paradip, Haldi port, Dahej, Hazira, Mundra, Kandla, Pipava Port to Destination at various locations in India majorly for various power plants. After that from 2015, I joined CHA firm M/s. Swati Enterprises as H-Card and assisted in Examination at Mundra Port, thereafter on 28.08.2017, I left M/s. Swati Enterprises.

In 2021, I have been authorized by the CHA firm M/s. Continental Shipping Services, CHA No AAFC9583GCH001 to look after all operations for Mundra port i.e. overall in-charge. M/s. Continental Shipping Services, CHA appointed Shri Sayed Salim, G Card holder G/MNDR1/20234082 to look after work related activities of import (copy enclosed as annexure 2 running in two pages duly signed by me).

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

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

Ans: M/s. Continental Shipping Services, CHA No AAFC9583GCH001, is a CHA firm who deal in import only, Mrs Shanmuga Jayashree and Mrs Radha are the managing/authorized partners of this CHA firm. As stated above, I have been authorized by the CHA firm M/s. Continental Shipping Services, to look after all operations for Munda port i.e. overall in-charge and handle day to day activities of M/s. Continental Shipping Services.

- Question 3: Please state about the Business Nature/operation/Turnover and the Commodities being dealt with by M/s. Continental Shipping Services? Please provide the Details of staff and responsibilities

Ans: We majorly deals with Mixed Hydrocarbon oil, Fuel oil, Base oil and stock lot of paper/plastic. Apart from me, Shri Sayed Salim, G Card Contact number 9537281289, holder are working for M/s. Continental Shipping Services. Shri C N Rajender Kumar is F Card, holder appointed is enclosed herewith for your ready reference as annexure 4 running in 1 pages duly signed by me. Earlier Shri Naresh Sodham, H-card Holder CHM/H/150/21-22(copy enclosed as annexure5 running in 1 pages duly signed by me), contact detail 8866872222, also looked after all the operation related to M/s. Continental Shipping

*Services. He has left this office 15 days back.*

- *Question 4: Please provide the past imports and items imported handled by M/s. Continental Shipping Services?*

*Ans: This branch of M/s. Continental Shipping Services looks after import activities of Mundra port, I am enclosing the list of import from Mundra port as annexure 6 running in 4 pages duly signed by me are enclosed herewith. Other port import activities are not dealt by this branch of M/s. Continental Shipping Services.*

- *Question 5: Please state about the firm namely M/s. SkyFalcon Minerals and Chemicals Private Ltd?*

*Ans: M/s. SkyFalcon Minerals and Chemicals Private Ltd (hereinafter referred to as "Skyfalcon"), is a company which is involved in the import of Mixed Hydrocarbon Oil (herein after referred to as "MHO"). Shri SellappanRamaniah and Shri R V Shanmugham and Shri Srinivasan Sudhakar are the Partners in Skyfalcon Minerals and Chemicals Private Ltd. The contact person in Skyfalcon is Shri Mahesh, contact detail is 9840081520. Later when the consignment were put on hold by DRI Noida then we also came to know that Shri Raju Pillai was the Real beneficial owner of Skyfalcon.*

*For Skyfalcon our CHA firm has imported 54 consignments, I am enclosing list of all these imports as annexure 7 running in 1 page duly signed by me. Out of these 54 import consignments 42 were given out of charge but rest of the 12 import consignments were put-on hold by DRI NOIDA.*

- *Question 7: Please provide the Test Reports relating to past reports provided by the supplier/ relating to test conducted by the CRCL?*

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

- *Question 8: Who files the Bill of Entry? And also state what the basis of filing of Bill of entry is. Also state who decides under which CTH the goods would fall?*

*Ans: Shri Sayed Salim, G-Card, files the bills of entry (on behalf of importers) and the same is filed on the basis of document provided by these importers through M/s. Versatile Logistics. These documents are received on the email id namely [Krishnalogistics889@gmail.com](mailto:Krishnalogistics889@gmail.com).*

- *Question 9: It appears that these documents are emailed by email of importers not related to M/s. Continental Shipping Services?*

*Ans: We use email of M/s. Continental Shipping Services for bill of Entry filing purpose only. The bill of entry is filed by Shri Sayed Salim, G Card, I am enclosing the copy of authorization letter issued by Skyfalcon to M /s. Continental Shipping Services as annexure 9 running in 2 pages duly signed by me. And authorization letter issued by M/s. A.A. Cable Layers as annexure*

*10 running in 2 pages duly signed by me.*

- *Question 10: Please provide the details of shipping companies related to the imports done by M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers?*  
*Ans: I am enclosing the list of shipping companies related to the imports done by M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers as annexure 11 running in 3 pages duly signed by me (page 1 and 2 are in respect of M/s. SkyFalcon Minerals and Chemicals Private Ltd, whereas the page 3 of annexure is of M/s. A.A. Cable Layers). Moreover these shipping lines are always mentioned in the Bill of Lading or each import consignment.*
- *Question 11: Please provide the details of suppliers/items imported?*  
*Ans: The details of supplier and items imported are available in the bill of entry filed by us, the same can be retrieved from E-Sanchit. And if the same is further required I will submit the same as and when the same is required by your office.*
- *Question 12: Please state how the orders are placed and who in your CHA firm give the order to supplier?*  
*Ans: The orders are placed by the importer himself, we CHA only file these bill of entry only on the basis of documents provided by respective importers, we as CHA has no role to play with supplier.*
- *Question 13: Please state how do you receive the documents for filing the Bill of entry and who provides these document, what is the means of getting these documents related to M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers?*  
*Ans: As stated above we receive these documents on our email address krishnalogistics889@gmail.com. We receive these documents from email versatileimpt@gmail.com. The email is of M/s. Versatile logistics, another clearing and forwarder firm having address as office no. 124, 1st floor, Shiv Centre, Sector 17, Plot No 72, Vashi, Navi Mumbai- 400705, mob: 9870107007. Shri Ravi Sawant is the Proprietor of M/s Versatile Logistics(Mobile No-9833391681).*
- *Question 14: It appears that the documents for filing the bills of entries are not provided by the importers namely M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers. How do you verify the authenticity of these documents so provided by M/s. Versatile Logistics? It appears that the bills of entry are improperly filed by your CHA firm. How did you conduct the Know Your Customer i.e. KYC of these importers in such scenario when the documents are not provided by the importers themselves? What is the process adopted by your CHA firm for filing the bills or entry? And who makes the payment of duties?*  
*Ans: We have been associated in trade terms with other firms who provide us any work related to this Mundra port along with all necessary documents for filing the Bill of entry. We were provided documents by M/s. Versatile logistics we*

prepared check list. We prepare the check list, then send it back to M/s. Versatile logistics. They then it the same verified from the importer. Thereafter the bill of entry is filed, after assessment of Bill of entry we inform to M/s. Versatile logistics to get the duty paid by the importer i.e. M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers then login to their ICEGATE account and make the payment of duty directly while making the payment, the importer can always check the Bill of entry filed.

We get KYC the verified through M/s. Versatile logistics, such verified KYC is enclosed as annexure 12 running in 7 pages duly signed by me and annexure 13 running in 6 pages duly signed by me.

- Question 15: Please state what is Mix Hydrocarbon Oil, what is its Chemical Composition? Please state end use of mixed hydrocarbon Oil imported?

Ans: It is one type of oil, and on the basis of documents provided we file the Bill of entry. Samples are drawn by the Customs Authority. And only after the sample report these consignments are cleared by the Customs authority. About the chemical composition the importer are having full knowledge. We file Bill of Entry only on the basis of documents. End use of mixed hydrocarbon Oil so imported is for heating purpose and the same can be answered by the importer.

- Question 16: Does this Mix Hydrocarbon Oil requires any import regulation in terms of it packaging? Please state in respect of M/s. SkyFalcon Minerals and Chemicals Private Ltd and M/s. A.A. Cable Layers, is there any violation in respect of Import in flexi bags or violation of petroleum regulation?

Ans: Yes, the requirements are Flexi Bag and ISO tank. All these consignments are imported in Flexi Bags. No, there is no violation in respect of Import in flexi bags or violation of petroleum regulation.

- Question 17: have you ever imported diesel or kerosene?

Ans: No, We have never imported diesel or kerosene.

- Question 18: Please state what is the basis of classification of mix Hydrocarbon Oil?

Ans: We file the Bill of entry on the basis of Supplier's documents like Commercial Invoice, Packing list Bill of lading etc. later the Customs department check it respect to sample analysis report then clear the import consignments.

- Question 19: Please state whether goods i.e. Mix Hydrocarbon Oil so imported in consignments/containers on hold by DRI and imported in earlier consignments are same?

Ans: Yes sir, as per my understanding they are the same.

- Question 20: Please state what are the BIS parameters applicable on the item i.e. Mix Hydrocarbon Oil?

Ans: No BIS standards are applicable on this imported item i.e. Mix Hydrocarbon Oil.

- *Question 21: Please state whether Mix Hydrocarbon Oil is fuel or not?*

*Ans: No, it is not Fuel.*

- *Question 22: Please provide the list of buyers of Mix Hydrocarbon Oil vis-a vis end use?*

*Ans: We are not aware who the buyer are. After getting the out of charge, we inform M/s. Versatile logistics. They then inform the importer. The importer then arranges the vehicle for logistics.*

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

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

- *Question 24: Please state how the imported item in the name of Mix Hydrocarbon Oil is sold , is it sold by any of the firms related to you be it M/s. Continental Shipping Services or M/s. Shri Krishna Logistics.*

*Ans: The import consignments are handed over to importers only and the same is never sold to any party or anyone else.*

- *Question 25: Please state have you made any payments to the supplier of Mix Hydrocarbon Oil or have received any payment from the buyers? If so please provide the Bank Details for the same?*

*Ans: No, we have never made any payments to the supplier of Mix Hydrocarbon Oil nor have received any payment from the buyers.*

- *Question 26: Please provide the certified copy of Chemical Analysis report or Test report of consignments of Mix Hydrocarbon Oil provided by the supplier.*

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

- *Question 27: Please provide the certified copy of Buyer-seller agreement for the consignments?*

*Ans: No such buyer seller agreement is available with us.*

- *Question 28: Please state about the overseas supplier of Mix Hydrocarbon Oil whether the same is a trader or manufacturer. Also provide the communication (emails/letters etc.) with the overseas supplier's w.r.t. the consignments.*

*Ans: We have not made any such enquiry about the overseas suppliers whether they are manufacturer or trader, we have not made any communication with supplier, if required we may be allowed some time get the information from our clients.*

- *Question 29: Please provide the copy of Invoice for each consignment, including itemized description, quantities, values, and any applicable discounts or rebates.*

*Ans: The required documents are uploaded in e-sanchit.*

- *Question 30: Please state whether M/s. Continental Shipping Services or M/s. Shri Krishna Logistics have any warehouse or any Customs bonded warehouse in their name, or has been hired on lease for the consignment?*

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

- *Question 31: Do you want to say anything.*

*Ans: No, nothing to add on further.*

**15.** In view of the Test Reports and voluntary statement, it appeared that the imported goods were mis-declared as “Mixed Hydrocarbon Oil” and mis-classified under CTH: 27101990 instead of CTH: 27101941 and CTH:27101932 by the importer with the intent of importing “Gas Oil” and “Kerosene as per IS:1459” which are restricted commodities and *can be imported by STEs only as per the import policy as brought out above.* As a result, it seems that they attempted to import the restricted commodities by mis-declaring the same. Consequently, the imports made by the importer under bills of entry 9788466 Dt. 23.01.2024, 9788470 Dt. 23.01.2024, 9788488 Dt. 23.01.2024, 9788473 Dt. 23.01.2024, 9788474 Dt. 23.01.2024, 9788476 Dt. 23.01.2024, 9788487 Dt. 23.01.2024, 9788468 Dt. 23.01.2024, 2040130 Dt. 08.02.2024, 2087386 Dt. 10.02.2024, 2088871 Dt. 10.02.2024 and 2088881 Dt. 10.02.2024 appeared to be illicit and in gross violation of the relevant provisions of the Foreign Trade Policy 2023, the Import Policy conditions, and the Customs Act of 1962. Therefore, the goods imported under the aforementioned Bills of Entry at Mundra Port seemed liable for confiscation under the provisions of Section 111(d), (f), (l) and (m) of the Customs Act, 1962. As a result, the consignments were seized vide Seizure memos as detailed below:

S.No	Bill Of Entry No and	Seizure Memo DIN no.	Seizure date
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	Date		
1	9788466 23.01.2024	Dt.	202405DDZ8000000C274  27.05.2024
2	9788470 23.01.2024	Dt.	
3	9788474 23.01.2024	Dt.	
4	9788476 23.01.2024	Dt.	
5	9788487 23.01.2024	Dt.	
6	9788468 23.01.2024	Dt.	202405DDZ8000000AD11  07.05.2024
7	9788488 23.01.2024	Dt.	
8	9788473 23.01.2024	Dt.	
9	2040130 08.02.2024	Dt.	202409DDZ8000000FB45  13.09.2024
10	2087386 10.02.2024	Dt.	
11	2088871 10.02.2024	Dt.	202409DDZ8000000B833  13.09.2024
12	2088881 10.02.2024	Dt.	

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

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

inter-alia stated:

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

- *Question 1: Please explain the business of M/s Continental shipping services.*

*Answer: M/s Continental Shipping Services is a partnership firm with partners namely Ms. Shanmuga Jayashree and Ms. Radha, was established in the year 1999. Sh Rajendra Kumar is the F-card holder in the firm. As stated by me above the firm is engaged in the custom clearance of import and export consignments at various ports.*

- *Question 2: Please give details of your G Card and also state the customs formation which has issued you the G card.*

*Answer: My G-card bearing no. G/M/NDR1/20234082, has been issued by the office of the Asst. Commissioner of Customs (General), Mundra Customs. I am submitting a copy of the said G-card for information under my signature.*

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

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

- *Question 4: How many people are working in your firm. Please provide their details, designation, responsibilities and Mobile no*

*Answer: Apart for me a total of 19 people work at M/s Continental Shipping Services, Mundra office, whose details are as under:*

<b>Sr No</b>	<b>Name</b>	<b>Designation</b>	<b>Mob No</b>
1	Ansari Mamad Hakim	Custom Executive/ Examination	8866396331
2	Arvind Goyal	Operation	9714292635
3	Banvari Bhil	Documentation/ Colection Do	9879492046
4	Bijaya Kumar Mata	Custom Executive/	9348573891

		<i>Custom House</i>	
5	<i>Chaiya Durgesh Shamji</i>	<i>Documentation/ Do Coleection</i>	8320380729
6	<i>Grijesh Kumar</i>	<i>Operations</i>	7361849970
7	<i>Hardik Sanatbhai Parikh</i>	<i>Sr.Accountant</i>	7043758849
8	<i>Indra Bhushan Mishra</i>	<i>Documentation</i>	7486086936
9	<i>JaydipJesangNanjar</i>	<i>Operations</i>	7623060541
10	<i>Jeta Ram Benival</i>	<i>Operations</i>	9680090537
11	<i>KunbharAshpakAadam</i>	<i>Operations</i>	8866382732
12	<i>Manohar Lal Jandu</i>	<i>Operations</i>	8955734988
13	<i>MitMadhukant Shah</i>	<i>Custom Executive/ Examination</i>	8141419834
14	<i>Mota Vivek Vinodbhai</i>	<i>Jr.Accountant</i>	8238629102
15	<i>Pura Ram</i>	<i>Operations</i>	7232885220
16	<i>Sanjay Kumar</i>	<i>Documentation</i>	9106507154
17	<i>Sanjeev Kumar Chaudhary</i>	<i>Custom Executive/ Examination</i>	7574967463
18	<i>Sodha ManojkumarKalubha</i>	<i>Custom Executive/ Examination</i>	9726120587
19	<i>Vikash Ranjan Baral</i>	<i>Documentation</i>	6364055 070

- *Further I am not aware of the details of the employees at other locations of M/s Continental Shipping services. These details can either be provided by MsShanmuga Jayashree, partner of M/s Continental Shipping Services or Sh. Rajendra Kumar, the F-card holder of the firm.*
- *Question 5: Please state how much salary do you get for working at M/s Continental Shipping Service?*  
*Answer: I get a salary of Rs 25,000/- from M/s Continental Shipping Services, which I receive in my ICICI bank savings account.*
- *Question 6: Please name the companies/firms for whom you are providing customs clearance services.*  
*Answer: Our major clients include:*

<i>SR. NO</i>	<i>NAME</i>
<i>1</i>	<i>APEX IMPEX</i>
<i>2</i>	<i>AVADHOOT ENTERPRISE</i>
<i>3</i>	<i>CREATIVE INDIA CO</i>
<i>4</i>	<i>SKY FALCON MINERALS PVT LTD</i>
<i>5</i>	<i>A.A. CABLE LAYERS</i>
<i>6</i>	<i>B J PETROCHEM</i>
<i>7</i>	<i>KUSUM PETRO CHEMICALS</i>
<i>8</i>	<i>MAA KIRPA</i>
<i>9</i>	<i>PITAMBER ORAGANICS</i>

10	REVOLUTION PETROCHEM LLP
11	SHREE ASHAPURA TRADELINK PVT LTD
12	TANISH TRADING CO
13	SINDHVAI LUBES

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

- Question 7: What are the ports where you are providing customs clearance services?

Answer: As per my knowledge M/s Continental shipping services operates at Nhava Sheva, Chennai and Mundra sea ports.

- Question 8: How do you provide customs clearance facilities? Please explain the procedure in this regard.

Answer: We get Import documents such as Packing list Bill of Lading, and Invoice on our email- [continentalmundra@gmail.com](mailto:continentalmundra@gmail.com) as well as by hand, which are then examined by our staff who later on prepare a check list which is then sent to the importers/M/s ShriKrishna logistics for approval. Once the checklist is approved, the bill of entry is filed online on the ICEGATE website. After it is approved, the examination of the cargo by the customs officers is conducted in the presence of our field executives. I as a G-card holder of the firm, also sometimes present myself at the time of examination if required. Then after the examination and assessment of the consignment, out-of-charge is given by the Customs, the documents are then handed over to the transporter who is engaged by the importer only, for delivery at the designated address.

- Question 9: Please refer to your answer to question no. 8 above and please state why do you send the checklist to M/s Shri Krishna Logistic?

Answer: M/s Krishna Logistics brings clients for us at the port, related to customs clearance, and therefore as a practice the checklist is routed through M/s Shri Krishna Logistics only.

- Question 10: Please provide information regarding M/s Shri Krishna Logistics.

Answer: M/s Krishna Logistics is a proprietorship firm which is being operated by Sh Satish Maheshwari. M/s Krishna Logistics brings client for M/s Continental Shipping Services, this arrangement has been there before my joining M/s Continental Shipping services.

- Question 11: Please provide the office address of M/s Shri Krishna Logistics.

Answer: M/s Krishna Logistics has its registered office at 215, Zero Point, Kashish arcade, Anan Kapaya, Mundra Kachchh Gujarat- 370421.

- *Question 12: Please submit a copy of agreement regarding terms and conditions of your business with M/s Shri Krishna Logistics.*

*Answer: I am not aware of any such agreement and this can only be clarified by MsShanmuga Jayashree, partner of M/s Continental Shipping Services or Sh. Rajendra Kumar, the F-card holder of the firm.*

- *Question 13: Please provide the contact details of partners of M/s Continental Shipping Services and Sh Rajendra Kumar, F-card Holder?*

*Answer: I only have the mobile no of Ms Shanmuga Jayashree- 8925567772, I do not have the mobile nos of other partner or F-card Holder.*

- *Question 14: Do you wish to state anything else?*

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

**18.** And whereas, investigation and other proceedings of the case could not be completed within the stipulated period of six months, an extension of further six months was sought from the Competent Authority which was accordingly granted vide letter dated 27.07.2024 for the 8 bills of entry viz ,9788466 Dt. 23.01.2024, 9788470 Dt. 23.01.2024, 9788488 Dt. 23.01.2024, 9788473 Dt. 23.01.2024, 9788474 Dt. 23.01.2024, 9788476 Dt. 23.01.2024, 9788487 Dt. 23.01.2024, 9788468 Dt. 23-01-2024, while for the remaining 4 bills of entry viz.2040130 Dt. 08/02/24, 2087386 Dt. 10/02/24, 2088871 Dt. 10/02/24, 2088881 Dt. 10/02/24 extension was granted vide letter dated 14.08.2024.

**19.** And whereas, summons were issued to M/S Skyfalcon Minerals And Chemicals Private Limited on 21.06.2024 for appearance on 01.07.2024. Vide e-mail dated 30.06.2024, Sh. R.V.Shanmugham, Authorised Representative of M/S Skyfalcon Minerals And Chemicals Private Limited, expressed his inability to attend to the summons and he requested for some time for his appearance at the office of the DRI. Therefore, fresh summons were again issued on 05.07.2024 for appearance on 15.07.2024 to which Sh. R. V Shanmugham vide e-mail dated 15.07.2024 again expressed his inability to attend to the summons due to his health. Again fresh summons were issued on 24.07.2024 for appearance on 01.08.2024 to which Sh. R. V Shanmugham vide e-mail dated 15.07.2024 again expressed his inability to attend to the summons citing that he was out of country at that time and requested for another date. Therefore fresh summons were issued on 08.08.2024 for appearance on

13.08.2024 to which Sh. R. V Shanmugha m. vide e-mail dated 12.08.2024 again expressed his inability to attend to the summons citing that he was still out of country at that time and requested for another date, as such fresh summons were issued on 14.08.2024 for his appearance on 28.08.2024. Sudhakar S, Director of M/s Skyfalcon Minerals and Chemicals Private Limited, voluntarily appeared on 29.08.2024 to tender his voluntary statement. His statement was recorded on 29.08.2024 under section 108 of the Customs Act 1962.

**20.** Voluntary statement of Shri Sudhakar S S/o Srinivasan aged 43 years, Address Proof-(AADHAR No.7938 7892 7571), 56, Velusampuram, 1<sup>st</sup> Cross, L.N.S. Anjal, Karur, Karur, Tamil Nadu - was recorded on 29/08/2024 under Section 108 of the Customs Act 1962 wherein he inter-alia stated:

- *I hereby state that I am the Director of the firm M/s Skyfalcon Minerals and Chemicals Private Limited. The other Directors of the firm are Sh R.V. Shanmugham and Shri N.S. Krisnakumar. I look after the overall work related to the firm. M/s Skyfalcon Minerals and Chemicals Private Limited was established in 2021, as a company and is engaged in the import of Fuel oil, Furnace Oil, Bitumin, M.H.O. and distillate oil. The registered office of the Company is 14/1, Velan Nagar, 1<sup>st</sup> Main Road, Arumbakkam, Chennai, Tamil Nadu- 600106. There are currently six employees working for the firm, who looks after the accounting and normal routine office work. As far as my personal details are concerned, I am MBA graduate from Periyar University, which I completed in 2002-2003. After completing my MBA I started working with M/s MP distilleries for 2 years after that I took a franchise of the Share Market from 2006 to 2019. After that I went to Dubai for two years. Then in 2021, I started M/s Skyfalcon Minerals and Chemicals Private Limited. I am married to Ms Uma Rengaraj, I have one sixteen years old son, they live in Dubai (904, Mnasm 12, Al-Nahda-1, Dubai). She is a telecom manager in Dubai.*
- *Question 1: Please provide a certified copy of the Buyer-seller agreement for the consignments.*  
*Answer: There is no buyer-seller agreement between us and the overseas supplier. We have only the purchase order and proforma invoice.*
- *Question 2: Please state with whom and how you place an order with the overseas supplier.*  
*Answer: The order is generally placed by me with the overseas suppliers through mobile phone.*
- *Question 3: How many consignments have you imported till now.*  
*Answer: We have imported approx. 60-70 consignments of oil till now.*

- Question 4: Please submit the details of the overseas suppliers of MHO (Mineral Hydrocarbon Oil) imported by you which have been put on hold by DRI at Mundra.

Answer: We generally import through a limited no of selected suppliers, but mainly from M/s Swathi Smart Ventures FZC and M/s Chevron General Trading LLC. I contact a person namely Sh Dhillon, in Dubai, who looks after the sales of the M/s Swathi Smart Ventures FZC, on his mobile +97542767501 and similarly Sh. Ricky who looks after the sales of the M/s Chevron General Trading LLC on his mobile phone +97547065086.

- Question 5: What is the status of the overseas supplier of the import of MHO (Mineral Hydrocarbon Oil)?

Answer: To my knowledge all the overseas suppliers, are traders only.

- Question 6: What are your payment terms with the overseas supplier?

Answer: Once an order is finalized over the mobile phone, advance payment of around 30% is made via SWIFT to the overseas supplier- M/s Chevron General Trading LLC, who then sends the consignment to the designated port in India. But for M/s Swathi Smart Ventures FZC, no advance payment is required, payment is made after the clearance of the goods.

- Question 7: Please describe your product viz MHO (Mineral Hydrocarbon Oil) and state the characteristic parameters/specifications based on which the declaration has been made.

Answer: To my understanding, MHO is an oil of the following parameters:

Density: 0.81-0.82

IBP: 160

FBP: 380

Flash Point: below 30 Degree

Viscosity: 02-03

- Question 8: Please furnish the source of parameters of MHO which were mentioned by you in reply to above question.

Answer: No, I don't have any standard or literature for MHO the above parameters are told by the CHA and based on this only we placed orders to the overseas suppliers.

- Question 9: If you are not aware of the parameters/specifications of the MHO (Mineral Hydrocarbon Oil) then on what basis it is being imported by you?

Answer: The requirement of oil (MHO) is communicated to us by our clients and based on the requirement we place orders with the overseas suppliers. After that, we communicate the same requirement to the overseas supplier from Dubai. We are just traders of the product and work on the market demand.

- Question 10: Please provide certified copies of the Chemical Analysis report or Test report of all the consignments of MHO (Mineral Hydrocarbon Oil) imported by you.

*Answer: I have submitted copies of the chemical analysis report that has been provided by M/s Chevron General Trading LLC and M/s Swati Smart Ventures FZC in respect of the consignments put on hold.*

- *Question 11: In the said reports it has been mentioned that the tests conducted are as per ASTM testing standards. In the light of your reply to question no.05 wherein you had mentioned that all your suppliers are traders, is the report of the supplier without any technical qualification mentioned therein, is valid and proper?*

*Answer: As per my knowledge, the trader M/s Chevron General trading and M/s Swati Smart Ventures FZC, generally have the samples tested from a private lab in Dubai, and based on the test report from the private lab, the traders issue a certificate of analysis in his name.*

- *Question 12: Please state whether the goods pertaining to the said consignment has been declared as MHO in the invoice, and packing list on the basis of the parameters mentioned in the chemical analysis report.*

*Answer: I think the supplier has considered these parameters while declaring the goods declared so in the import documents.*

- *Question 13: Do you have any literature or documents that can help you classify your product as MHO according to the chemical analysis report provided by the overseas supplier?*

*Answer: We do not have any documents or literature that helped us in the classification of the product as MHO according to the test report provided by the overseas supplier. Our CHA only guided us in the classification of the same as MHO.*

- *Question 14: Please provide the details of the refinery/oil firm from where each consignment has originated/been manufactured.*

*Answer: I am not aware of the source of purchase of MHO by my overseas supplier.*

- *Question 15: Please provide the Chemical Analysis Report issued by the Original manufacturer/refinery/oil firm for each of the consignments that are put on hold by the office of DRI, along with a Certified copy of the invoice generated by the firm to the overseas supplier and Details (contact details and correspondence addresses) of all traders between the overseas supplier and the Original manufacturer/ refinery for each consignment.*

*Answer: I have submitted copies of the Chemical Analysis Report provided by the overseas supplier for all the BOEs I do not have Chemical Analysis Report provided by the original manufacturer. I have submitted the invoices pertaining to the consignments that were put on hold by your office. Further, I am not aware of the address and details of the traders as sought by you.*

- *Question 16: In the light of your reply to question no 12 above. Kindly detail the basis of the classification of the consignment under CTI 27101990 and declaration of the same as Mix Hydrocarbon Oil.*

*Answer: We declared the product as MHO (Mineral Hydrocarbon Oil) and classified it under CTH 27101990 as per the discussions with the CHA and as per the general practice of the trade.*

- *Question 17: Please provide a Certified copies of each :*  
*Load Port report*  
*surveyor report of the port*  
*Compliance report.*

*Answer: No such document or report is available with me, nor has been provided by the overseas supplier.*

- *Question 18: Please refer to the reply of Question 02 and 04 above and provide the certified copies of communication (emails/letters etc.) with the overseas suppliers w.r.t. the consignments.*

*Answer: As stated by me above all the communication with the supplier happens telephonically over mobile phone and hence no such copies of communication (emails/ letters etc.) are available with me*

- *Question 19: Please provide details of key officials (name and designation) of your company.*

*Answer: There are a total of 6 employees in our company, whose profiles are as described below:*

<i>S.No.</i>	<i>Name of the Employee</i>	<i>Work Profile</i>
<i>1</i>	<i>Sh Abhishek</i>	<i>Sales Manager</i>
<i>2</i>	<i>Sh Vaibhav</i>	<i>Sales Person</i>
<i>3</i>	<i>Ms Devi</i>	<i>Accountant</i>
<i>4</i>	<i>Sh Praveen Kumar</i>	<i>Accounts and GST/E-way Bill</i>
<i>5</i>	<i>Ms Lavanya</i>	<i>Email Communications</i>
<i>6</i>	<i>Sh Hem Kumar</i>	<i>Accounts and GST/E-way Bill</i>

- *Question 20: Please provide a Certified copy of the Invoice for each consignment, including itemized description, quantities, values, and any applicable discounts or rebates.*

*Answer: M/s Skyfalcon Minerals and Chemicals Private Limited has imported about 60-70 Consignments of Mix/mixed Hydrocarbon oil/Fuel oil/furnace oil/Bitumin since 2022, excluding the ones that have been put on hold by DRI. I am submitting the documents such as Bill of Lading, Bill of Entry, invoice and packing list of the consignment that are put on hold by DRI Noida Regional Unit.*

- *Question 21: Please provide a Certified copy of bank statement indicating payments made to suppliers for consignments.*

*Answer: I do not have the copy of the bank statement right now however I will*

*provide the same at the earliest.*

- *Question 22. Please provide the details of the warehouse/storage place where the imported goods are stored after their import by your firm?*

*Answer. M/s Skyfalcon Minerals and Chemicals Private Limited does not have any warehouse/storage place where the imported goods are stored as the MHO imported by the firm after customs clearance is delivered directly to the buyers.*

- *Question 23. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 9788466 Dt. 23.01.2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Gas Oil". Please peruse the said report and offer your comments.*

*Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9788466 Dt. 23.01.2024 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meets the specifications of "Gas Oil".*

- *Question 24. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 9788470 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Gas Oil". Please peruse the said report and offer your comments.*

*Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9788470 dated 23/01/2024 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meets the specifications of "Gas Oil".*

- *Question 25. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 9788488 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Kerosene conforming to standard IS 1459:2018". Please peruse the said report and offer your comments.*

*Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9788488 dated 23/01/2024 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen*

*it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meet the specifications of "Kerosene conforming to standard IS 1459:2018".*

- *Question 26. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 9788473 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Kerosene conforming to standard IS 1459:2018". Please peruse the said report and offer your comments.*

*Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9788473 dated 23/01/2024 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meet the specifications of "Kerosene conforming to standard IS 1459:2018".*

- *Question 27. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no. 9788474 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Gas Oil". Please peruse the said report and offer your comments.*

*Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9788474 dated 23/01/2024 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meet the specifications of "Gas Oil".*

- *Question 28. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no. 9788476 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Gas Oil". Please peruse the said report and offer your comments.*

*Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9788476 dated 23/01/2024 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meet the specifications of "Gas Oil".*

- Question 29. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no. 9788487 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Gas Oil". Please peruse the said report and offer your comments.

*Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9788487 dated 23/01/2024 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meet the specifications of "Gas Oil"*

- Question 30. Please peruse the test report submitted by IOCL Panipat dated 08.04.2024 with regard to the test memo dated 16.02.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 9788468 dated 23/01/2024. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Kerosene conforming to standard IS 1459:2018". Please peruse the said report and offer your comments.

*Answer. I have seen the copy of the test report dated 08.04.2024 of the IOCL Panipat in respect of the sample drawn from the consignment covered under BOE no 9788468 dated 23/01/2024 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of IOCL and that they meet the specifications of "Kerosene conforming to standard IS 1459:2018".*

- Question 31. Please peruse the test report submitted by the CRCL, Vizag dated 03.06.2024 with regard to the test memo dated 09.04.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no. 2040130 Dt. 08/02/24. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Gas Oil". Please peruse the said report and offer your comments.

*Answer. I have seen the copy of the test report dated 08.04.2024 of the CRCL, Vizag in respect of the sample drawn from the consignment covered under BOE no 2040130 Dt. 08/02/24 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of CRCL and that they meet the specifications of "Gas Oil".*

- Question 32. Please peruse the test report submitted by the CRCL, Vizag dated 03.06.2024 with regard to the test memo dated 09.04.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no. 2087386 Dt. 10/02/24. As per the parameters described in the test report, the

conclusion arrived at, regarding the goods is "Gas Oil". Please peruse the said report and offer your comments.

*Answer.* I have seen the copy of the test report dated 03.06.2024 of the CRCL, Vizag in respect of the sample drawn from the consignment covered under BOE no 2087386 Dt. 10/02/24 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of CRCL and that they meet the specifications of "Gas Oil".

- Question 33. Please peruse the test report submitted by CRCL, Vizag dated 03.06.2024 with regard to the test memo dated 09.04.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 2088871 Dt. 10/02/24. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Kerosene conforming to standard IS 1459:2018". Please peruse the said report and offer your comments.

*Answer.* I have seen the copy of the test report dated 03.06.2024 of the CRCL, Vizag in respect of the sample drawn from the consignment covered under BOE no 2088871 Dt. 10/02/24 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of CRCL and that they meet the specifications of "Kerosene conforming to standard IS 1459:2018".

- Question 34. Please peruse the test report submitted by CRCL, Vizag dated 03.06.2024 with regard to the test memo dated 09.04.2024 pertaining to samples drawn from your consignment on hold at Mundra port covered under BOE no 2088881 Dt. 10/02/24. As per the parameters described in the test report, the conclusion arrived at, regarding the goods is "Kerosene conforming to standard IS 1459:2018". Please peruse the said report and offer your comments.

*Answer.* I have seen the copy of the test report dated 03.06.2024 of the CRCL, Vizag in respect of the sample drawn from the consignment covered under BOE no 2088881 Dt. 10/02/24 pertaining to M/s Skyfalcon Minerals & Chemicals Pvt Ltd and I have signed the said report as a token of having seen it. I have also perused the parameters detailed in the test report and I submit that I agree with the parameters of the report of CRCL and that they meet the specifications of "Kerosene conforming to standard IS 1459:2018".

- Question 35. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Gas Oil". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9788466 Dt. 23.01.2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.

*Answer.* I agree that the description given in BOE no 9788466 Dt. 23.01.2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically

*ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat.*

- Question 36. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be “Gas Oil”. whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9788470 Dt. 23.01.2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.*

*Answer. I agree that the description given in BOE no 9788470 Dt. 23.01.2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat.*

- Question 37. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be “Kerosene conforming to standard IS 1459:2018”. whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9788488 dated 23/01/2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.*

*Answer. I agree that the description given in BOE no 9788488 dated 23/01/2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat.*

- Question 38. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be “Kerosene conforming to standard IS 1459:2018”. whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9788473 dated 23/01/2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.*

*Answer. I agree that the description given in BOE no 9788473 dated 23/01/2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat.*

- Question 39. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Gas Oil". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9788474 Dt. 23.01.2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.

*Answer. I agree that the description given in BOE no 9788474 Dt. 23.01.2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat.*

- Question 40. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Gas Oil". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9788476 Dt. 23.01.2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.

*Answer. I agree that the description given in BOE no 9788476 Dt. 23.01.2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat.*

- Question 41. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Gas Oil". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9788487 Dt. 23.01.2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.

*Answer. I agree that the description given in BOE no 9788487 Dt. 23.01.2024, and the conclusions of the test reports of IOCL dated 08.04.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat.*

- Question 42. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Kerosene conforming to standard IS 1459:2018". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 9788468 dated 23/01/2024, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.

*Answer. I agree that the description given in BOE no 9788468 dated 23/01/2024, and the conclusions of the test reports of IOCL dated 08.04.2024*

are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the IOCL, Panipat.

- Question 43. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Gas Oil". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 2040130 Dt. 08/02/24, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.

Answer. I agree that the description given in BOE no 2040130 Dt. 08/02/24, and the conclusions of the test reports of CRCL, Vizag dated 03.06.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the CRCL, Vizag.

- Question 44. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Gas Oil". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 2087386 Dt. 10/02/24, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.

Answer. I agree that the description given in BOE no 2087386 Dt. 10/02/24, and the conclusions of the test reports of CRCL, Vizag dated 03.06.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the CRCL, Vizag.

- Question 45. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be "Kerosene conforming to standard IS 1459:2018". whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 2088871 Dt. 10/02/24, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.

Answer. I agree that the description given in BOE no 2088871 Dt. 10/02/24, and the conclusions of the test reports of CRCL, Vizag dated 03.06.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I

*ordered. I regret for the mistake and having accept the findings of the CRCL, Vizag.*

- *Question 46. Your kind attention is invited to the conclusion of the test report wherein the parameters suggests that the oil has been found to be “Kerosene conforming to standard IS 1459:2018”. whereas you have declared the same as Mixed Hydrocarbon Oil in BOE no 2088881 Dt. 10/02/24, filed by you. The test report suggests misdeclaration on your part. Please offer your comment in this regard.*

*Answer. I agree that the description given in BOE no 2088881 Dt. 10/02/24, and the conclusions of the test reports of CRCL, Vizag dated 03.06.2024 are different. The Bill of Entry was filed on the basis of the order placed by me with the overseas supplier and the import documents provided by me. I had specifically ordered for Mixed Hydrocarbon oil but as per the report I can see that the supplier has sent wrong item by mistake and not the one that I ordered. I regret for the mistake and having accept the findings of the CRCL, Vizag.*

- *Question 47. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be “Gas Oil” . On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are Gas Oil, classifiable under CTH 27101941. In light of the test report and your reply to question No 35 above, do you agree that the Gas Oil imported by you in consignment covered under BOE no 9788466 Dt. 23.01.2024 is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you?*

*Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9788466 Dt. 23.01.2024 is under CTH 27101941, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.*

- *Question 48. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be “Gas Oil” . On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are Gas Oil, classifiable under CTH 27101941. In light of the test report and your reply to question No 36 above, do you agree that the Gas Oil imported by you in consignment covered under BOE no 9788470 dated 23/01/2024 is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you?*

*Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9788470 dated 23/01/2024 is under CTH 27101941, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.*

- *Question 49. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be “Kerosene conforming to standard IS 1459:2018” . On the basis of the analysis of the parameters as described in the*

*report of IOCL, Panipat, that the goods are kerosene conforming to standard IS 1459:2018, classifiable under CTH 27101932. In light of the test report and your reply to question No 37 above, do you agree that the Kerosene conforming to standard IS 1459:2018 imported by you in consignment covered under BOE no 9788488 dated 23/01/2024 is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you?*

*Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9788488 dated 23/01/2024 is under CTH 27101932, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.*

- Question 50. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be “Kerosene conforming to standard IS 1459:2018” . On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are kerosene conforming to standard IS 1459:2018, classifiable under CTH 27101932. In light of the test report and your reply to question No 38 above, do you agree that the Kerosene conforming to standard IS 1459:2018 imported by you in consignment covered under BOE no 9788473 dated 23/01/2024 is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you?*

*Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9788473 dated 23/01/2024 is under CTH 27101932, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.*

- Question 51. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be “Gas Oil” . On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are Gas Oil, classifiable under CTH 27101941. In light of the test report and your reply to question No 39 above, do you agree that the Gas Oil imported by you in consignment covered under BOE no 9788474 dated 23/01/2024 is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you?*

*Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9788474 dated 23/01/2024 is under CTH 27101941, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.*

- Question 52. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be “Gas Oil” . On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are Gas Oil, classifiable under CTH 27101941. In light of the test report and your reply to question No 40 above, do you agree that the Gas Oil imported by you in consignment covered under BOE no 9788476 dated 23/01/2024 is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you?*

*Answer. In view of the conclusion of the IOCL report, I agree that the correct*

*classification of the oil in the consignment covered under BOE no 9788476 dated 23/01/2024 is under CTH 27101941, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.*

- *Question 53. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be "Gas Oil" . On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are Gas Oil, classifiable under CTH 27101941. In light of the test report and your reply to question No 41 above, do you agree that the Gas Oil imported by you in consignment covered under BOE no 9788487 dated 23/01/2024 is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you?*

*Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9788487 dated 23/01/2024 is under CTH 27101941, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.*

- *Question 54. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be "Kerosene conforming to standard IS 1459:2018" . On the basis of the analysis of the parameters as described in the report of IOCL, Panipat, that the goods are kerosene conforming to standard IS 1459:2018, classifiable under CTH 27101932. In light of the test report and your reply to question No 42 above, do you agree that the Kerosene conforming to standard IS 1459:2018 imported by you in consignment covered under BOE no 9788468 dated 23/01/2024 is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you?*

*Answer. In view of the conclusion of the IOCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 9788468 dated 23/01/2024 is under CTH 27101932, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.*

- *Question 55. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be "Gas Oil" . On the basis of the analysis of the parameters as described in the report of CRCL, Vizag, that the goods are Gas Oil, classifiable under CTH 27101941. In light of the test report and your reply to question No 43 above, do you agree that the Gas Oil imported by you in consignment covered under BOE no 2040130 Dt. 08/02/24 is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you?*

*Answer. In view of the conclusion of the CRCL, Vizag report, I agree that the correct classification of the oil in the consignment covered under BOE no 2040130 Dt. 08/02/24 is under CTH 27101941, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.*

- *Question 56. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be "Gas Oil" . On the basis of the analysis of the parameters as described in the report of CRCL, Vizag, that the*

goods are Gas Oil, classifiable under CTH 27101941. In light of the test report and your reply to question No 44 above, do you agree that the Gas Oil imported by you in consignment covered under BOE no 2087386 Dt. 10/02/24 is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you?

*Answer.* In view of the conclusion of the CRCL, Vizag report, I agree that the correct classification of the oil in the consignment covered under BOE no 2087386 Dt. 10/02/24 is under CTH 27101941, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.

- Question 57. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be “Kerosene conforming to standard IS 1459:2018” . On the basis of the analysis of the parameters as described in the report of CRCL, Vizag, that the goods are kerosene conforming to standard IS 1459:2018, classifiable under CTH 27101932. In light of the test report and your reply to question No 45 above, do you agree that the Kerosene conforming to standard IS 1459:2018 imported by you in consignment covered under BOE no 2088871 Dt. 10/02/24 is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you?

*Answer.* In view of the conclusion of the CRCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 2088871 Dt. 10/02/24 is under CTH 27101932, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.

- Question 58. Your kind attention is again invited to the conclusion of the test report wherein the oil has been found to be “Kerosene conforming to standard IS 1459:2018” . On the basis of the analysis of the parameters as described in the report of CRCL, Vizag, that the goods are kerosene conforming to standard IS 1459:2018, classifiable under CTH 27101932. In light of the test report and your reply to question No 46 above, do you agree that the Kerosene conforming to standard IS 1459:2018 imported by you in consignment covered under BOE no 2088881 Dt. 10/02/24 is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you?

*Answer.* In view of the conclusion of the CRCL report, I agree that the correct classification of the oil in the consignment covered under BOE no 2088881 Dt. 10/02/24 is under CTH 27101932, however, we had ordered for Mixed Hydrocarbon oil only, classifiable under CTH 27101990.

- Question 59. Please refer to your reply to question number 36 to 58 above wherein you have agreed that the correct classification of the oil i.e. Kerosene as per IS 1459 and Gas Oil, are restricted items and can only be imported by STE (State Trading Enterprise). Please offer your comments about this.

*Answer.* Yes, I have been shown the said provisions and I have come to know that Kerosene as per IS 1459 and Gas Oil are restricted items and can only be imported by STE (State Trading Enterprise). In view of this fact and also as stated by me, since it is not as per my order and as requested by me in reply to questions no 36 to 58 above, I once again submit that supplier has sent

*wrong item by mistake and not the one that I ordered. I regret for the mistake and have accepted the findings of the Test reports of the IOCL, Panipat and the CRCL, Vizag.*

**21.** And whereas, during the course of investigation, it also emerged that Sh. Satish Maheshwari, of M/s Krishna Logistics, was also involved in aiding M/s Skyfalcon Minerals And Chemicals Private Limited in the wrongful illicit import of restricted goods such as Gas Oil or Kerosene as per IS 1459 etc. in the guise of Mix Hydrocarbon Oil. He was consequently issued summons on 05.07.2024 for appearance on 12.07.2024. However, he failed to comply with the summons and did not appear on the said date. Vide Email dated 12 July 2024, Sh. Satish Maheshwari expressed his inability to attend to the summons due to an emergency of his mother's health and requested to fix a date after 10-12 days, so fresh summons dated 24.07.2024 were issued for his appearance on 07.08.2024. Shri Satish Maheshwari, appeared on 07.08.2024 to tender his voluntary statement. His statement was recorded on 07.08.2024 under Section 108 of the Customs Act 1962

**22.** Voluntary statement of Shri Satish Maheshwari s/o Shri Rayshi Bhai Maheswari aged 44 years, near GEB Office, Bhatt Pad, Bhachau, Kachchh, Gujarat, 370140, Aadhar Card No- 548545219204 Mobile No. 9913038991 was recorded on 07/08/2024 under Section 108 of the Customs Act 1962 wherein he inter-alia stated:

- *Question 1: Please provide details of your own office along with the details of your staff.*

*Answer: My firm M/s Krishna Logistics situated at Ghanshyam Complex, Office no. 16, Mundra Port Road, Near Rasapir Circle, Mundra Kachchh, Gujrat.*

*The details of my staff are as under:*

<i>Name</i>	<i>Designation/ Work Assigned</i>	<i>Mobile No.</i>
<i>Shri Ashfaq H Kumbhar</i>	<i>Field Work at Mundra Port</i>	<i>8866382732</i>
<i>Shri Jaydeep P Ninjhar</i>	<i>Field Work at Mundra Port</i>	<i>7623060541</i>
<i>Shri Khuman Singh Sodha</i>	<i>Field Work at Mundra Port</i>	<i>9978603411</i>
<i>Shri Arvind Bilani</i>	<i>Field Work at Mundra Port</i>	<i>8758332244</i>
<i>Shri Sahil Kumbhar</i>	<i>Field Work at Mundra Port</i>	<i>7284046719</i>

- *Question 2: Please specify the field work undertaken by your field staff at Mundra port.*

*Answer: The staff looks after the logistics work at the Mundra port in respect of the import consignment and arranges dispatch of the consignment after it is given out of charge by the Customs.*

- *Question 3: What are your arrangements with M/s Versatile logistics?*

*Answer: M/s Versatile Logistics is also a forwarding agency but did not have any CHA License so I facilitate clearance of the consignment through M/s Continental Shipping Services at Mundra Port.*

- *Question 4: Please state what is the agreement or payment terms between M/s Krishna Logistics and M/s Versatile logistics?*

*Answer: There is no written agreement between M/s Krishna Logistics and M/s Versatile logistics. M/s Versatile Logistics raises bill on the importer for Customs clearance of the consignments. M/s Krishna Logistics raises bill @ Rs. 15,000/- per container upon M/s Versatile Logistics.*

- *Question 5: Please state what is the agreement or payment terms between M/s Krishna Logistics and M/s Continental Shipping Services?*

*Answer: There is no written agreement between M/s Krishna Logistics and M/s Continental Shipping Services. M/s Continental Shipping Services raises bill on M/s Krishna Logistics for Customs clearance of the consignments. M/s Continental Shipping Services raises bill depending on the items imported. For example, it is Rs. 2,500/- for MHO per container, Rs. 2,000/- for Base oil per container and Rs. 1,500/- for Black diesel etc.*

- *Question 6: Please specify the Customs port for which you negotiate with parties with regard to Customs related works.*

*Answer: I negotiate with the clients for getting their Customs related works at Mundra Port.*

- *Question 7: How is the classification of the items Mix Hydrocarbon Oil decided.*

*Answer: The classification is decided on the basis of import documents provided by the importer in consultation with the importer by M/s Continental Shipping Services at the time of filing of the Bill of entry.*

- *Question 8: Did you ask the respective importers to provide chemical analysis report/test report/literature in support of the goods declared to be as MHO in the consignment which have been put on hold and currently are in investigation?*

*Answer: We do ask the importer to provide chemical analysis report/test report, If the same is provided it is submitted along with the Bill of Entry.*

- *Question 9: Please refer to your reply to the Question above. If the chemical analysis report in respect of the importers is not provided by them, then how it was decided to classify the said goods i.e., Mix Hydrocarbon Oil/Mix Mineral oil under the Customs Tariff heading 27101990 pertaining to "others".*

*Answer: It is decided on the basis of import documents provided by the importer and the general practice of the assessment being followed at Mundra Port.*

- *Question 10: Please peruse the respective test reports of consignments that have been put on hold by DRI Noida regional Unit. The test results of each of the consignment have been summarized in the table on the next page.*

S.No	Name Of Importer	BOE	No of Containers	Sample No.	Test Report Result
1	M/S Skyfalcon Minerals and Chemicals Private Limited	9788466 Dt. 23.01.2024	12	SA2-344923	Gas Oil
2		9788470 Dt. 23.01.2024	12	SE1-344700	Gas Oil
3		9788488 Dt. 23.01.2024	16	SB3-344703	Kerosene
4		9788473 Dt. 23.01.2024	16	SD2-344693	Kerosene
5		9788474 Dt. 23.01.2024	16	SC3-344720	Gas Oil
6		9788476 Dt. 23.01.2024	12	SG3-344699	Gas Oil
7		9788487 Dt. 23.01.2024	16	SF2-344695	Gas Oil
8		9788468 Dt.23-01-2024	12	SH3-344711	Kerosene
9		2040130 Dt. Dt.08/02/24	12	SMD3-A217701	Gas Oil
10		2087386 Dt. Dt.10/02/24	12	SMB1-A217714	Gas Oil
11		2088871 Dt. Dt.10/02/24	10	SMC2-A217709	Kerosene
12		2088881 Dt. Dt.10/02/24	10	SMA1-A217684	Kerosene

- Having perused the test reports please offer your comments.

*Answer: I have seen the test reports detailed above as well as the parameters detailed therein. I have also signed all the said test reports as a token of having seen them. On perusal of the test reports, it is seen that it is contrary to the declaration of the item as Mix Hydrocarbon Oil so declared in the Bill of Entry and sought to be imported in consignments/containers hold by DRI.*

- *Question 11: Do you agree with the outcome of the test reports and the result mentioned therein?*

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

- *Question 12: Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788466 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report and the conclusion that the same consists of "Gas Oil" and the correct classification of the oil in the consignment covered under BOE no 9788466 Dt. 23.01.2024 should be under CTH 27101941. As such, the declaration of the item made in the bill of entry is incorrect and wrong.*

- *Question 13. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788470 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report and the conclusion that the same consists of "Gas Oil" and the correct classification of the oil in the consignment covered under BOE no 9788470 Dt. 23.01.2024 should be under CTH 27101941. Therefore, the declaration of the item made in the bill of entry is also incorrect and wrong.*

- *Question 14. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 9788488 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: In this case also I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9788488 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.*

- *Question 15. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be “Kerosene as per IS 1459:2018”. On the basis of the conclusion of do you agree that the BOE no 9788473 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of “Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9788473 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.*

- *Question 16. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be “Gas Oil”. On the basis of the conclusion of do you agree that the BOE no 9788474 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of “Gas Oil” and the correct classification of the oil in the consignment covered under BOE no 9788474 Dt. 23.01.2024 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is incorrect and wrong.*

- *Question 17. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be “Gas Oil”. On the basis of the conclusion of do you agree that the BOE no 9788476 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of “Gas Oil” and the correct classification of the oil in the consignment covered under BOE no 9788476 Dt. 23.01.2024 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is incorrect and wrong.*

- *Question 18. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be “Gas Oil”. On the basis of the conclusion of do you agree that the BOE no 9788487 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil" and the correct classification of the oil in the consignment covered under BOE no 9788487 Dt. 23.01.2024 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is also incorrect and wrong.*

- Question 19. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 9788468 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: In this case also I am in agreement with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9788468 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.*

- Question 20. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 2040130 Dt. 08/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil" and the correct classification of the oil in the consignment covered under BOE no 2040130 Dt. 08/02/24 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is incorrect and wrong.*

- Question 21. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 2087386 Dt. 10/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

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

- Question 22. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 2088871 Dt. 10/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.

*Answer: In this case also I am in agreement with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 2088871 Dt. 10/02/24 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.*

- Question 23. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 2088881 Dt. 10/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.

*Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 2088881 Dt. 10.02.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.*

- Question 24: Please take cognizance of your reply to the question no 12-23 above and state whether the goods declared in the Bills of entries were mis-declared.

*Answer: on perusal of all test results as referred to in question no.12-23 above, I agree that there is a mis-match between the declaration made while filling the Bills of entry and the test report result of the same. Thus, the declaration made in the Bill of entry is incorrect and wrong. I once again accept all the test reports shown to me and referred to in Question no. 12-23.*

- Question 25: Please take cognizance of the reply to question no 24 above. The goods identified by the lab comprising the consignments and classifiable under the said headings are not freely importable as they are restricted in nature and can only be imported by STEs (State Trading Enterprises). Then why Bill of Entry has been filed by way of mis-declaration for restricted items.

*Answer: I agree that the items identified by the lab comprising of the said consignments are restricted and can only be imported by STEs. I submit that the Bill of entry was filed on the basis of documents and information provided by the importer.*

- Question.26. Do you wish to state anything?

*Ans. I undertake to be more careful in future and abide by the laws and regulations so that I do not repeat such mistakes.*

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

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

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

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

- *Question 3: Please state the present location of your firm.*

*Answer: Our Head office is located at Bharani Complex, Minister Road, Flat No. F-55, 2<sup>nd</sup> floor, Begampet, Hyderabad. We have branches in Chennai, Mundra, Tuticorin and Kolkata. We had one branch in Mumbai also but the same had been closed now.*

- *Question 4: How many people are working in your firm.*

*Answer: A total no. of 15 people works in our firm. Staff position in various branches of our firm is given below:*

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

- *Question 5: Please name the companies/firms for whom you are providing customs clearance services?*

*Answer: Our major clients include:*

- 1) *M/s Sky Falcon Minerals and Chemicals Pvt ltd,*
- 2) *M/s Babadev Plastics,*
- 3) *M/s AA Cable Layers,*
- 4) *M/s Tata International Limited,*
- 5) *M/s Prime Industries,*
- 6) *M/s Kutch Petrochem Pvt ltd,*
- 7) *M/s Ramdev Plastics,*
- 8) *M/s Hind Global Energy,*
- 9) *M/s Infinity Oil Pvt ltd.*

- *Question 6: What are the ports where you are providing customs clearance services?*

*Answer: Our major business is at Mundra and Kolkata, however we also do conduct small business at Chennai, Tuticorin and Hyderabad port etc.*

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

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

- *Question 8: How the firm named M/s Krishna Logistics is associated with your firm? Is there any written contract?*

*Answer: M/s Krishna Logistics only brings business and forward the documents for further customs-related work to us only. There is no written agreement and we conduct business together on the basis of oral and verbal understanding.*

- *Question 9: Please name the companies related to Shri Satish Maheshwari who are provided custom clearance services by your firm.*

*Answer: All the firms/companies whom M/s Continental Shipping services provides Custom Clearance Services at Mundra are associated to Shri Satish Maheshwari only.*

- *Question 10: Please state which goods are dealt by Sh Satish Maheshwari at Mundra for which he provides the documentation.*

*Answer: Sh Satish Maheshwari looks after the clients who import Oil, other petroleum products, Plastic items, granule, Machinery items at Mundra Port.*

- *Question 11: Your kind attention is invited to your reply to Question 7 above wherein you mentioned that once the importers approve the checklist then your office files Bill of Entry on behalf of the importer. Please state by what medium you get the approval and kindly provide a copy of the same.*

*Answer: As stated above M/s Krishna Logistics sends the checklist to the importer for approval. After receiving approval from the importer M/s Krishna Logistics confirms the approval to us for filing of Bill of Entry. One or two employees of M/s Krishna Logistics sits in our office only.*

- *Question 12: Please define your payment terms/agreements with the associate firm namely M/s Krishna Logistics.*

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

- *Question 13: Please state how much commission you give to the associate firm M/s Krishna Logistics.*

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

- *Question 14: Please state, who gets the examination conducted at the Mundra port for the import consignment of your clients?*

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

- *Question 15: Are you aware that some containers which have been declared to contain MHO have been put on hold by the DRI Noida Regional unit at Mundra port?*

*Answer: Yes I am aware of the fact that DRI Noida Regional Unit has put on hold some consignments of MHO of our various clients as detailed below:*

<i>S.NO</i>	<i>IEC Name</i>	<i>BOE No</i>	<i>No of containers</i>
<i>1</i>	<i>M/S A. A. Cable Layers</i>	<i>9788458</i> <i>Dt.23.01.2024</i>	<i>14</i>
		<i>9783769</i> <i>Dt.23.01.2024</i>	<i>14</i>
		<i>9783627</i> <i>Dt.</i> <i>23.01.2024</i>	<i>12</i>
<i>2</i>	<i>M/S Skyfalcon Minerals and Chemicals Private Limited</i>	<i>9788466</i> <i>Dt.</i> <i>23.01.2024</i>	<i>12</i>
		<i>9788470</i> <i>Dt.</i> <i>23.01.2024</i>	<i>12</i>
		<i>9788488</i> <i>Dt.</i>	<i>16</i>

		23.01.2024	
		9788473 Dt.	16
		23.01.2024	
		9788474 Dt.	16
		23.01.2024	
		9788476 Dt.	12
		23.01.2024	
		9788487 Dt.	16
		23.01.2024	
		9788468 Dt.23-01-2024	12
		2040130 Dt.	12
		Dt.08/02/24	
		2087386 Dt.	12
		Dt.10/02/24	
		2088871 Dt.	10
		Dt.10/02/24	
		2088881 Dt.	10
		Dt.10/02/24	

- *Question 16: Since the Bills of Entry have been filed by you in behalf of the above-mentioned importers, please state how did these importers came in contact with you.*

*Answer: The importers mentioned in the answer to question number 15 above are clients of our associate, M/s Krishna Logistics. The customs related work in respect of these firms, has come thorough M/s Krishna Logistics.*

- *Question 17: What were the documents that were provided by the importers mentioned by you in reply to question no 15 above and from whom they were received when you filed the BOE on their behalf.?*

*Answer: These Importers forwarded invoices, packing list and Bill of Lading to M/s Krishna Logistics through mail which were subsequently forwarded to us by hand on the basis of which we file the respective bill of entry.*

- *Question 18: What is the Item "MHO/ Mix Hydrocarbon Oil/Mixed Hydrocarbon Oil/Mineral Hydrocarbon Oil", mentioned in the Bills of entries filed by you on behalf of these importers.*

*Answer: As per my understanding and information provided by the importers it is a type of petroleum product.*

- *Question 19: Please state, what is the use of MHO?*

*Answer: As per the information provided by the importer it is for industrial Use.*

- *Question 20: Please specifically state and clarify the industrial use as mentioned in your reply to question no 19 above.*

*Answer: I am not aware of the specific industrial use of the product. This can be clarified by the importer only. As we are concerned only with custom clearance*

related work.

- Question 21: Please state whether you have been provided with any chemical analysis report/ test report of the product by the importer issued by the supplier.

Answer: We were provided an analysis report on the letter head of the supplier by the importer but no chemical test report by the authorised laboratory was provided.

- Question 22: If no chemical analysis report/ test report of the product is submitted by the importer than what was the basis of classification of the product under Chapter Heading 27101990 in the category of item "Others"

Answer: As per our understanding and discussion of our employees with the importer, it was classified under CTH 27101990 which pertains to others.

- Question 23: Please refer to Question no 22 above and state who classifies the goods to be filed in the Bill of Entry. Further without any chemical analysis report or test report how do you come to the conclusion to classify the product as MHO in the Bill of Entry?

Answer: As stated above, after discussion with the importers and the documents provided by the importer, goods are classified under CTH 27101990-"others".

- Question 24: Did you ask the importer or insist upon them, for providing chemical analysis report /test reports?

Answer: No, we did not insist upon them for any chemical analysis report or test report.

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

S.NO	Name Of Importer	BOE	No of Containers	Sample No.	Test Report Result
4		9788466 Dt. 23.01.2024	12	SA2- 344923	Gas Oil
5		9788470 Dt. 23.01.2024	12	SE1-344700	Gas Oil
6		9788488 Dt. 23.01.2024	16	SB3-344703	Kerosene
7		9788473 Dt. 23.01.2024	16	SD2-344693	Kerosene
8		9788474 Dt. 23.01.2024	16	SC3-344720	Gas Oil

9		9788476 Dt. 23.01.2024	12	SG3-344699	Gas Oil
10		9788487 Dt. 23.01.2024	16	SF2-344695	Gas Oil
11		9788468 Dt.23-01-2024	12	SH3-344711	Kerosene
12	M/s Sky Falcon	2040130 Dt. Dt.08/02/24	12	SMD3- A217701	Gas Oil
13	Minerals and	2087386 Dt. Dt.10/02/24	12	SMB1- A217714	Gas Oil
14	Chemicals Pvt Ltd	2088871 Dt. Dt.10/02/24	10	SMC2- A217709	Kesosene
15		2088881 Dt. Dt.10/02/24	10	SMA1- A217684	Kerosene

*Having perused the test reports please offer your comments.*

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

- *Question 26: Do you agree with the outcome of the test reports and the result mentioned therein?*

*Answer: Yes, I am in agreement with the conclusion arrived at by the lab as mentioned in the respective test report.*

- *Question 27: Please give your opinion on whether MHO as declared by you in the bills of entry and the item identified as per the test result of the respective item are same or different?*

*Answer: No, the goods identified by the laboratory as per the test report and the item description & CTH declared in the Bill of Entry are different.*

- *Question 28: Please refer to regulation 10 (e) of the Customs Brokers Licensing Regulations, 2018, wherein it is specifically mentioned that due diligence is to be exercised by customs Broker to ascertain the correctness of any information which is imparted by you to the client with reference to any work related to the clearance of the cargo or baggage. In the light of discrepancies noticed as per test report vis-à-vis declaration made in the Bill of Entry in respect of the goods and its classification, it appears that due diligence has not been exercised to ensure that description of the goods is appropriately given and correctly classified. Please offer your comments.*

*Answer: As per the documents provided by the importer and the discussion, the*

*classification of the goods as MHO and under CTH 27101990 is correct. The discrepancy has come to notice only as a result of the test report of the sample submitted by the laboratory. The Importer can only explain the Discrepancy so noticed.*

- *Question 32: Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788466 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report and the conclusion that the same consists of "Gas Oil" and the correct classification of the oil in the consignment covered under BOE no 9788466 Dt. 23.01.2024 should be under CTH 27101941. As such, the declaration of the item made in the bill of entry is incorrect and wrong.*

- *Question 33. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788470 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report and the conclusion that the same consists of "Gas Oil" and the correct classification of the oil in the consignment covered under BOE no 9788470 Dt. 23.01.2024 should be under CTH 27101941. Therefore, the declaration of the item made in the bill of entry is also incorrect and wrong.*

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

*Answer: In this case also I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9788488 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.*

- *Question 35. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the*

oil has been found to be "Kerosene as per IS 1459:2018". On the basis of the conclusion of do you agree that the BOE no 9788473 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.

*Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9788473 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.*

- *Question 36. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788474 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil" and the correct classification of the oil in the consignment covered under BOE no 9788474 Dt. 23.01.2024 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is incorrect and wrong.*

- *Question 37. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788476 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil" and the correct classification of the oil in the consignment covered under BOE no 9788476 Dt. 23.01.2024 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is incorrect and wrong.*

- *Question 38. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be "Gas Oil". On the basis of the conclusion of do you agree that the BOE no 9788487 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.*

*Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of "Gas Oil" and the*

correct classification of the oil in the consignment covered under BOE no 9788487 Dt. 23.01.2024 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is also incorrect and wrong.

- Question 39. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be “Kerosene as per IS 1459:2018”. On the basis of the conclusion of do you agree that the BOE no 9788468 Dt. 23.01.2024 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.

Answer: In this case also I am in agreement with the result of the test report in respect of the said consignment and the conclusion that the same consists of “Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 9788468 Dt. 23.01.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- Question 40. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be “Gas Oil”. On the basis of the conclusion of do you agree that the BOE no 2040130 Dt. 08/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.

Answer: I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of “Gas Oil” and the correct classification of the oil in the consignment covered under BOE no 2040130 Dt. 08/02/24 should be under CTH 27101941. Thus, the declaration of the item made in the bill of entry is incorrect and wrong.

- Question 41. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be “Gas Oil”. On the basis of the conclusion of do you agree that the BOE no 2087386 Dt. 10/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101941 and not 27101990 as classified by you in the bill of entry filed by you.

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

- Question 42. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the

oil has been found to be “Kerosene as per IS 1459:2018”. On the basis of the conclusion of do you agree that the BOE no 2088871 Dt. 10/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.

*Answer:* In this case also I am in agreement with the result of the test report in respect of the said consignment and the conclusion that the same consists of “Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 2088871 Dt. 10/02/24 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

- Question 43. Your kind attention is invited to the conclusion of the test report for the sample of M/S Skyfalcon Minerals and Chemicals Private Limited wherein the oil has been found to be “Kerosene as per IS 1459:2018”. On the basis of the conclusion of do you agree that the BOE no 2088881 Dt. 10/02/24 filed by you and imported by M/S Skyfalcon Minerals and Chemicals Private Limited, is correctly classifiable under CTH 27101932 and not 27101990 as classified by you in the bill of entry filed by you.

*Answer:* I agree with the result of the test report in respect of the said consignment and the conclusion that the same consists of “Kerosene as per IS 1459:2018. I also agree that the correct classification of the oil in the consignment covered under BOE no 2088881 Dt. 10.02.2024 should be under CTH 27101932. Thus, the declaration of the item made in the bills of entries is incorrect and wrong in case of this Bill of Entry also.

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

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

- Question 45: Please take cognizance of the reply to question no 44 above. The items identified by the lab comprising the consignments and classifiable under the said headings are not freely importable as they are restricted in nature and can only be imported by STEs(State Trading Enterprises). Then why Bill of Entry has been filed by way of misdeclaration for restricted items.

*Answer:* I agree that the items identified by the lab comprising of the said consignments are restricted and can only be imported by STEs. I reiterate that the Bill of entry was filed on the basis of documents and information provided by the importer. Under what circumstance the mis-declared restricted goods were imported can only be explained by the respective importer.

- Question 46: Your kind attention is invited to CTH 27101990- “Others” and chapter 27, and that there are a lot of restricted goods in this chapter that can

*only be imported by STEs. Please state whether this particular CTH 27101990 was chosen by you as the import policy associated with this CTH is “free to import”? And further state as CHA should you not be extra careful that the importer should not bring any restricted item/goods in lieu of free goods?*

*Answer: As stated in different questions above, the basis of classification of the goods under CTH is because the product does not fall under any other CTH in this chapter. Further general trade practice at the port regarding this product is that it is to classified under CTH 27101990. However just to be double sure and being careful about the nature of the goods, we always opt for the first check of the consignment. This allows us to double-check the consignments imported by the importer.*

- *Question 47: Do you wish to state anything else?*

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

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

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

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

- *Question 2: Please tell us about M/s Versatile Logistics?*

*Ans: As stated above, I am the Proprietor of the firm M/s Versatile Logistics. M/s Versatile Logistics conducts the work of freight forwarding and facilitation of customs clearing.*

- *Question 3: Please tell us about M/s. Shree krishna Logistics? Also please state about your responsibilities.*

*Ans: In Feb 2023, I came in contact with Shri Satish Maheshwari of M/s Shree Krishna logistics. Then in June 2023 we started working together regarding the clearance of Customs related work.*

- *Question 4: Please refer to Question 4 above and elaborate what kind of clearance work were you doing together and how?*

*Ans: M/s Versatile Logistics, facilitates importers about their imports at various ports and connects them with the right CHAs for clearance. When an importer contacts us for import of any kind then we connect them to the right CHA of the specific port as per the request of the Importer.*

- *Question 5: How much money do you charge for this kind of facilitation work?*

*Ans: The charges are variable and changes from importer to importer however we generally charge around 3 to 4 thousand for this facilitation that we provide.*

- *Question 6: Please refer to the question no 5 above and state what happens after connecting the importer to the concerned CHA? Is your work ends here?*

*Ans: Our work ends once the consignment is cleared from customs. Once the importer is connected to the CHA, we do regular follow ups with the CHA and update the importer about the developments.*

- *Question 7: In the questions above, you stated that you just connect Importer and CHA for their work then why are you doing follow-ups and updating the importers about the developments taken from CHA.*

*Ans: The importer pays us for this facilitation work that is why we are engaged in the work till customs clearance of the goods and give regular updates to the importer about the same.*

- *Question 8: Once you have connected the CHA and importer then why do the importer gives you facilitation charges for all the consignments and not contact the CHA directly for the import related work?*

*Ans: This work is based on trust, so sometimes the importer does not have enough trust directly on the CHA so they let us be involved in the whole thing of clearance till the consignment is cleared from customs.*

- *Question 9: Have you been issued any type of license to work as a CHA under the CBLR rules?*

*Ans: No I have not been issued any such license under CBLR regulations 2018.*

- Question 10: If you have not been issued any license as per CBLR rules 2018, then under which provisions are you conducting this business of customs clearance?

Ans: M/s Versatile Logistics, only facilitates the clearance work and do not conduct customs clearance or examination work directly.

- Question 11: Please refer to question no 3 above and state the nature of work, that you do with M/s Shri Krishna logistics, also please state the name of the importers for which M/s Versatile Logistics and M/s Shri Krishna Logistics work together.

Ans: As stated in above answers, I do business with Shri Krishna logistics as per the nature of demand of the importer. Shri Satish Maheshwari is a business associate and handles the work at Mundra port in Gujarat, so if any importer comes with a request to work at Mundra port I connects them to Shri Satish Maheshwari of M/s Shri Krishna logistics. I had two importer clients M/s Skyfalcon chemicals and Minerals and M/s AA Cable Layers, who requested us to import Mix Hydrocarbon Oil at Mundra Port so I contacted Shri Satish Maheshwari of M/s Shri Krishna logistics to facilitate the clearance work of the clients at Mundra port.

- Question 12: Please tell us about M/s.Skyfalcon Chemicals and Minerals Pvt ltd and M/s AA Cable layers. Also please share the details of the representative persons from both the firms who came in contact with you for this clearance work.

Ans. Shri S Sudhakar, partner of M/s Skyfalcon chemicals and minerals pvt ltd and Shri Gurmeet Singh, Proprietor of M/s AA Cable Layers, contacted me for facilitating this work of import clearance of Mix hydrocarbon oil at Mundra Port.

- Question 13: What was the flow of documents/work of this facilitation that you are saying your firm does?

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

- Question 14: Whether all the communications and correspondences related to the filing work were done through E- mail ?

Ans: All the correspondences and communications were done mostly through E-

mail only. However, sometimes approvals and communications were received through Whatsapp also.

- Question 15: What is the process of payments to the shipper and duty payments on the port? Were these payments made by you on behalf of the importer?

Ans: All the payments related to the consignment were made by importer only.

Like I told in reply to question no 12 above, the process of communication is the same though. Like the shipper will issue invoice and send to the CHA- M/s Continental shipping services, who then sends the invoice to M/s Shri Krishna logistics, who will then send the invoice to us- M/s Versatile logistics, we will forward the invoice to the importer for payment as per the invoice. The importer will then share the payment screen shot to us which will then flow in reverse manner above from us to the shipper as explained.

- Question 16: Please state about the business turnover and the commodities being dealt by you at various ports? Please provide the details of staff and responsibilities.

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

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

- Question 17: Please provide the details of shipping companies related to the imports done by M/s A.A. Cable Layers and M/s Skyfalcon Chemical and Minerals Pvt Ltd.

Ans: Majorly imports were done by Iyer Shipping, Maersk and Cordelia shipping line for both the importers.

- Question 18: Please state how the orders are placed and who in your firm give the orders to supplier?

Ans: The orders are placed by the importer itself, we only forward the documents i.e these bill of entry only on the basis of documents provided by respective importers, we haveno role to play with the supplier.

- Question 19: What is the commodity in question i.e Mix Hydrocarbon Oil that the consignments of the importers viz M/s Skyfalcon Minerals and Chemicals Pvt Ltd and M/s AA Cable Layers contain?

Ans: I have a very limited knowledge of the commodity in question however as per my understanding Mix Hydrocarbon Oil is a blend of various oils and the main usage of the oil is for industrial purposes.

- *Question 20: Please specifically state and clarify the industrial use as mentioned in your reply to question no 26 above.*

*Answer: I am not aware of the specific industrial use of the product. This can be clarified by the importer only.*

- *Question 21: Are you aware of any Standard or Literature that defines the product i.e. "Mix Hydrocarbon Oil"?*

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

- *Question 22: Is there any import regulation that has to be followed for importing the said commodity i.e. "Mix Hydrocarbon Oil"?*

*Ans: I am not aware of any such regulation for importing the commodity in question.*

- *Question 23: Please state whether goods i.e. Mix Hydrocarbon Oil so imported in consignments/containers hold by DRI and imported in earlier consignments are same?*

*Ans: Yes sir, as per the documents provided by the importer and the declaration of the commodity in the documents they are the same.*

- *Question 24: Please state what are the BIS parameters applicable on the item i.e. Mix Hydrocarbon Oil?*

*Ans: No BIS standards are applicable on this imported item i.e. Mix Hydrocarbon Oil.*

- *Question 25: Please state have you made any payments to the supplier of Mix Hydrocarbon Oil or have received any payment from the buyers? If so please provide the Bank Details for the same?*

*Ans: No, we have never made any payments to the supplier of Mix Hydrocarbon Oil nor have received any payment from the buyers. As stated above we just facilitated the process and never involved in the sale purchase of the commodity.*

- *Question 26: Please define your payment terms/agreements with the importer and the firm namely M/s Shri Krishna logistics.*

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

- *Question 27: Please peruse the respective test reports of consignments that have been put on hold by DRI Noida regional Unit and are mentioned in reply to question 15 above. The test results of each of the consignment have been summarized in the table below.*

S.No	Bill of Entry No and date	Name of the Importer	No. of containers	Testing Lab	Test result
1	9788466 Dt. 23.01.2024	M/S Skyfalco Minerals And Chemicals Private Limited	12	IOCL	Gas Oil
2	9788470 Dt. 23.01.2024		12		Gas Oil
3	9788488 Dt. 23.01.2024		16		Kerosene
4	9788473 Dt. 23.01.2024		16		Kerosene
5	9788474 Dt. 23.01.2024		16		Gas Oil
6	9788476 Dt. 23.01.2024		12		Gas Oil
7	9788487 Dt. 23.01.2024		16		Gas Oil
8	9788468 Dt. 23-01-2024		12		Kerosene
9	2040130 Dt. 08.02.2024	M/S A. A. Cable Layers,	12	CRCL	Gas Oil
10	2087386 Dt. 10.02.2024		12		Gas Oil
11	2088871 Dt. 10.02.2024		10		Kerosene
12	2088881 Dt. 10.02.2024		10		Kerosene
13	9788458 Dt. 23.01.2024	M/S A. A. Cable Layers,	14	IOCL	Kerosene
14	9783769 Dt. 23.01.2024		14		Kerosene
15	9783627 Dt. 23.01.2024		12		Kerosene
Total Containers			196		

- *Having perused the test reports please offer your comments.*  
*Answer: I have perused each of the test reports detailed above. I have also gone through the parameters mentioned in each of the test reports. I have signed the test reports as a token of having seen the same.*
- *Question 28: Do you agree with the outcome of the test reports and the result mentioned therein?*  
*Answer: Having perused each of the test reports as well as the parameters I am in*

*agreement with the conclusion of the report.*

- *Question 29: Please give your opinion on whether MHO as declared by you in the bills of entry and the item identified as per the test result of the respective item are same or different?*

*Answer: The goods identified by the laboratory as per the test report and the item description & CTH declared in the Bill of Entry are different.*

- *Question 30. Your kind attention is invited to the conclusions of the test report for the sample of M/s A. A. Cable Layers and M/s Skyfalcon Chemicals and Mineral Pvt ltd, filed under Bills of Entry no. 9788488 Dt. 23.01.2024, 9788473 Dt. 23.01.2024, 9788468 Dt. 23-01-2024, 2088871 Dt. 10.02.2024, 2088881 Dt. 10.02.2024, 9788458 Dt. 23.01.2024, 9783769 Dt. 23.01.2024 and 9783627 Dt. 23.01.2024 wherein as per the parameters given by the IOCL and CRCL lab the oil has been found to be Kerosene, which is correctly classified under CTH 27101932. In the light of the test report and your reply to question No 26 above, do you agree that the Kerosene imported in consignment covered under Bills of Entry as mentioned above are correctly classifiable under CTH 27101932 and not 27101990 as classified in the bill of entry.*

*Answer: In view of the conclusion made as per the parameters given by OICL report, I agree that the correct classification of the oil in the consignment covered under Bills of Entry no. 9788488 Dt. 23.01.2024, 9788473 Dt. 23.01.2024, 9788468 Dt. 23-01-2024, 2088871 Dt. 10.02.2024, 2088881 Dt. 10.02.2024, 9788458 Dt. 23.01.2024, 9783769 Dt. 23.01.2024 and 9783627 Dt. 23.01.2024 should be under CTH 27101932. The declaration of the item made in the bills of entries is incorrect and wrong.*

- *Question 31. Your kind attention is invited to the conclusions of the test report for the sample of M/s Skyfalcon Chemicals and Mineral Pvt ltd, filed under Bills of Entry no. 9788466 Dt. 23.01.2024, 9788470 Dt. 23.01.2024, 9788474 Dt. 23.01.2024, 9788476 Dt. 23.01.2024, 9788487 Dt. 23.01.2024, 2040130 Dt. 08.02.2024 and 2087386 Dt. 10.02.2024 wherein as per the parameters given by the IOCL and CRCL lab the oil has been found to be Gas Oil, which is correctly classified under CTH 27101941. In the light of the test report and your reply to question No 26 above, do you agree that the GAS oil imported in consignment covered under Bills of Entry as mentioned above are correctly classifiable under CTH 27101932 and not 27101990 as classified in the bill of entry.*

*Answer: In view of the conclusion made as per the parameters given by OICL report, I agree that the correct classification of the oil in the consignment covered under Bills of Entry no. 9788466 Dt. 23.01.2024, 9788470 Dt. 23.01.2024, 9788474 Dt. 23.01.2024, 9788476 Dt. 23.01.2024, 9788487 Dt. 23.01.2024, 2040130 Dt. 08.02.2024 and 2087386 Dt. 10.02.2024 should be under CTH 27101941. The declaration of the item made in the bills of entries is incorrect and wrong.*

- *Question 32: Please take cognizance of your reply to the questions no 29-30 above and state whether the goods declared in the Bills of entries were mis-declared been filed by way of misdeclaration for restricted items.*

*Answer: I agree that the items identified by the lab comprising the said consignments are restricted and can only be imported by STEs .Under what circumstance the mis-declared restricted goods were imported can only be explained by the respective importer.*

- *Question 33: Do you wish to state anything else?*

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

## 25. LEGAL PROVISIONS:

**25.1** From the foregoing it appears that the goods in the instant case i.e Gas Oil is correctly classifiable under CTH 2710 1941 and Kerosene is correctly and appropriately classifiable under CTH 2710 1932. The relevant portion of the Customs tariff head 2710 reads as under:

### SECTION-V

### CHAPTER-27

(1)		(2)	Policy	Remarks
2710		Petroleum oils and oils obtained from bituminous minerals, (other than crude) preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations other than those containing bio-diesel and other than waste oils		
		Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than those containing biodiesel and other than waste oils:		
2710 19	--	Other :		
2710	----	Kerosene conforming to standard IS	State	Import as per

1932		1459	trading enterprise s	policy conditions (5) of Chapter 27
2710 19 41	----	Gas Oil	State trading enterprise s	Import as per policy conditions (5) of Chapter 27

## 25.2 Policy Conditions of this Chapter:

- (1) ----.
- (2) ----.
- (3) ----.
- (4) ----.
- (5) *Import allowed through IOC subject to para 2.20 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NG's Resolution No. P23015/1/2001-MKT. Dated 8.3.2002 including HPCL, BPCL & IBP who have been marketing transportation fuels before this date.*

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

*Powers to make provisions relating to imports and exports. –*

- (1) ----
- (2) *The Central Government may also, by Order published in the Official Gazette, make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and subject to such exceptions, if any, as may be made by or under the Order, the import or export of goods.*
- (3) *All goods to which any Order under sub-section (2) applies shall be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962) and all the provisions of that Act shall have effect accordingly.*

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

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

- (a) *the tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act;*
- (b) *the value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act;*
- (c) *exemption or concession of duty, tax, cess or any other sum, consequent upon any notification issued therefore under this Act or under the Customs Tariff Act or under any other law for the time being in force;*
- (d) *the quantity, weight, volume, measurement or other specifics where such duty, tax, cess or any other sum is leviable on the basis of the quantity, weight, volume, measurement or other specifics of such goods;*

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

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

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

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

**25.7** Section 2 (33) of the Customs Act 1962 :

*"prohibited goods" means any goods the import or export of which is subject to any prohibition under this Act or any other law for the time being in force but does not include any such goods in respect of which the conditions subject to which the goods are permitted to be imported or exported have been complied with ;*

**25.8** Section 17 of the Customs Act, 1962:

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

(2) .....

(3) .....

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

(5).....

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

46(4) :

*The importer while presenting a bill of entry shall <sup>11</sup>[\* \* \*] 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, <sup>12</sup>[and such other documents relating to the imported goods as may be prescribed]*

46(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.

**25.10.** Section 112 of the Customs Act, 1962 :

*Penalty for improper importation of goods, etc.- Any person, - (a) who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 111, or abets the doing or omission of such an act,*

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

*shall be liable, -*

*(i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty [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”*

**25.11.** Section 114AA of the Customs Act, 1962 – *Penalty for use of false and incorrect material. - If a person knowingly or intentionally makes, signs or uses, or causes to be made, signed or used, any declaration, statement or document which is false or incorrect in any material particular, in the transaction of any business for the purposes of this Act, shall be liable to a penalty not exceeding five times the value of goods.*

**25.12.** Section 140 of the Customs Act, 1962: Offences by companies. - *(1) If the person committing an offence under this Chapter is a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company*

*for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:*

**25.13.** Regulation 10 of the Customs Broker Licensing Regulation 2018:

*Obligations of Customs Broker.—A Customs Broker shall —*

- (a) obtain an authorisation from each of the companies, firms or individuals by whom he is for the time being employed as a Customs Broker and produce such authorisation whenever required by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;*
- (b) transact business in the Customs Station either personally or through an authorized employee duly approved by the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;*
- (c) not represent a client in any matter to which the Customs Broker, as a former employee of the Central Board of Indirect taxes and Customs gave personal consideration, or as to the facts of which he gained knowledge, while in Government service;*
- (d) advise his client to comply with the provisions of the Act, other allied Acts and the rules and regulations thereof, and in case of non-compliance, shall bring the matter to the notice of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;*
- (e) exercise due diligence to ascertain the correctness of any information which he imparts to a client with reference to any work related to clearance of cargo or baggage;*
- (f) not withhold information contained in any order, instruction or public notice relating to clearance of cargo or baggage issued by the Customs authorities, as the case may be, from a client who is entitled to such information;*
- (g) promptly pay over to the Government, when due, sums received for payment of any duty, tax or other debt or obligations owing to the Government and promptly account to his client for funds received for him from the Government or received from him in excess of Governmental or other charges payable in respect of cargo or baggage on behalf of the client;*
- (h) not procure or attempt to procure directly or indirectly, information from the Government records or other Government sources of any kind to which access is not granted by the proper officer;*
- (i) not attempt to influence the conduct of any official of the Customs Station in any matter pending before such official or his subordinates by the use of threat, false accusation, duress or the offer of any special inducement or*

*promise of advantage or by the bestowing of any gift or favour or other thing of value;*

- (j) not refuse access to, conceal, remove or destroy the whole or any part of any book, paper or other record, relating to his transactions as a Customs Broker which is sought or may be sought by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be;*
- (k) maintain up to date records such as bill of entry, shipping bill, transshipment application, etc., all correspondence, other papers relating to his business as Customs Broker and accounts including financial transactions in an orderly and itemised manner as may be specified by the Principal Commissioner of Customs or Commissioner of Customs or the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be;*
- (l) immediately report the loss of license granted to him to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be;*
- (m) discharge his duties as a Customs Broker with utmost speed and efficiency and without any delay;*
- (n) verify correctness of Importer Exporter Code (IEC) number, Goods and Services Tax Identification Number (GSTIN), identity of his client and functioning of his client at the declared address by using reliable, independent, authentic documents, data or information;*
- (o) inform any change of postal address, telephone number, e-mail etc. to the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, of all Customs Stations including the concerned Deputy Commissioner or Assistant Commissioner of the Commissionerate who has granted the license immediately within two days;*
- (p) maintain all records and accounts that are required to be maintained under these regulations and preserve for at least five years and all such records and accounts shall be made available at any time for the inspection of officers authorised for this purpose; and*
- (q) co-operate with the Customs authorities and shall join investigations promptly in the event of an inquiry against them or their employees*

#### **25.14 Section 3 of the Petroleum Act, 1934**

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

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

*The Central Government may make rules—*

- a) prescribing places where petroleum may be imported and prohibiting its import elsewhere;*
- b) regulating the import of petroleum;*
- c) prescribing the periods within which licences for the import of petroleum Class A shall be applied for, and providing for the disposal, by confiscation or otherwise, of any [petroleum Class A] in respect of which a licence has not been applied for within the prescribed period or has been refused and which has not been exported;*
- d) regulating the transport of petroleum;*
- e) specifying the nature and condition of all receptacles and pipe-lines in which petroleum may be transported;*
- f) regulating the places at which and prescribing the conditions subject to which petroleum may be stored;*
- g) specifying the nature, situation and condition of all receptacles in which petroleum may be stored;*
- h) prescribing the form and conditions of licences for the import of 5 [petroleum Class A], and for the transport or storages of any petroleum, the manner in which applications for such licences shall be made, the authorities which may grant such licences and the fees which may be charged for such licences;*
- i) determining in any class of cases whether a licence for the transport of petroleum shall be obtained by the consignor, consignee or carrier;*
- j) providing for the granting of combined licences for the import, transport and storage of petroleum, or for any two of such purposes;*
- k) prescribing the proportion in which any specified poisonous substance may be added to petroleum, and prohibiting the import, transport or storage of petroleum in which the proportion of any specified poisonous substance exceeds the prescribed proportion; and*
- l) generally, providing for any matter which in its opinion is expedient for proper control over the import, transport and storage of petroleum including the charging of fees for any services rendered in connection with the import, transport and storage of petroleum.*

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

- (1) Containers exceeding one litre in capacity for petroleum Class A and five litres in capacity for petroleum Class B or petroleum class C, shall be of a type approved by the Chief Controller.*
- (2) Where the approval of the Chief Controller is sought to a type of container not previously approved, an application together with copies of drawings thereof to scale showing the design, materials to be used, the method of construction and capacity of the container together with two samples containers and a fee of rupees one thousand for scrutiny shall be submitted to the Chief Controller.*
- (3) Nothing in sub-rules (1) and (2) shall apply to containers in the possession of*

*the Defence Forces of the Union.*

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

- (1) *Containers for petroleum class B or petroleum class C shall be constructed of steel or iron and be of a type approved by the Chief Controller.*
- (2) *An air space of not less than 5 percent of its capacity shall be kept in each container for petroleum Class B and not less than 3 percent of its capacity in each container for petroleum Class C.*
- (3) *Nothing in this rule shall apply to containers in the possession of the Defence Forces of the Union.*

**25.18 Rule 25 of Petroleum Act, 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.*

**25.19 Rule 30 of Petroleum Act, 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.*

**25.20 Rule 35: Tank fittings on ships or vessels. –**

*The following provisions shall apply for the transport of petroleum other than petroleum Class C in ship or other vessels, namely: -*

- (a) *All tanks shall be fitted with independent approved filling and 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.*

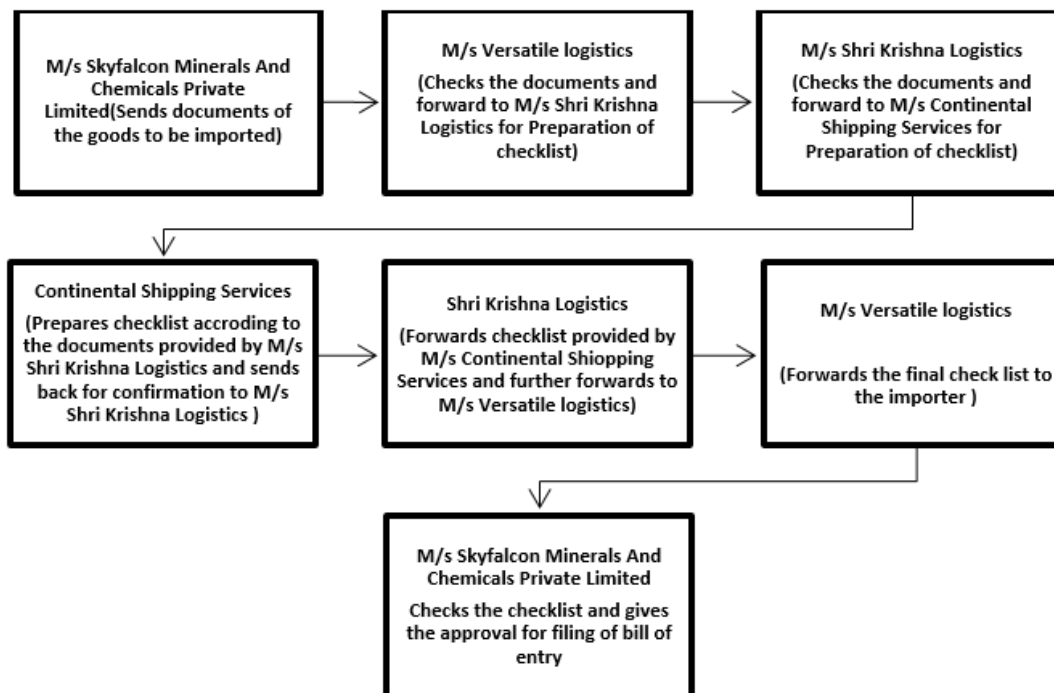
**26. CONCLUSION/FINDINGS OF INVESTIGATION:**

Whereas it appears from the foregoing paras that:

- (i) As per condition No.5 of the Import Policy, import of Kerosene and Gas Oil which were sought to be imported by M/s Skyfalcon Minerals And Chemicals Private Limited in the consignments seized by DRI, by way of mis-declaration, is allowed only through IOC subject to para 2.21 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P&NGs Resolution No. P23015/1/2001-MKT. dated 8.3.2002 including HPCL, BPCL and IBP who have been marketing transportation fuels before the said date. Thus it is evident that the said goods are not freely importable but can be imported only by State Trading Enterprises such as IOCL, HPCL, BPCL and IBP.
- (ii) M/s Skyfalcon Minerals And Chemicals Private Limited appeared to be well aware of the said restriction imposed by the Policy. As such in order to circumvent the said provision, in collusion with the CHA namely M/s Continental Shipping Services, along with their respective subsidiary agents of M/s Continental Shipping Services namely M/s Versatile Logistics and M/s Shri Krishna Logistics as well as Overseas Suppliers namely M/s Chevron General Trading LLC and M/s Swathi Smart Ventures FZC in Dubai, they devised a modus operandi to import Kerosene and Gas Oil- (restricted commodities), in the garb of importing freely importable goods. The goods, import of which is permitted permitted only with an Authorisation /Permission/ License or in accordance with the procedure prescribed in a notification / public notice are 'Restricted' goods

The nexus of the said entities are explained with the help of chart also as under

**Pictorial depiction of flow of documents from M/s Skyfalcon Minerals And Chemicals Private Limited to the CHA - M/s Continental Shipping Services**



- (a) In accordance with the said modus operandi, they resorted to the import of the said restricted goods namely Kerosene and Gas Oil by declaring the same as “*Mix/Mixed Hydrocarbon Oil (MHO) or Mixed Hydrocarbon Oil (For Industrial Use Only)*”.
- (b) They classified the said goods i.e “*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed Hydrocarbon Oil (For Industrial Use Only)*” under *Customs Tariff Heading (CTH) 27101990 which pertains to “Others”* where no restriction was prescribed in the Import Policy. In accordance with said modus operandi, the suppliers namely M/s Chevron General Trading LLC and M/s Swathi Smart Ventures FZC in Dubai appear to have deliberately declared the said goods in the import documents viz invoices and the corresponding packing list as “*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed Hydrocarbon Oil (For Industrial Use Only)*”.
- (c) In order to give credence to the invoice and packing list, it appears that the supplier namely M/s Swati Ventures FZC issued a Chemical Analysis Report on their letter head. The said Chemical Analysis Report appears to contain fabricated and fudged parameters of “*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed*”.

*Hydrocarbon Oil (For Industrial Use Only)*” as the supplier himself certified the parameters of the goods.

- (d) It appears that on the basis of fudged and fabricated documents namely invoice, Packing List and Chemical Analysis Report, the Importer namely M/s Skyfalcon Minerals And Chemicals Private Limited filed Bill of Entry wherein they declared the goods as “*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed Hydrocarbon Oil (For Industrial Use Only)*” and classified the same under Chapter Heading 27101990 wherein no restriction was in force in terms of the Import Policy.
- (e) It further appears that M/s Skyfalcon Minerals And Chemicals Private Limited all along were aware of the fact that the items which they sought to import actually were restricted items and as such they were not eligible to import the Gas Oil and the Kerosene. The documents were manipulated so that the consignments could be cleared on the basis of the mis-declaration and mis-classification of the goods with the Customs at Mundra Port.
- (f) During the course of the investigations, M/s Skyfalcon Minerals And Chemicals Private Limited as well as their related entities involved in the case, were asked to submit supporting and related relevant documents, like buyer seller agreement, details of refinery/oil firm from where the consignment originated, copies of communication made with the supplier, copies of export declaration form filed in the supplier country etc. pertaining to the said consignments vide summons issued to them. The said documents were called for as they would have enabled the identification of the commodity imported by M/s Skyfalcon Minerals And Chemicals Private Limited in the consignment under investigation. It appears that the documents were deliberately not submitted by them so as to prevent the identification of the commodity by the Officers of the DRI.
- (iii) In order to ascertain the exact nature of the goods and to confirm the identity, samples were drawn from the consignment which were sent to Government Lab namely IOCL, Panipat and CRCL Vizag. The parameters of the test conducted by the Labs clearly suggest that the commodity covered under the consignments pertaining to the importer as declared in the import documents and the Bill of Entry were different and not as per the import documents filed by the importer. The parameters of the samples drawn from the consignments covered under BOE

9788488, 9788473, 9788468, 2088871, and 2088881 on being tested and analysed, indicate that all the parameters conform to IS1459 which pertains to Kerosene. As there is no deviation in all the parameters as mentioned in the Test reports vis-a vis parameters prescribed IS 1459, there appears to be no doubt about the identity of the said commodity. Further, the parameters of the samples drawn from the consignments covered under BOE no 9788466,9788470, 9788474, 9788476, 9788487, 2040130 and 2087386 on being tested and analysed by the labs suggests that except for sulphur all the parameters conform to that of the IS standard of Gas Oil (IS:17789). The Amendment to IS:17789 dated 2023 specifically mentions that Indian Refineries may opt for lower sulphur content as per the agreement between the seller and purchaser. All the parameters except sulphur have been found to be identical and though there seems to be deviation in respect of sulphur only, the same is only a quality parameter and has no relation with the identity of the commodity.

- (a) The commodity sought to be actually imported viz Kerosene and Gas Oil under the subject consignments find specific mention in different tariff Item and not the tariff Item in which they were declared in the import documents i.e 27101990 which does not lay down any restriction if the goods are covered under the said CTH and are classified accordingly. It appears that the item has been given description *Mix Hydrocarbon Oil* so that the same can be classified in the category of Chapter Heading 27101990 pertaining to *others* deliberately where there is no restriction in the import of commodities falling in the said category of the Customs Tariff Act'1985.
- (b) The importer failed to provide any document to substantiate the chemical composition/constituent of any of the Mixed Hydrocarbon Oil. It appears that the misclassification was done deliberately so as to mislead the department. The correct classification is 27101932 pertaining to "Kerosene as per IS 1459" and 27101941 pertaining to "Gas Oil". The act of misdeclaration and misclassification with the intent to import restricted goods namely Kerosene And Gas Oil has been categorically accepted and acknowledged in their respective statements by M/s Skyfalcon Minerals And Chemicals Private Limited and the CHA namely M/s Continental Shipping Services, along with the respective subsidiary agents of M/s Continental Shipping Services namely M/s Versatile Logistics and M/s Shri Krishna Logistics.

- (c) M/s Skyfalcon Minerals and Chemicals Private Limited are not an STE entity and hence they are not eligible to import the said restricted goods. Therefore they appeared to resort to the act of mis-declaration and mis-classification so as to import the said restricted goods.
- (iv) M/s Skyfalcon Minerals And Chemicals Private Limited failed to submit any document in support of the item *Mixed Hydrocarbon Oil* declared by the supplier in the import documents and Bills of Entries. Even subsequently during the course of the investigations after the containers were put on hold, till date they have not been able to submit any such document to substantiate the identity of the goods in accordance with declaration in Invoice & Packing list as well as bill of entries.
- (v) M/s Skyfalcon Minerals And Chemicals Private Limited failed to provide specific use of the item "Mixed Hydrocarbon Oil". On being asked in his voluntary statement tendered under Section 108 of the Customs Act'1962 whether he was aware about the parameters/specifications of the MHO, Shri Sudhakar.S., Director of M/s Skyfalcon Minerals and Chemeicals Private Limited stated that he does not have any literature on the specific paramaters of MHO and the parameters were suggested by the CHA. In order to cover up, he further stated that the requirement of MHO was communicated by the clients and based on the said requirement, orders were placed with the overseas supplier. He failed to give any information about the source of procurement of the alleged MHO by the overseas supplier. Further even the CHA and their agents could not give any information about the use of the Mixed Hydrocarbon Oil. This suggests that they were not aware about the use of the said commodity i.e "Mixed Hydrocarbon Oil" as the same was not intended to be imported actually in the containers put on hold and subsequently examined by the Officers of the DRI.
- (vi) M/s Skyfalcon Minerals And Chemicals Private Limited also appear to have violated the provisions of Petroleum Act, 1934. The goods were imported in gross violation of the said provisions. The Petroleum Act, 1934, classifies petroleum products into 3 categories based on their flash points as detailed below:

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

Further, as per the Test Reports the goods in question here fall under the “Class B” category of petroleum products as per the Petroleum Act 1934. Class B petroleum products are hazardous, and their import, storage, and transport are strictly regulated. Now to import the class B category of petroleum products an Importer has to follow certain rules and require certain certifications as discussed below:

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

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

By importing restricted Class B petroleum in Flexi bags in total disregard of the safety norms which could lead to serious mishaps, M/s Skyfalcon Minerals And Chemicals Private Limited in the greed for earning illicit profits have put the public and the environment at great risk. Their insensitivity in this regard indicates that the entities involved in the case can go to any length in order to earn money through illegal means.

(vii) Shri Sudhakar.S. Director of M/s Skyfalcon Minerals And Chemicals Private Limited on being shown the Test Reports and the parameters mentioned therein has accepted the conclusions and findings of the Test Reports of IOCL. He has also accepted that the consignments were mis-declared and misclassified. On the

basis of the conclusions of the Test Reports he agreed that the respective consignments comprised of Kerosene and Gas Oil as suggested in the said Test Report. However he has sought to shift the onus and blame for mis-declaration upon the supplier and has claimed that the issue of the mis-declaration can be explained by the supplier. He has sought to project his innocence in the case which however is not a fact. The fact that the supplier has not issued any clarification till date, it suggests that the consignment was as per the orders placed by M/s Skyfalcon Minerals And Chemicals Private Limited.

- (viii) The provisions of Section 17 (1) of the Customs Act, 1962 read with Section 2 (2) Customs Act, 1962 and CBIC Circular No. 17/2011-Customs dated 08.04.2011 lay down onus on the importer and the CHAs to determine duty, classification etc. by way of self-assessment. The importer, at the time of self-assessment, is required to ensure that he declared the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. By furnishing incorrect and wrong information in the import documents, it appears that M/s Skyfalcon Minerals And Chemicals Private Limited and the CHA –M/s Continental Shipping Services, appear to have violated the provisions of the said Section 17(1) read with Section 2(2) of the Customs Act'1962.
- (ix) In terms of Section 46(4) of the Customs Act, 1962, the importer has to certify the truth of the contents of the Bills Entry. In the instant case it appears that the importer was fully aware of the actual goods imported by them. In as much as the importer in his voluntary statements accepted the test reports of the goods imported under subject bills of entry. Also on being shown with the Test Reports, Shri Sudhakar.S. accepted that they had mis- declared the description imported under subject bills of entry before the custom authorities. Thus, in view of the facts discussed in the foregoing paras and material evidences available on records, it appears that the importer has contravened the provisions of Section 46(4) and 46(4A) of the Customs Act, 1962, in as much as they had intentionally mis-declared the description of the goods imported by them with a malafide intention to import a restricted good under the garb and guise of a freely importable good

(x) Further, by attempting to import restricted goods, the importer- M/s Skyfalcon Minerals And Chemicals Private Limited appear to have indulged in the act of smuggling as defined under Section 2(33) of the Customs act'1962. With the introduction of self-assessment and consequent upon amendments to Section 17 of the Customs Act, 1962 w.e.f. 08.04.2011, it was the obligatory on their part to declare the actual description and correct classification of the goods imported by them and pay the duty applicable in respect of the said goods. Therefore, by not disclosing the true and correct facts to the proper officer, at the time of filing of Bill of Entry for the respective consignment, the importer appears to have indulged in mis-declaration and mis-classification by way of suppression of facts and willfully mis-declared and mis-classified the imported goods with intent to import restricted goods. Thus, the importer appears to have contravened the provisions of Section 46(4) & 46(4A) of the Customs Act, 1962, in as much as they have mis-classified and mis-declared the goods imported by them by suppressing the true and actual description of the goods, while filing the declaration seeking clearance at the time of importation of impugned goods.

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

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

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

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

*(g) co-operate with the Customs authorities*

They failed to fulfil the said obligations as under:

(A) M/s Continental Shipping Services CHA of M/s Skyfalcon Minerals And Chemicals Private Limited allowed their respective sub-agents namely - M/s Versatile Logistics and Shri Krishna Logistics engage and conduct business of customs clearance on the basis of "F" card issued to M/s Continental Shipping Services in violation of obligation (b) of Regulation 10 of CBLR, 2018. They further allowed their Offices and infrastructure to be used by the sub-agents in this regard. Though the sub-agents have projected themselves as forwarding agents, they have been found to facilitate the clearance of the import consignments of M/s Skyfalcon Minerals And Chemicals Private Limited layers by virtue of the 'F' card of Ms Continental Shipping Services. Further, M/s Krishna Logistics raised a bill on M/s Versatile Logistics @15,000/- per container and subsequently, the authorized entity i.e the CHA- M/s Continental Shipping Services raised a bill of mere Rs.2000/- per container upon M/s Krishna Logistics for customs clearance charges. Thus the role of the sub-agents can be gauged by the major share taken by M/s Krishna Logistics in the clearance of the seized consignments. Further the payment has been found to have not been received by the CHA- M/s Continental Shipping Services but through the sub-agents after they have received their respective share. The employees of the sub-agents have also been found to be actively involved in the process of customs clearance like obtaining documents, deciding the classification of the goods with the importer in violation of the obligation (b) as transaction of business in the Customs Station can be done either personally or through an authorized employees. The employees of sub-agents though not being authorized to conduct business were actively conducting customs clearance in disregard of the obligation. M/s Continental Shipping Services failed to advise their client as obligated vide obligation (d) of the Regulation 10 of CBLR,2018 to comply with the provisions of the Act, other allied Acts and the rules and regulations. They did not advise them against importing restricted commodities by way misclassification and mis-declaration for not being qualified to do so. Further the restricted goods were imported in flexi bags in violation of the provisions of the Customs Act'1962 and the Petroleum Act'1934. M/s Continental Shipping Services also appear to have failed to comply with the obligation (e) as they failed to exercise due diligence to ascertain the correctness of the decorations and the details furnished in the import documents and the bill of entries. They also did not ask the importer to procure and file relevant supporting documents to enable identification of the goods. They should have advised M/s Skyfalcon Minerals

And Chemicals Private Limited against filing fudged and fabricated parameters reproduced by the supplier as Chemical Analysis Report. They did not advise them to get proper chemical report from the supplier. They appear to have not fulfilled the obligation (q) of Regulation 10 of CBLR, 2018, as they did not co-operate with the Customs authorities during the course of the investigations and did not disclose vital information relating to the case on their own.

Thus the CHA- M/s Continental Shipping Services appear to have acted in tandem with the importer- M/s Skyfalcon Minerals And Chemicals Private Limited in the illicit and illegal import of the restricted commodity. They have attempted to project their innocence in the case by stating that they filed import documents on the basis of the documents provided by the importer but the prime responsibility of ensuring that the importer does not indulge in the illicit act of smuggling of restricted commodities or violate the provisions of Customs Act'1962 rested on their shoulders in accordance with the obligations laid down in Regulation 10 of the Customs Broker Licensing Regulation 2018. But they have been found to have not observed and complied with the obligations prescribed under the Customs Broker Licensing Regulation 2018.

- (j) Since the consignments consisting of 156 containers pertaining to 12 BEs were imported by way of mis-declaration and mis-classification as Mixed Hydrocarbon Oil in the manner as discussed above in contravention of Section 17 (1), Section 46(4) and 46(4A) ,and is liable for confiscation in terms of Section 111(d), (f), (l) and (m) of Customs Act, 1962. Further, M/s Skyfalcon Minerals And Chemicals Private Limited, Shri Sudhakar S, M/s Continental shipping services, Ms. shanmuga Jayashree Partner of M/s Continental shipping services, Shri Satish Maheshwari of M/s Krishna Logistics and M/s Versatile Logistics for their respective roles in the instant case appear to have rendered themselves liable for imposition of penalty under Section 112 (a) or (b), and 114 AA of the Customs Act'1962.

## **27. ROLE PAYLED BY THE VARIOUS PERSONS/FIRMS:**

### **27.1 Role played by the Importer - M/s Skyfalcon Minerals And Chemicals Private Limited**

Whereas it appears that M/s Skyfalcon Minerals And Chemicals Private Limited

deliberately resorted to illicit import of restricted goods (Kerosene and Gas Oil) under the guise of "Mixed Hydrocarbon Oil (MHO)" to bypass import restrictions applicable to non-State Trading Enterprises (STEs). They misused Customs Tariff Heading 27101990 ("Others") to declare the goods as freely importable. M/s Skyfalcon Minerals And Chemicals Private Limited colluded with suppliers (M/s Swati Ventures FZC and M/s Chevron General Trading LLC) to submit falsified invoices, packing lists, and chemical Analysis Reports that misrepresented the true nature of the goods. They further failed to declare the correct classification and description of goods during self-assessment under Section 17(1) of the Customs Act, 1962. And provided inaccurate and incomplete information in the Bills of Entry, violating Sections 46(4) and 46(4A) of the Customs Act, 1962. M/s Skyfalcon Minerals And Chemicals Private Limited were fully aware that the imported items were restricted commodities (Kerosene and Gas Oil) and not "Mixed Hydrocarbon Oil," as evidenced by voluntary statements. They deliberately withheld key documents, including buyer-seller agreements and export declarations, to prevent the identification of the goods. The mis-declared goods namely Kerosene and Gas Oil have been categorized as hazardous Class B petroleum products (Kerosene and Gas Oil) but were imported in unsafe Flexi bags, violating and compromising safety norms mandated by the Petroleum Rules, 2002. The misdeeds and malafide acts of M/s Skyfalcon Minerals And Chemicals Private Limited appear to be confirmed from the fact that they accepted the findings of the lab tests conducted by IOCL and CRCL, which confirmed the goods as Kerosene and Gas Oil. They have attempted to pass the responsibility for their malafide act of importing restricted goods on the shoulders of the supplier. The illicit acts of M/s Skyfalcon Minerals And Chemicals Private Limited which include misdeclaration, misclassification, and illegal importation of restricted petroleum products appear to violate multiple provisions of the Customs Act, 1962, the Foreign Trade Policy, and the Petroleum Act, 1934 for financial gain. The illicit import of the said restricted goods viz Kerosene and Gas Oil tantamount to act of smuggling as defined under Section 2(39) of the Customs Act'1962. Thus, for their acts of omission and commission in the case borne out by the investigation, M/s Skyfalcon Minerals And Chemicals Private Limited have rendered themselves for penalty under the provisions of Sections 112 (a) or (b) and 114 AA of the Customs Act'1962.

## **27.2 Role played by the CHA- M/s Continental Shipping Services**

Whereas it appears that M/s Continental Shipping Services were also equally involved in the illicit import of the restricted goods namely restricted items (Kerosene and Gas

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

### **27.3 Role played by Ms. Shanmuga Jayashree, partner of M/s Continental Shipping Services**

Ms. Shanmuga Jayashree, as a partner of M/s Continental Shipping Services, played a critical role in enabling the smuggling of restricted petroleum products. Her actions, including the unauthorized involvement of sub-agents- M/s Versatile Logistics and Shri Krishna Logistics, lack of due diligence, and collusion in misclassification and misdeclaration, directly facilitated the illegal importation of Kerosene and Gas Oil, violating multiple provisions of the Customs Act, 1962, and the Petroleum Act, 1934. For her act of facilitating import of restricted goods in the manner as discussed herein before which tantamount to smuggling as per Section 2(39) of the Customs Act'1962, M/s Continental Shipping Services appeared to have rendered themselves for penalty

under the provisions of Sections 112 (a) or (b) and 114 AA of the Customs Act'1962.

#### **27.4 Role Played by Shri Satish Maheshwari (M/s Krishna Logistics):**

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

#### **27.5 Role played by Shri Ravindra Sawant (M/s Versatile Logistics)**

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

#### **27.6 The role of the respective sub-agents in the case is discussed as under:**

##### **A. M/s Krishna Logistics:**

M/s Krishna Logistics have been found to be sub-agent of the CHA –

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

**B. M/s Versatile Logistics-**

Alongwith M/s Krishna Logistics, M/s Versatile Logistics have also been found to be actively involved in the activity of illicit import of Kerosene oi and Gas Oil by way of smuggling. They have been found to receive the import documents from the importer which were forwarded to M/s Krishna Logistics for onward filing by the CHA- M/s Continental Shipping Services. Further they receive the check list from M/s Krishna Logistics which was forwarded by them to the importer for approval before filing of the bill of entry. They have also been stated to verify the KYC of the importer. Though they have been described as a forwarding agency but their role suggests that they were involved in the Customs

clearance work though they were not eligible for the same. They along with M/s Krishna Logistics roped in M/s Continental Shipping Services to use "F" card for effecting the customs clearance related work. Thus it appears that they also played a major role in the illicit import and smuggling of Kerosene and Gas Oil by M/s Skyfalcon Minerals And Chemicals Private Limited.

Since the consignments consisting of 156 containers pertaining to the 12 BEs were imported by way of mis-declaration and mis-classification as Mixed Hydrocarbon Oil in the manner as discussed above in contravention of Section 17 (1), Section 46(4), they appear to be liable for confiscation in terms of Section 111(d), (f), (l) and (m) of Customs Act, 1962. Further, M/s Skyfalcon Minerals And Chemicals Private Limited and its Director Shri Sudhakar.S. , M/s Continental shipping services, Shri Satish Maheshwari of M/s Krishna Logistics and M/s Versatile Logistics for their respective role in the instant case appears to have rendered themselves liable for imposition of penalty under Section 112, and 114 AA of the Customs Act'1962.

**28.** Accordingly, **M/s Skyfalcon Minerals And Chemicals Private Limited**, (IEC- ABGCS3469P), 14/1, Velan Nagar 1st Main Road, Arumbakkam, Chennai, Tamil Nadu, 600106, were called upon to show cause to the Joint/Additional Commissioner of Customs, 5B, Port User Building, Mundra Port, Mundra, Gujarat – 370421, as to why:-

- (i) The declared classification of the impugned goods i.e. Kerosene having total quantity 1227.360 MTS mis-declared as Mix Hydrocarbon Oil under Customs Tariff Item 27101990 under Bill of entry no. 9788488, 9788473, 9788468, 2088871, and 2088881; should not be rejected/denied and re-classified under the Customs Tariff Item 27101932
- (ii) The declared classification of the impugned goods i.e. Gas Oil having a total quantity 1794.610 MTS mis-declared as Mix Hydrocarbon Oil under Customs Tariff Item 27101990 under Bill of entry no. 9788466, 9788470, 9788474, 9788476, 9788487, 2040130 and 2087386; should not be rejected/denied and re-classified under the Customs Tariff Item 27101941
- (iii) Kerosene and Gas oil sought to be imported by them in 156 containers

pertaining to 12 Bills of entry having declared value of Rs. 12,98,45,290/- seized under Section 110 of the Customs act'1962 vide Seizure Memorandums dated 07.05.2024, 27.05.2024 and 13.09.2024 lying seized at Mundra Port should not be confiscated under Section 111(d), 111(f), 111(l) & 111(m) of the Customs Act,1962.

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

**28.1.** Also, **Shri Sudhakar. S. Director of M/s Skyfalcon** Minerals And Chemicals Private Limited, was called upon to show cause to the Joint/ Additional Commissioner of Customs, 5B, Port User Building, Mundra Port, Mundra, Gujarat – 370421 for his act and omission as discussed above, as to why penalty should not be imposed upon him under Sections 112(a) and/or 112(b) and/or 114AA of the Customs Act'1962.

**28.2** Also, **M/s Continental Shipping Services were** hereby called upon to show cause to the Joint/Additional Commissioner of Customs, Mundra Port, Mundra as to why a penalty should not be imposed upon them under Sections 112(a) and/or 112(b) and/or 114AA of the Customs Act'1962, for their role in the illicit import of restricted commodity namely Kerosene and Gas Oil in the manner as discussed above.

**28.3** Also, **Ms. Shanmuga Jayashree**, Partner M/s Continental shipping Services, was called upon to show cause to the Additional/Joint Commissioner of Customs, 5B, Port User Building, Mundra Port, Mundra, Gujarat – 370421 for his act and omission as discussed above, as to why penalty should not be imposed upon him under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act'1962.

**28.4.** Also, **Shri Satish Maheshwari** of M/s Krishna Logistics, was hereby called upon to show cause to the Additional/Joint Commissioner of Customs, 5B, Port User Building, Mundra Port, Mundra, Gujarat – 370421 for his act and omission as discussed above, as to why penalty should not be imposed upon him under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act'1962

**28.5.** Also, **M/s Krishna Logistics** was called upon to show cause to the

Additional/Joint Commissioner of Customs, 5B, Port User Building, Mundra Port, Mundra, Gujarat – 370421 for his act and omission as discussed above, as to why penalty should not be imposed upon him under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act'1962.

**28.6** Also, **M/s Versatile Logistics through its proprietor** was called upon to show cause to the Additional/Joint Commissioner of Customs, 5B, Port User Building, Mundra Port, Mundra, Gujarat – 370421 for his act and omission as discussed above, as to why penalty should not be imposed upon him under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act'1962.

### **WRITTEN SUBMISSION AND PERSONAL HEARING**

**29.1** Shri Sudhakar.S. Director of M/s Skyfalcon Minerals And Chemicals Private Limited (**Noticee No. 2**) has submitted their written submission dated 21.04.2026 for M/s Skyfalcon Minerals And Chemicals Private Limited (**Noticee no. 1**), vide which they have requested for waiver of PH and interalia stated that the consignment may be allowed for re-export and while imposing fine and penalty, lenient view may be taken considering the substantial demurrage, detention, ground rent and financial hardship.

**29.2** M/s Continental Shipping Services (**Noticee no. 3**) and Ms. Shanmuga Jayashree, partner of M/s Continental Shipping Services (**Noticee no. 4**) through their authorized representative Shri Satish S. Sharma, Advocate, submit their written submission dated 29.06.2025 and Additional submission dated 16.07.2025, wherein they interalia stated that:

- The Noticees submit that M/s. Continental Shipping Services has authorised Shri Satish Maheshwari to carry out all day-to-day business activities and management of the Mundra Port Branch on her behalf. Shri Satish Maheshwari has been appointed as in-charge of the Mundra Port Branch, as Ms. Shanmuga Jayashree is located at and looking after the business at the Head Office in Hyderabad. Shri Satish Maheshwari has clarified in his statement dated 30.04.2024, in Questions No. 01 to 03, that he has been duly authorized. Additionally, the Noticee had also authorized two other employees viz. Sayed

Salim (G Card Holder) and C.N. Rajendra Kumar (F Card Holder), who work under the supervision and instructions of Shri Satish Maheshwari. Therefore, the Noticees submit that Ms. Shanmuga Jayashree / M/s. Continental Shipping Services does not have any knowledge and mens-rea in respect of the present case. Hence, the proposal to impose penalty under Section 112(a)/112(b)/114AA of the Customs Act, 1962 is unjust, unsustainable and contrary to the provisions of law.

- The Noticees submit that the authorized representative of the firm, Shri Satish Maheshwari, filed the Bills of Entry strictly as per the documents — copies of Invoices, Packing List and Bill of Lading — provided by the Importer. The Noticees further submit that as per the firm's policy, to be assured and careful about the nature of goods, they always opted for "First Check" of the consignment, and the same procedure was duly followed for the subject consignment as well. The Importer has also confirmed in their statements dated 29.08.2024 (to Questions No. 10 and 15) that they had submitted copies of the test report supplied by the overseas supplier, i.e., M/s. Chevron General Trading LLC and M/s. Swati Smart Ventures FZC, before the department.
- It is further submitted that the Importer stated in their statement to Question No. 10 that the Bill of Entry was filed on the basis of the order placed with the overseas supplier and the import documents provided by the Importer. The Importer specifically stated that they had ordered for Mixed Hydrocarbon Oil but the supplier had sent wrong items by mistake. Therefore, no knowledge of mis-declaration can be attributed to the CHA/Noticees.
- All the documents filed before the Customs were provided by the Importer, and the Noticees have not made any changes, alterations or modifications whatsoever to the documents and declarations made before the Customs. The Noticees acted purely on the basis of information and documents provided by the Importer.
- The Noticees deny the allegation that M/s. Versatile Logistics and M/s. Shri Krishna Logistics are sub-agents of the Noticee firm. It is submitted that these entities are independent persons/bodies carrying on business as per their own formations and constitutions. The only relationship between the Noticee firm and the said two entities is that they provide business for customs clearing, for which they charge/receive commissions from the Noticee.
- *They further submitted that it is settled position in law that a Custom Broker is not liable to any penalty once there is nothing contrary to challenge the fact*

that he had prepared and filed bill of entry on the basis of documents placed in his hands by the importer; that Penalty under Sections 112 and 114AA cannot be imposed in the absence of evidence of mens-rea or conscious knowledge of mis-declaration, that the custom broker acted as a facilitator based on documents provided by the importer, and cannot be held liable for omission or commission rendering goods confiscable. Therefore, unless evidence of prior knowledge and wrongful intent is established, the CHA cannot be penalised under the said sections.

**29.2.1** Shri Vikas Mehta, Consultant, appeared for personal hearing on 26.11.2025 on behalf of M/s. Continental Shipping Services and Chemicals Pvt Ltd. and Ms Shanmuga Jayashree, partner of M/s Continental Shipping Services. He reiterated the written submission and prayed for dropping the charges and Show Cause Notice.

**29.3** M/s Krishna Logistics (**Noticee no. 5**) through their authorized representative Ms. Rashmi A. Yati, Advocate submit their written submission dated 12.05.2025 and Additional submission dated 23.07.2025, wherein they interalia stated that:

- They had given authority to Shri Satish Maheshwari to do all business activities on her behalf as she was unable to conduct the business due to her health issues and that she therefore does not have any knowledge in respect of the present case. The noticee has further submitted that her proprietorship was merely forwarding custom clearance work to M/s Continental Shipping Services as her proprietorship does not possess a CHA or CB licence to do custom clearance work and that she was therefore only forwarding work to the CHA and charging fees for facilitating the same which is no offence under the provisions of the Customs Act, 1962.
- The noticee has submitted that penalty under Section 112 cannot be imposed unless evidence is adduced to show prior knowledge of fraud and wrongful intent. The noticee has submitted that she is neither a CHA firm nor an importer but was only acting through Shri Satish Maheshwari as a facilitator to the CHA and that whatever documents or information

received from the importer were passed to the CHA without any modifications or alterations and that therefore penalty under section 112 and 114AA cannot be imposed on them.

- It is submitted that, the penalty under Section 112 and 114AA cannot be imposed as held in the case of “M/s. M S Exim Services Vs. C.C. Ludhiyana, Custom Appeal No. 60417 of 2020 by the Hon’ble CESTAT (Chandigarh)”, that “the penalty under section 112 and 114AA cannot be imposed in absence of evidence of mens- rea or conscious knowledge of mis-declaration, the custom broker acted as facilitator based on documents provided by importer and cannot be held liable for omission or commission rendering goods confiscable”. Therefore, unless evidence to show prior knowledge and wrongful intent, the CB cannot be penalised in abovesaid two sections. Hence, the SCN dated 28.01.2025 be dropped.

**29.3.1** Ms. Rasmi Yati, Advocate, appeared for personal hearing on 11.07.2025 through virtual mode, on the behalf of M/s Krishna Logistics. During the hearing she stated that a detailed reply to the show cause notice will be submitted.

**29.4** Shri Satish Maheshwari of M/s Krishna Logistics (**Noticee no. 6**) through their authorized representative Ms. Shraddha S. Jaiswal, Advocate, submit their written submission dated 29.06.2025 and Additional submission dated 22.07.2025, wherein they interalia stated that:

- The noticee has submitted that he had valid authorization granted by M/s Continental Shipping Services and M/s Krishna Logistics to conduct customs clearance services on their behalf and that the said authorization letter was already submitted to the department at the time of investigation. The noticee has further submitted that M/s Versatile Logistics were kept in loop for forwarding and approval of documents without any changes and that whatever documents were provided by the importer were placed before the department only after approval of the importer. The noticee has also submitted that the allegation that he forwarded checklists which facilitated the misclassification and clearance of restricted goods is unjust and untenable as he filled the Bill of Entry as per the documents namely copy of

invoice, packing list and bill of lading provided by the importer.

- The noticee has submitted that penalty under Section 112 cannot be imposed unless evidence is adduced to show prior knowledge of fraud and wrongful intent. The noticee has submitted that he is merely an authorized representative operating on behalf of the CHA firm and that he neither had knowledge nor had any reason to believe that the goods are liable to confiscation or about any misclassification and filed the BE as per the documents provided by the importer. Therefore penalty under Section 112 cannot be imposed upon him.
- The noticee has submitted that penalty under Section 114AA cannot be imposed in the present case and that he has not done anything contrary to the Act knowingly and that all information, documents and checklists were forwarded only after confirmation from the importer and that consignment clearance was done after approval of the Custom Authority, therefore the imposition of penalty under Section 114AA is untenable, unjust and illegal.
- It is submitted that his client is not liable for any penal action as proposed as no cogent, corroborative evidence has been produced by the department in support of their case. Further, there is no reason, basis, justification and evidence on record to even remotely suggests mens-rea which is an important ingredient to impose penalty under section 112 and 114AA of the Customs Act, 1962.

**29.5** M/s Versatile Logistics, proprietor Shri Ravindra Sawant (**Noticee no. 7**) through their authorized representative Ms. Rashmi A. Yati, Advocate, submit their written submission dated 08.03.2025 and Additional submission dated 23.07.2025, wherein they interalia stated that:

- It is submitted that the noticee has acted only as a middleman between the importer and the CHA i.e. M/s. Continental Shipping Services and M/s. Krishna Logistics. The role of M/s. Versatile Logistics was strictly limited to exchanging documents between the CHA and the importer. The noticee neither prepared nor made any changes to the documents which

were exchanged between the CHA and the importer. The noticee has essentially acted as a delivery person or courier for the documents exchanged between the CHA and the importer, and beyond this, there is no role whatsoever of the noticee in the present case.

- It is submitted that the noticee neither had any knowledge nor had any reason to believe that the goods were liable for confiscation or that any false information was involved in the present transaction. It is further submitted that no document whatsoever has been produced by the department against the noticee to substantiate the allegations made against him in the SCN.
- It is submitted that the department has alleged that the noticee was involved in customs clearance work though he was not eligible for the same. The noticee categorically submits that he never appeared before the customs authorities on behalf of the importer, nor was the importer ever appointed or authorised the noticee to act as their CHA or to appear before the customs authorities.
- It is submitted that the department has proposed penalty against the noticee under Section 112(a) and/or 112(b) of the Customs Act, 1962. It is well settled law that penalty under Section 112 of the Customs Act, 1962 cannot be imposed unless cogent and corroborative evidence is adduced to show prior knowledge of fraud and wrongful intent on the part of the noticee. In the present case, there is no reason, basis, justification, or evidence on record to even remotely suggest mens rea, which is an important and essential ingredient for imposing such penalty. Since no such evidence exists, the proposed penalty under Section 112 or 114AA are liable to be dropped against the noticee.

**29.5.1** Ms. Rasmi Yati, Advocate, appeared for personal hearing on 11.07.2025 through virtual mode, on the behalf of M/s. Versatile Logistics. During the hearing she stated that a detailed reply to the show cause notice will be submitted.

### **DISCUSSION AND FINDINGS**

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

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

- (i) The declared classification of the impugned goods i.e. Kerosene having total quantity **1227.360 MTs** mis-declared as Mix Hydrocarbon Oil under Customs Tariff Item 27101990 under Bill of entry no. 9788488, 9788473, 9788468, 2088871, and 2088881; should not be rejected/denied and re-classified under the Customs Tariff Item 27101932
- (ii) The declared classification of the impugned goods i.e. Gas Oil having a total quantity **1794.610 MTs** mis-declared as Mix Hydrocarbon Oil under Customs Tariff Item 27101990 under Bill of entry no. 9788466, 9788470, 9788474, 9788476, 9788487, 2040130 and 2087386; should not be rejected/denied and re-classified under the Customs Tariff Item 27101941.
- (iii) Kerosene and Gas oil sought to be imported by them in 156 containers pertaining to 12 Bills of entry having declared value of **Rs. 12,98,45,290/-** seized under Section 110 of the Customs act'1962 vide Seizure Memorandums dated 07.05.2024, 27.05.2024 and 13.09.2024 lying seized at Mundra Port should not be confiscated under Section 111(d), 111(f), 111(l) & 111(m) of the Customs Act,1962.
- (iv) Penalty should not be imposed upon **M/s Skyfalcon Minerals And Chemicals Private Limited**, under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act'1962.

- (v) Penalty should not be imposed upon **Shri Sudhakar. S.** Director of M/s Skyfalcon Minerals And Chemicals Private Limited, **M/s Continental Shipping Service, Ms. Shanmuga Jayashree**, Partner M/s Continental shipping Services, **M/s Krishna Logistics, Shri Satish Maheshwari** of M/s Krishna Logistics, **M/s Versatile Logistics** through its proprietor, under Section 112(a) and/or 112(b) and/or 114AA of the Customs Act'1962.

**31.** I find that as per intelligence, M/s Skyfalcon Minerals And Chemicals Private Limited was importing restricted products falling under Customs Tariff Heading (CTH) 2710 which, as per the import policy can be imported by State Trading Enterprises (STEs) only. All goods, import of which is permitted only with an Authorisation /Permission/ License or in accordance with the procedure prescribed in a notification / public notice are 'Restricted' goods. Restricted items are importable under certain conditions with the necessary approvals from the relevant competent authority. According to intelligence, the said entities were resorting to the said illicit import by mis-declaring the consignments as "*Mix/Mixed Hydrocarbon Oil (MHO) Or Mixed Hydrocarbon Oil (For Industrial Use Only)*" and mis- classifying them under Customs Tariff Item(CTI) 27101990 wherein the import as per the import policy is "*Free*". Acting of the said intelligence, 112 containers covered under 8 Bills of Entry pertaining to the importer were put on hold on 29.01.2024 by DRI Noida Regional Unit for examination by officers of DRI. The said containers were subjected to examination under panchnama on 01.02.2024, 02.02.2024 & 03.02.2024. The details of the consignments as per the documents provided are detailed as under:

S. No	Bill Of Entry No	No Of Cont.	Goods Description (as per Bill of Entry)	Name of the Supplier (as per Bill of Entry)	Chapter Heading (as per Bill of Entry)	Ass. Value (In Rupees)	Gross Weight (KGs)
1	9788466 Dt. 23.01.2024	12	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Chevron General Trading LLC	27101990	1,00,13,714/-	233050
2	9788470 Dt. 23.01.2024	12		M/s Swathi Smart	27101990	1,00,21,952/-	233240
3	9788488 Dt. 23.01.2024	16	Mixed Hydrocarbon Oil (For		27101990	1,31,52,891/-	306150

4	9788473 Dt. 23.01.2024	16	Industrial Use Only)	Ventures FZC	27101990	1,32,10,992/-	307490
5	9788474 Dt. 23.01.2024	16			27101990	1,33,79,658/-	311380
6	9788476 Dt. 23.01.2024	12	Mixed Hydrocarb on Oil (For Industrial Use Only)	M/s Chevron General Trading LLC	27101990	99,80,762/-	232290
7	9788487 Dt. 23.01.2024	16	Mixed Hydrocarb on Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	27101990	1,33,09,850/-	309770
8	9788468 23-01-2024	12	Mixed Hydrocarb on Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	27101990	98,84,505/-	230070
<b>TOTAL</b>						9,29,54,324/-	2163440

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



(Pictures of the flexibag containers in the consignment)



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

**31.2** I find that representative samples were drawn from one randomly selected container per Bill of Entry. The samples were drawn in triplicate from the containers and were sent to the lab of IOCL, Panipat for testing purpose. The details of the samples sent to the IOCL Lab are as detailed below:

S.No	Bill Of Entry No and date	Sample No
1	9788466 Dt. 23.01.2024	SA2-344923
2	9788470 Dt. 23.01.2024	SE1-344700
3	9788488 Dt. 23.01.2024	SB3-344703
4	9788473 Dt. 23.01.2024	SD2-344693
5	9788474 Dt. 23.01.2024	SC3-344720
6	9788476 Dt. 23.01.2024	SG3-344699
7	9788487 Dt. 23.01.2024	SF2-344695
8	9788468 Dt. 23-01-2024	SH3-344711

**31.3** I find that 44 more containers of the importer, covered under 4 bills of entry viz. 2040130 Dt. 08/02/24, 2087386 Dt. 10/02/24, 2088871 Dt. 10/02/24 and 2088881 Dt. 10/02/24 were also put on hold at Mundra port as they were also suspected to contain similar restricted goods such as Automotive Diesel Fuel, Gas Oil or Kerosene as per IS:1459. The details of the consignments as per the documents provided are detailed as under:

S. NO	Bill Of Entry No	No. of Cont.	Goods Description (as per Bill of Entry)	Name of the Supplier (as per Bill of Entry)	Chapter Heading (as per Bill of Entry)	Ass. Value (In Rupees)	Gross Weight (KGs)
1	2040130 Dt. 08/02/24	12	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	27101990	1,02,02,759/-	237410
2	2087386 Dt. 10/02/24	12	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	27101990	1,02,05,360/-	237470
3	2088871 Dt. 10/02/24	10	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	27101990	82,39,906/-	191790
4	2088881 Dt. 10/02/24	10	Mixed Hydrocarbon Oil (For Industrial Use Only)	M/s Swathi Smart Ventures FZC	27101990	82,42,941/-	191860
<b>TOTAL</b>						3,68,90,966/-	858530

**31.4** I find that during the course of the examination, it was observed that Flexi bags containing yellow colored liquid substance were kept inside these containers also. Representative samples were also similarly drawn from one randomly selected container per Bill of Entry. The samples were drawn in triplicate from the containers and were sent to the lab of CRCL, Vizag for testing purpose. The details of the

samples sent to the CRCL are as detailed below:

S.No	Bill Of Entry No and date	Sample No
1	2040130 Dt. 08/02/24	SMD3- A217701
2	2087386 Dt. 10/02/24	SMB1- A217714
3	2088871 Dt. 10/02/24	SMC2- A217709
4	2088881 Dt. 10/02/24	SMA1- A217684

**31.5** I find that IOCL, Panipat tested the samples of the 8 bills of entry and CRCL, Vizag tested the samples of the 4 Bills of Entry as mentioned above, and submit the reports as detailed below:

Sl. No.	Bill of Entry No.	Date of Bill of Entry	No. of containers	Product description as per the analysis of the Test report
1.	9788466	23.01.2024	12	Gas Oil
2.	9788470	23.01.2024	12	Gas Oil
3.	9788488	23.01.2024	16	Kerosene conforming to standard IS 1459
4.	9788473	23.01.2024	16	Kerosene conforming to standard IS 1459
5.	9788474	23.01.2024	16	Gas Oil
6.	9788476	23.01.2024	12	Gas Oil
7.	9788487	23.01.2024	16	Gas Oil
8.	9788468	23.01.2024	12	Kerosene conforming to standard IS 1459
9.	2040130	08.02.24	12	Gas Oil
10.	2087386	10.02.24	12	Gas Oil
11.	2088871	10.02.24	10	Kerosene conforming to standard IS 1459
12.	2088881	10.02.24	10	Kerosene conforming to standard IS 1459

**31.6** In view of the Test Reports, I find that the imported goods were mis-declared as “Mixed Hydrocarbon Oil” and mis-classified under CTH: 27101990 instead of CTH: 27101941 and CTH:27101932 by the importer with the intent of importing “Gas Oil” and “Kerosene as per IS:1459” which are restricted commodities and *can be imported by STEs only as per the import policy as brought out above*. As a result, it is evident that they attempted to import the restricted commodities by mis-declaring the same and as the goods imported under the aforementioned Bills of Entry at Mundra Port, goods are liable for confiscation under the provisions of Section 111 of the Customs Act, 1962, accordingly, the consignments were seized vide Seizure memos as detailed below:

S.No	Bill Of Entry No and Date	Seizure Memo DIN no.	Seizure date
1	9788466 Dt. 23.01.2024	202405DDZ8000000C274	27.05.2024
2	9788470 Dt. 23.01.2024		
3	9788474 Dt. 23.01.2024		
4	9788476 Dt. 23.01.2024		
5	9788487 Dt. 23.01.2024		
6	9788468 Dt. 23.01.2024	202405DDZ8000000AD11	07.05.2024
7	9788488 Dt. 23.01.2024		
8	9788473 Dt. 23.01.2024		
9	2040130 Dt. 08.02.2024	202409DDZ8000000FB45	13.09.2024
10	2087386 Dt. 10.02.2024		
11	2088871 Dt. 10.02.2024	202409DDZ8000000B833	13.09.2024
12	2088881 Dt. 10.02.2024		

**31.7** I further find that as the investigation and other proceedings of the case could not be completed within the stipulated period of six months, an extension of further six months was sought from the Competent Authority which was accordingly granted vide letter dated 27.07.2024 for the 8 bills of entry viz ,9788466 Dt. 23.01.2024, 9788470 Dt. 23.01.2024, 9788488 Dt. 23.01.2024, 9788473 Dt. 23.01.2024, 9788474 Dt. 23.01.2024, 9788476 Dt. 23.01.2024, 9788487 Dt. 23.01.2024, 9788468 Dt. 23-01-2024 while for the remaining 4 bills of entry viz.2040130 Dt. 08/02/24, 2087386 Dt. 10/02/24, 2088871 Dt. 10/02/24, 2088881 Dt. 10/02/24 extension was granted vide letter dated 14.08.2024.

**32.** From the test report, I find that the samples drawn from consignments pertaining to 7 BEs viz-9788466, 9788470, 9788474, 9788476, 9788487, 2040130 and 2087386 conform to limits stipulated in IS: 17789:2022 specifications which pertains to the Indian Standard of Gas Oil, while the consignments pertaining to the remaining 5 BOEs 9788488, 9788473, 9788468, 2088871 and 2088881 conform to specification of IS:1459 which pertains to Kerosene. The items viz kerosene and Gas Oil are restricted and can be imported by the State Trading Enterprises(STEs) only.

**32.1** In the light of the parameters of the Test Reports of the IOCL and CRCL, I find that the goods imported under BEs 9788466, 9788470, 9788474, 9788476, 9788487, 2040130 and 2087386 are liable to be classifiable under CTH: 27101941 under the description Gas Oil while the goods imported under BEs

9788488, 9788473, 9788468, 2088871 and 2088881 are liable to be classifiable under CTH 27101932 under the description of Kerosene conforming to standard IS 1459. The relevant description of CTH 27101941 and 27101932 as per Customs Tariff Act'1985 are as below:

**Chapter Heading 27101941**

27101939	--- Aviation turbine fuels, kerosene type conforming to standard IS 1571	kg.	5.00	5.00	---	11.00	0.50	17.105	State Trading Enterprises	Exemption: See Ntfn 52/2017-Cus. dated 30.06.2017 Import as per Policy Condition (5) of Chapter 27 ACD Nil by Ntfn 32/2022-Cus. Excise Duty by Ntfn 11/2017-CE dated 30.06.2017
--- Gas oil and oils obtained from gas										
27101941	--- Gas oil	kg.	5.00	5.00	---	18.00	0.50	24.490	State Trading Enterprises	Import as per Policy Condition (5) of Chapter 27
27101942	--- Vacuum gas oil	kg.	5.00	5.00	---	18.00	0.50	24.490	State Trading Enterprises	Import as per Policy Condition (5) of Chapter 27
27101943	--- Light diesel oil conforming to standard IS 15770	kg.	5.00	5.00	---	18.00	0.50	24.490	State Trading Enterprises	Import as per Policy Condition (5) of Chapter 27

**Chapter Heading 27101932**

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Section V Chapter 27										
HS CODE (1)	ITEM DESCRIPTION (2)	UNIT (3)	BASIC (4)	EFFECTIVE (5)	PRE. (6)	IGST (7)	SWS (8)	TOTAL (9)	POLICY (10)	REMARKS (11)
27101290	--- Other	kg.	5.00	5.00	---	14% + Rs. 15 per litre			State Trading Enterprises	Import as per Policy Condition (5) of Chapter 27
27101919	--- Other:									
27101920	--- Solvent 125/240 (petroleum hydrocarbon solvent) as specified under standard IS 1745	kg.	5.00	5.00	---	18.00	0.50	24.490	State Trading Enterprises	Import as per Policy Condition (5) of Chapter 27
	--- Kerosene intermediate and oils obtained from kerosene intermediate:									
27101931	--- Kerosene intermediate	kg.	5.00	5.00	---	18.00	0.50	24.490	State Trading Enterprises	Import as per Policy Condition (5) of Chapter 27
27101932	--- Kerosene conforming to standard IS 1459	kg.	5.00	5.00	---	18.00	0.50	24.490	State Trading Enterprises	Import as per Policy Condition (5) of Chapter 27

**32.2** Further, I find that as per ITC(HS), 2022, Schedule 1: Import Policy, Section V: Mineral Products, Chapter 27: Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes: Goods falling under the description of “Kerosene intermediate and oils obtained from kerosene intermediate: -- Kerosene conforming to standard IS 1459” and “Gas Oil”, the import policy makes the goods restricted by way of importation by State Trading Enterprises only by virtue of Policy Condition No. 5. The screenshots of

the relevant extracts are as below:

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

### **Product Description and Import Policy**

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

**32.3 Policy Condition (5) of Chapter 27 of ITC (HS) Import Policy:** As per Policy Condition 5 of Chapter 27, only State Trade enterprises can import the said goods. The said policy was amended by Notification No. 27/2015-2020 dated 16.09.2021. The same is produced below:

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

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

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

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

Existing Policy Condition	Revised Policy Condition
Import allowed through IOC subject to para 2.20 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of Ministry of P and NGs Resolution No. P23015/1/2001-MKT. Dated 8.3.2002 including HPCL, BPCL and IBP who have been marketing transportation fuels before this date.	Import allowed through IOC subject to para 2.20 of Foreign Trade Policy, except for the companies who have been granted rights for marketing of transportation fuels in terms of MoP&NG Resolution No. P-23015/1/2001-MKT dated 08.03.2002 for products excluding gasoline conforming to standard IS 2796 (ITC HS Code: 27101241) and Automotive diesel fuel, not containing biodiesel, conforming to standard IS 1460 (ITC HS Code 27101944) which would be allowed to be imported by entities in terms of MoPNG Resolution No. P-12029(11)/2/2018-OMC-PNG dated 08.11.2019”.

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

**32.4** From above, it is seen that import of restricted goods is allowed subject to para 2.20 of Foreign Trade Policy (now para 2.21 of FTP) and the same is produced below:

“2.20 State Trading Enterprises (STEs)

(a) *State Trading Enterprises (STEs) are governmental and nongovernmental 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 to*

*compete for participation in such purchases or sales.*

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

**32.5** I find that in the instant case, the importer M/s Skyfalcon Minerals And Chemicals Private Limited is neither a STE (State Trading Enterprise) nor any authorisation has been granted by DGFT to the Importer for import of said restricted goods.

**32.6** I find that M/s Skyfalcon Minerals And Chemicals Private Limited also violated the provisions of Petroleum Act, 1934. The goods were imported in gross violation of the said provisions. The Petroleum Act, 1934, classifies petroleum products into 3 categories based on their flash points as detailed below:

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

As per the above mentioned all Test report, the Flash Point was reported in the range of 47.0 °C to 58.0 °C. Therefore, the goods are petroleum product of Class B. The Petroleum Act and the Petroleum Rules, 2002, mandate the use of appropriate containers for the storage and transport of such products and to be certified as per PESO standards. Flexi bags are not suitable for carrying Class B petroleum products because they do not meet the stringent safety standards for the containment of flammable liquids. The use of Flexi bags, which are typically not compliant with these safety norms, violates this requirement.

In reference to above, Public Notice no. 08/2024 dated-27.09.2024 was also issued by the Principal Commissioner, Mundra Customs. As per Public Notice no. 08/2024 dated-27.09.2024 and Petroleum Rules, 2002 framed under Petroleum Act, 1934, it is clear that flexi bags fitted in general purpose 20 feet containers are not covered under the definition of container falling under Petroleum Rules, 2002. Hence, the goods imported above in Flexi Bags are in violation of the Public Notice No. 08/2024 read with Petroleum Rules, 2002.

**32.7** I find that the provisions of Section 17 (1) of the Customs Act, 1962 read with Section 2 (2) Customs Act, 1962 and CBIC Circular No. 17/2011-Customs dated 08.04.2011 lay down onus on the importer and the CHAs to determine duty, classification etc. by way of self-assessment. The importer, at the time of self-assessment, is required to ensure that he declared the correct classification, applicable rate of duty, value, benefit of exemption notifications claimed, if any, in respect of the imported goods while presenting the Bill of Entry. By furnishing incorrect and wrong information in the import documents, I find that M/s Skyfalcon Minerals And Chemicals Private Limited have violated the provisions of the said Section 17(1) read with Section 2(2) of the Customs Act'1962. Further, in terms of Section 46(4) of the Customs Act, 1962, the importer has to certify the truth of the contents of the Bills Entry. In the instant case, the importer was fully aware of the actual goods imported by them. In as much as the importer in his voluntary statements accepted the test reports of the goods imported under subject bills of entry. Also on being shown with the Test Reports, Shri Sudhakar.S. accepted that they had mis- declared the description imported under subject bills of entry before the custom authorities. Thus, in view of the facts discussed in the foregoing paras and material evidences available on records, the importer has contravened the provisions of Section 46(4) and 46(4A) of the Customs Act, 1962, in as much as they had intentionally mis-declared the description of the goods imported by them with a malafide intention to import a restricted good under the garb and guise of a freely importable good.

**32.8** Since the consignments consisting of 156 containers (fitted with flexi bag) pertaining to 12 BEs were imported by way of mis-declaration and mis-classification as Mixed Hydrocarbon Oil but on testing the same were found to be Kerosene and Gas Oil and the same are restricted in terms of Policy condition 5 to Chapter 27 and only STE or any other person authorized by DGFT, are allowed to import these restricted products. Further, the goods, being 'Class B' petroleum product, attempted to be imported in non-certified Flexi Bags, leading to violation of Petroleum Rules, 2002. Accordingly, in the manner as discussed above and in contravention of Section 17 (1), Section 46(4) and 46(4A), I find that the said act of omission and commission on the part of the importer has made the imported goods vide above said BE's liable for confiscation under **Section 111 (d), 111(f), 111(l) and 111(m)** of the Customs Act, 1962 *ibid*.

**32.9** As I have already held these goods liable for confiscation in previous para under Section 111 of the Customs Act, 1962, I find it necessary to consider as to whether redemption fine under Section 125 of Customs Act, 1962, is liable to be imposed in lieu of confiscation in respect of the impugned goods. The Section 125 ibid reads as under:-

*“Section 125. Option to pay fine in lieu of confiscation.—(1) Whenever confiscation of any goods is authorised by this Act, the officer adjudging it may, in the case of any goods, the importation or exportation whereof is prohibited under this Act or under any other law for the time being in force, and shall, in the case of any other goods, give to the owner of the goods 1[or, where such owner is not known, the person from whose possession or custody such goods have been seized,] an option to pay in lieu of confiscation such fine as the said officer thinks fit.”*

**32.9.1** A plain reading of the above provision shows that imposition of redemption fine is an option in lieu of confiscation. It provides for an opportunity to owner of confiscated goods to redeem the goods by paying redemption fine. The importer during the investigation period has requested permission for re-export of the goods. The importer has also waived the right of personal hearing and has not disputed the laboratory test report. Section 125 of the Customs Act, 1962 empowers the adjudicating authority, in cases where goods are liable to confiscation, to grant an option to redeem the goods on payment of fine in lieu of confiscation. In the present case, the goods have remained under customs control and have not been cleared for home consumption. The importer, vide request letter dated 21.04.2026, has sought re-export and has not pressed for clearance into the domestic market. I observe that confiscation must follow as a consequence of statutory violation.

**32.9.2** I find that import of certain petroleum products, including diesel and related products, is canalized through State Trading Enterprises and requires authorization, which the importer admittedly does not possess. Thus, the issue that arises is not one of absolute prohibition of the goods per se, but of non-fulfilment of the statutory and policy conditions governing their import. In the present case, the importer has failed to obtain the requisite authorization and

has thus not satisfied the mandatory pre-conditions for import and clearance of the goods for home consumption. Therefore, the infirmity lies in the importer's failure to comply with the prescribed statutory conditions. In the absence of fulfilment of these essential conditions, the goods cannot be permitted to be cleared into the domestic market.

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

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

**33. Submission by Noticees regarding non-applicability of penalty under Section 112 and 114AA of the Customs Act, 1962.**

I have carefully gone through all the facts of the case, the material evidence on record, the voluntary statements of all the Noticees recorded under Section 108 of the Customs Act, 1962, the test reports of IOCL Panipat and CRCL Vizag, and the written submissions made by the Noticees in response to the Show Cause Notice. Accordingly, I find that the submission of the Noticees that penalty under Section 112 and Section 114AA of the Customs Act, 1962 is not imposable upon them is factually incorrect, misleading and is a deliberate attempt to wriggle out of their liability established clearly by the material

evidence on record and their own voluntary statements recorded under Section 108 of the Customs Act, 1962 renders their submissions devoid of any merit and liable to be rejected. It would now be appropriate to lift the veil on the role of each Noticee individually and the same is being discussed and justified hereinafter noticee-wise.

### **Discussion on imposition of penalties on Noticees**

#### **34. M/s Skyfalcon Minerals And Chemicals Private Limited:**

**34.1** I find from the investigation and material on record that M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. deliberately and knowingly resorted to illicit import of restricted petroleum products namely Kerosene and Gas Oil by way of mis-declaration of the same as "Mixed Hydrocarbon Oil (MHO)" and mis-classifying them under CTH 27101990 which pertains to "Others" and under which the import policy is "Free", instead of the correct classification under CTH 27101932 pertaining to "Kerosene conforming to standard IS 1459" and CTH 27101941 pertaining to "Gas Oil", both of which are restricted commodities importable only by State Trading Enterprises such as IOCL, HPCL, BPCL and IBP. M/s Skyfalcon Minerals and Chemicals Pvt. Ltd., being fully aware of the said restriction, deliberately devised a modus operandi in collusion with the CHA namely M/s Continental Shipping Services, their sub-agents M/s Krishna Logistics and M/s Versatile Logistics, and overseas suppliers namely M/s Chevron General Trading LLC and M/s Swathi Smart Ventures FZC, Dubai, to import the said restricted goods under the guise of freely importable goods. In furtherance of the said modus operandi, fabricated and fudged invoices, packing lists and chemical analysis reports were submitted wherein the goods were falsely declared as "Mixed Hydrocarbon Oil (For Industrial Use Only)" so as to circumvent the applicable import restrictions. The goods were imported in 156 containers under 12 Bills of Entry at Mundra Port having a declared value of Rs. 12,98,45,290/- and were seized vide seizure memos dated 07.05.2024, 27.05.2024 and 13.09.2024. The importer also violated the provisions of the Petroleum Act, 1934 by importing hazardous Class B petroleum products in unsafe Flexi bags in complete disregard of the safety norms mandated under the Petroleum Rules, 2002, thereby endangering public safety and the environment.

**34.2** In his voluntary statement recorded on 29.08.2024 under Section 108 of the Customs Act, 1962, Shri Sudhakar S., Director of M/s Skyfalcon Minerals and Chemicals Pvt. Ltd., admitted that on perusal of the test reports of IOCL Panipat and CRCL Vizag, he agreed with the parameters and conclusions of the said reports which confirmed the goods as Kerosene and Gas Oil. He further admitted that the description given in the Bills of Entry and the conclusions of the test reports were different, thereby acknowledging the misdeclaration. He also admitted that the correct classification of the goods was under CTH 27101932 and CTH 27101941 and not under CTH 27101990 as declared in the Bills of Entry. He further admitted that Kerosene and Gas Oil are restricted items and can only be imported by State Trading Enterprises. By furnishing false and incorrect declarations in the Bills of Entry, M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. contravened the provisions of Section 17(1), Section 46(4) and Section 46(4A) of the Customs Act, 1962. They deliberately withheld key documents including buyer-seller agreements, export declarations and details of the refinery from which the goods originated, so as to prevent identification of the actual goods imported by them. The act of deliberately mis-declaring and mis-classifying restricted goods with intent to import the same in the guise of freely importable goods tantamounts to smuggling as defined under Section 2(39) of the Customs Act, 1962. Accordingly, M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. has rendered itself liable for imposition of penalty under **Sections 112(a)(i)**.

I find that imposition of penalty under Section 112(a) and 112(b) simultaneously tantamount to imposition of double penalty, therefore, I refrain from imposition of penalty under Section 112(b) of the Act.

Further, M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. knowingly and intentionally filed Bills of Entry containing false and incorrect declarations in material particulars namely description and classification of goods, and further caused to be used fabricated invoices, packing lists and chemical analysis reports in support thereof, as admitted by Shri Sudhakar S. in his voluntary statement dated 29.08.2024, thereby rendering themselves liable for penalty not exceeding five times the value of goods under **Section 114AA** of the Customs Act, 1962.

**35. Shri Sudhakar.S., Director, M/s Skyfalcon Minerals & Chemicals Pvt. Ltd.**

**35.1** I find that Shri Sudhakar S., as the Director of M/s Skyfalcon Minerals and Chemicals Pvt. Ltd., was the person who looked after the overall work related to the firm as admitted by him in his voluntary statement recorded on 29.08.2024 under Section 108 of the Customs Act, 1962, and was therefore the primary driving force behind the entire modus operandi of importing restricted petroleum products namely Kerosene and Gas Oil under the guise of "Mixed Hydrocarbon Oil" at Mundra Port. It is he who placed orders with the overseas suppliers namely M/s Chevron General Trading LLC and M/s Swathi Smart Ventures FZC telephonically over mobile phone and finalized payment terms with them. He admitted in his statement that he did not have any literature or standard defining the parameters of Mixed Hydrocarbon Oil and that the classification was decided by the CHA, thereby establishing that the declaration made in the Bills of Entry had no legitimate basis whatsoever. He further admitted that no buyer-seller agreement existed with the overseas suppliers and he was also not aware of the source of procurement of the alleged MHO by the overseas supplier, and that all communication with the supplier happened telephonically leaving no documentary trail. He also failed to provide documents such as buyer-seller agreement, details of refinery from where the goods originated, copies of communication with the supplier and export declaration forms, which were called for during the course of investigation, so as to prevent identification of the actual commodity imported by him. Though he attempted to shift the blame on the overseas supplier by claiming that the supplier sent wrong items by mistake, I find that there is no clarification from the supplier on record, suggests that the consignment was as per the orders placed by M/s Skyfalcon Minerals and Chemicals Pvt. Ltd.

**35.2** The central role of Shri Sudhakar S., in the entire illicit import operation, is further corroborated by the statements of other notices such as Shri Satish Maheshwari of M/s Krishna Logistics in his voluntary statement dated 07.08.2024 stated that the Bills of Entry were filed on the basis of documents and information provided by the importer. Further, Shri Ravindra Sawant of M/s Versatile Logistics in his voluntary statement dated 15.01.2025 confirmed that it was Shri Sudhakar S. who contacted M/s Versatile Logistics for

facilitating the import clearance of Mix Hydrocarbon Oil at Mundra Port. Ms. Shanmuga Jayashree, Partner of M/s Continental Shipping Services, in her voluntary statement dated 03.10.2024 confirmed that the import documents were forwarded by the importer to M/s Krishna Logistics for customs clearance.

**35.3** From above, I find that Shri Sudhakar S. as the Director looking after the overall work of M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. was responsible for the acts of mis-declaration and misclassification of restricted goods namely Kerosene and Gas Oil which directly rendered the said goods liable to confiscation under Section 111(d), (f), (l) and (m) of the Customs Act, 1962. As established from his own admission in his voluntary statement dated 29.08.2024 as well as from the statements of Shri Satish Maheshwari dated 07.08.2024, Ms. Shanmuga Jayashree dated 03.10.2024 and Shri Ravindra Sawant dated 15.01.2025, the said goods being restricted commodities are deemed to be prohibited goods in terms of Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 2(33) of the Customs Act, 1962, and therefore penalty is imposable upon him under **Section 112(a)(i)** of the Customs Act, 1962.

I find that imposition of penalty under Section 112(a) and 112(b) simultaneously tantamount to imposition of double penalty, therefore, I refrain from imposition of penalty under Section 112(b) of the Act.

Further, Shri Sudhakar S. knowingly and intentionally caused to be made, signed and used false and incorrect declarations in the Bills of Entry in material particulars namely description and classification of goods, and further caused to be used fabricated invoices, packing lists and chemical analysis reports issued by overseas suppliers in support thereof. Thereby rendering him liable for penalty not exceeding five times the value of goods under **Section 114AA** of the Customs Act, 1962.

### **36. M/s Continental Shipping Services**

**36.1** I find that M/s Continental Shipping Services, as the licensed Customs House Agent, was not merely a passive facilitator but an active and willing

participant in the illicit import of restricted petroleum products namely Kerosene and Gas Oil under the deliberate mis-declaration of "Mixed Hydrocarbon Oil" by M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. Their active role and involvement in the illicit import is corroborated by the statements of multiple notices. Shri Satish Maheshwari of M/s Krishna Logistics in his voluntary statement dated 07.08.2024 admitted that M/s Continental Shipping Services raised bills depending on the items imported and that for MHO the charges were Rs. 2,500/- per container, Rs. 2,000/- for Base oil and Rs. 1,500/- for Black diesel, thereby establishing that M/s Continental Shipping Services was fully aware of the nature of goods being cleared by them. Shri Ravindra Sawant of M/s Versatile Logistics in his voluntary statement dated 15.01.2025 confirmed the entire chain of document flow from the importer through M/s Versatile Logistics to M/s Krishna Logistics and finally to M/s Continental Shipping Services for filing of Bills of Entry, thereby establishing that M/s Continental Shipping Services was an integral part of the entire modus operandi. Shri Sudhakar S. of M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. in his voluntary statement dated 29.08.2024 admitted that the classification of goods as Mixed Hydrocarbon Oil under CTH 27101990 was decided as per the discussions with the CHA and as per the general practice of the trade, thereby directly implicating M/s Continental Shipping Services in the decision of misclassification.

**36.2** I find that M/s Continental Shipping Services CHA of M/s Skyfalcon Minerals And Chemicals Private Limited allowed their respective sub-agents namely M/s Versatile Logistics and M/s Krishna Logistics to engage and conduct business of customs clearance on the basis of "F" card issued to M/s Continental Shipping Services in violation of obligation (b) of Regulation 10 of CBLR, 2018. They further allowed their Offices and infrastructure to be used by the sub-agents in this regard. Though the sub-agents have projected themselves as forwarding agents, they have been found to facilitate the clearance of the import consignments of M/s Skyfalcon Minerals And Chemicals Private Limited, by virtue of the 'F' card of M/s Continental Shipping Services. Further, the payment has been found to have not been received by the CHA M/s Continental Shipping Services but through the sub-agents after they have received their respective share. The employees of the sub-agents have also been found to be actively involved in the process of customs clearance like obtaining documents, deciding the classification of the goods with the importer in violation of the

obligation (b) of Regulations 10 of CBLR, 2018, as transaction of business in the Customs Station can be done either personally or through an authorized employees. The employees of sub-agents though not being authorized to conduct business were actively conducting customs clearance in disregard of the obligation. M/s Continental Shipping Services failed to advise their client as obligated vide obligation (d) of the Regulation 10 of CBLR, 2018, to comply with the provisions of the Act, other allied Acts and the rules and regulations. They did not advise them against importing restricted commodities by way misclassification and mis-declaration for not being qualified to do so. Further the restricted goods were imported in flexi bags in violation of the provisions of the Customs Act'1962 and the Petroleum Act'1934. M/s Continental Shipping Services also failed to comply with the obligation (e) of Regulations 10 of CBLR, 2018, as they failed to exercise due diligence to ascertain the correctness of the decorations and the details furnished in the import documents and the bill of entries. They also did not ask the importer to procure and file relevant supporting documents to enable identification of the goods. They did not advise the importer to get proper chemical report from the supplier. They have not fulfilled the obligation (q) of Regulation 10 of CBLR, 2018, as they did not cooperate with the Customs authorities during the course of the investigations and did not disclose vital information relating to the case on their own.

**36.3** M/s Continental Shipping Services by actively facilitating and abetting the mis-declaration and misclassification of restricted goods namely Kerosene and Gas Oil, filing false Bills of Entry on behalf of the importer, allowing unauthorized sub-agents to transact customs clearance business, and deciding the classification of goods as Mixed Hydrocarbon Oil under CTH 27101990 in collusion with the importer, committed acts which directly rendered the said goods liable to confiscation under Section 111(d), (f), (l) and (m) of the Customs Act, 1962. The said goods being restricted commodities are deemed to be prohibited goods in terms of Section 3(3) of the Foreign Trade (Development and Regulation) Act, 1992 read with Section 2(33) of the Customs Act, 1962, and therefore liable for penalty under **Section 112(a)(i)** of the Customs Act, 1962. I find that imposition of penalty under Section 112(a) and 112(b) simultaneously tantamount to imposition of double penalty, therefore, I refrain from imposition of penalty under Section 112(b) of the Act. Further, M/s Continental Shipping Services knowingly and intentionally filed Bills of Entry containing false and

incorrect declarations in material particulars and used fabricated invoices, packing lists and chemical analysis reports issued by overseas suppliers in support thereof without verifying their authenticity. The admission of Shri Sudhakar S. in his voluntary statement dated 29.08.2024 that the classification under CTH 27101990 was decided as per discussions with the CHA, clearly establish that M/s Continental Shipping Services knowingly and intentionally made and used false and incorrect declarations in the Bills of Entry, thereby rendering themselves liable for penalty not exceeding five times the value of goods under **Section 114AA** of the Customs Act, 1962.

**37. Ms. Shanmuga Jayashree, Partner M/s Continental shipping Services**

**37.1** I find that Ms. Shanmuga Jayashree, as the majority partner holding 80% share of M/s Continental Shipping Services, was the person who along with her husband looked after the overall work of M/s Continental Shipping Services as admitted by her in her voluntary statement recorded on 03.10.2024 under Section 108 of the Customs Act, 1962. She admitted that all the firms for whom M/s Continental Shipping Services provided customs clearance services at Mundra were associated with Shri Satish Maheshwari of M/s Krishna Logistics only, and that M/s Krishna Logistics only brings business and forwards documents for further customs related work to M/s Continental Shipping Services on the basis of oral and verbal understanding with no written agreement. She further admitted in her statement that no chemical test report from any authorized laboratory was provided by the importer and that only an analysis report on the letterhead of the supplier was provided, and she categorically admitted that M/s Continental Shipping Services did not insist upon the importer for any chemical analysis report or test report. She further admitted that the classification of goods under CTH 27101990 was decided on the basis of documents provided by the importer and discussion of employees of M/s Continental Shipping Services with the importer, without any supporting chemical analysis report from a competent laboratory. Her role in enabling the unauthorized involvement of sub-agents namely M/s Krishna Logistics and M/s Versatile Logistics is clearly established from her admission that all clients at Mundra were associated with Shri Satish Maheshwari of M/s Krishna Logistics and that one or two employees of M/s Krishna Logistics sat in the office of M/s Continental Shipping Services only. Her actions including the unauthorized involvement of sub-agents M/s Versatile Logistics and M/s Krishna Logistics, lack of

due diligence, and collusion in misclassification and mis declaration directly facilitated the illegal importation of Kerosene and Gas Oil in violation of multiple provisions of the Customs Act, 1962 and the Petroleum Act, 1934. Her admission that the basis of classification under CTH 27101990 was because the product does not fall under any other CTH and that it was the general trade practice at the port, further establishes that M/s Continental Shipping Services under her management consciously chose a freely importable CTH to classify restricted goods so as to facilitate their illicit clearance. The act of facilitating import of restricted goods in the manner as discussed tantamounts to smuggling as per Section 2(39) of the Customs Act, 1962.

**37.2** I find that Ms. Shanmuga Jayashree as the majority partner responsible for overall management of M/s Continental Shipping Services actively facilitated and abetted the misdeclaration and misclassification of restricted goods namely Kerosene and Gas Oil, allowed unauthorized sub-agents to transact customs clearance business, and was responsible for the decision of classifying goods under CTH 27101990 in collusion with the importer, all of which directly rendered the said goods liable to confiscation under Section 111(d), (f), (l) and (m) of the Customs Act, 1962. This act of Ms. Shanmuga Jayashree, made her liable for penal action under **Section 112(a)(i)** of the Customs Act, 1962. I find that imposition of penalty under Section 112(a) and 112(b) simultaneously tantamount to imposition of double penalty, therefore, I refrain from imposition of penalty under Section 112(b) of the Act. Further, Ms. Shanmuga Jayashree knowingly and intentionally caused to be filed Bills of Entry containing false and incorrect declarations in material particulars namely description and classification of goods, without insisting upon genuine chemical analysis reports from competent laboratories as admitted by her in her statement dated 03.10.2024, and used analysis reports on the letterhead of the supplier without verifying their authenticity as admitted by her. It clearly establishes that Ms. Shanmuga Jayashree knowingly and intentionally caused to be made and used false and incorrect declarations in the Bills of Entry, thereby rendering her liable for penalty under **Section 114AA** of the Customs Act, 1962.

### **38. M/s Krishna Logistics**

**38.1** I find that M/s Krishna Logistics was sub-agent of the CHA M/s Continental Shipping Services and played a central and active role in facilitating the illicit import

of restricted petroleum products namely Kerosene and Gas Oil by M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. under the guise of "Mixed Hydrocarbon Oil" at Mundra Port. As established from the voluntary statement of Shri Satish Maheshwari, authorized representative of M/s Krishna Logistics, recorded on 07.08.2024 under Section 108 of the Customs Act, 1962, M/s Krishna Logistics was authorized by M/s Continental Shipping Services to look after all import related operations at Mundra Port and was in fact overall in charge of day-to-day operations on behalf of the CHA. However, such authorization is invalid and in gross violation of the provisions of CBLR 2018. M/s Krishna Logistics received import documents from M/s Versatile Logistics who received the same from the importer M/s Skyfalcon Minerals and Chemicals Pvt. Ltd., and was admittedly negotiating with the clients for customs related work on behalf of the CHA. They were actively involved in deciding the classification of the seized consignments as Mixed Hydrocarbon Oil under CTH 27101990 and prepared checklists in respect of Bills of Entry which were forwarded to the importer through M/s Versatile Logistics for approval. This is further corroborated by the statement of Shri Ravindra Sawant of M/s Versatile Logistics recorded on 15.01.2025 wherein he confirmed that M/s Krishna Logistics handled the work at Mundra Port and that the entire document flow passed through M/s Krishna Logistics before being forwarded to M/s Continental Shipping Services for filing of Bills of Entry. The statement of Ms. Shanmuga Jayashree, Partner of M/s Continental Shipping Services, recorded on 03.10.2024 further confirms that all clients at Mundra were associated with Shri Satish Maheshwari of M/s Krishna Logistics and that one or two employees of M/s Krishna Logistics sat in the office of M/s Continental Shipping Services, thereby establishing the deep and integral involvement of M/s Krishna Logistics in the entire customs clearance operations.

**38.2** I find that M/s Krishna Logistics actively facilitating and abetting the misdeclaration and misclassification of restricted goods namely Kerosene and Gas Oil, receiving and forwarding import documents, deciding the classification of goods, preparing checklists for Bills of Entry and transacting customs clearance business without valid authorization under CBLR 2018, was in every way concerned in the customs clearance of restricted goods, which they know or had reason to believe that they were liable to confiscation under Section 111(d), (f), (l) and (m) of the Customs Act, 1962. Therefore, M/s Krishna Logistics, rendered them liable for penal action under **Section 112(b)(i)** of the Customs Act, 1962. I find that imposition of penalty under Section 112(a) and 112(b) simultaneously tantamount to imposition of double

penalty, therefore, I refrain from imposition of penalty under Section 112(a) of the Act. Further, M/s Krishna Logistics knowingly and intentionally facilitated the filing of Bills of Entry containing false and incorrect declarations in material particulars. The admission of Shri Satish Maheshwari in his voluntary statement dated 07.08.2024 that on perusal of all test results he agrees that there is a mismatch between the declaration made while filing the Bills of Entry and the test report results, and that the declaration made in the Bills of Entry is incorrect and wrong, establishes that M/s Krishna Logistics was fully aware of the nature of the goods being cleared and yet actively participated in the process of filing false and incorrect declarations in the Bills of Entry in the transaction of customs business, thereby rendering themselves liable for penalty under **Section 114AA** of the Customs Act, 1962.

**39. Shri Satish Maheshwari, Partner, M/s Krishna Logistics**

**39.1** I find that Shri Satish Maheshwari of M/s Krishna Logistics played a central and active role in facilitating the illicit import of restricted petroleum products namely Kerosene and Gas Oil by M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. under the guise of "Mixed Hydrocarbon Oil" at Mundra Port. As established from his own voluntary statement recorded on 07.08.2024 under Section 108 of the Customs Act, 1962, Shri Satish Maheshwari handled customs clearance operations at Mundra Port on behalf of the CHA M/s Continental Shipping Services without valid authorization under CBLR 2018. He admitted in his statement that M/s Versatile Logistics did not have any CHA license and that he facilitated clearance of the consignment through M/s Continental Shipping Services at Mundra Port, thereby clearly establishing that he was the lynchpin of the entire unauthorized customs clearance operation. He further admitted that he negotiated with the clients for getting their customs related works at Mundra Port, and that the classification of goods as Mixed Hydrocarbon Oil was decided on the basis of import documents provided by the importer, thereby establishing his direct involvement in the decision of misclassification. He received import documents from M/s Versatile Logistics, prepared and forwarded checklists for Bills of Entry to the importer through M/s Versatile Logistics for approval, and ensured the clearance of restricted goods through misuse of the CHA's "F" card. His role is further corroborated by the statement of Shri Ravindra Sawant of M/s Versatile Logistics recorded on 15.01.2025 wherein he confirmed that Shri Satish Maheshwari handled the work at

Mundra Port and that the entire document flow passed through M/s Krishna Logistics before being forwarded to M/s Continental Shipping Services for filing of Bills of Entry, and the statement of Ms. Shanmuga Jayashree, Partner of M/s Continental Shipping Services, recorded on 03.10.2024 wherein she confirmed that all clients at Mundra were associated with Shri Satish Maheshwari of M/s Krishna Logistics only.

**39.2** Shri Satish Maheshwari was handling customs clearance operations at Mundra Port without valid authorization under CBLR 2018, negotiating with clients for customs related work, being involved in deciding the classification of restricted goods as Mixed Hydrocarbon Oil under CTH 27101990, preparing checklists for Bills of Entry, and ensuring clearance of restricted goods through misuse of the CHA's "F" card, all these acts directly rendered the said goods liable to confiscation under Section 111(d), (f), (l) and (m) of the Customs Act, 1962 and therefore Shri Satish Maheshwari, was in every way concerned in the customs clearance of restricted goods, thereby liable for penalty under **Section 112(b)(i)** of the Customs Act, 1962. I find that imposition of penalty under Section 112(a) and 112(b) simultaneously tantamount to imposition of double penalty, therefore, I refrain from imposition of penalty under Section 112(a) of the Act. Further, Shri Satish Maheshwari was actively involved in facilitating the filing of Bills of Entry containing false and incorrect declarations in material particulars. These facts establishes that Shri Satish Maheshwari was fully aware of the nature of the goods being cleared and yet actively participated in the process of filing false and incorrect declarations in the Bills of Entry in the transaction of customs business, thereby rendering himself liable for penalty under **Section 114AA** of the Customs Act, 1962.

**40. Shri Ravindra Sawant, proprietor M/s Versatile Logistics**

**40.1** I find that M/s Versatile Logistics, alongwith M/s Krishna Logistics, has been found to be actively involved in the illicit import of restricted petroleum products namely Kerosene and Gas Oil by M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. under the guise of "Mixed Hydrocarbon Oil" at Mundra Port. As established from the voluntary statement of Shri Ravindra Sawant, Proprietor of M/s Versatile Logistics, recorded on 15.01.2025 under Section 108 of the Customs Act, 1962, M/s Versatile Logistics received import documents namely Invoice, Packing List, Bill of Lading and Chemical Analysis Report from the importer M/s Skyfalcon Minerals and Chemicals

Pvt. Ltd. on their email id [versatileimpt@gmail.com](mailto:versatileimpt@gmail.com), and forwarded the same to M/s Krishna Logistics for onward filing by the CHA M/s Continental Shipping Services. Shri Ravindra Sawant admitted that M/s Versatile Logistics has not been issued any license under CBLR Regulations 2018, thereby establishing that they were conducting customs clearance facilitation work without any valid authorization. He further admitted that it was M/s Versatile Logistics which connected M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. to Shri Satish Maheshwari of M/s Krishna Logistics for facilitating the clearance work at Mundra Port, and he confirmed that Shri Sudhakar S. of M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. had contacted M/s Versatile Logistics for facilitating the import clearance of Mix Hydrocarbon Oil at Mundra Port. As established from his statement, M/s Versatile Logistics was involved in the entire chain of document flow i.e receiving documents from the importer, forwarding them to M/s Krishna Logistics, receiving checklists from M/s Krishna Logistics, forwarding the same to the importer for approval, and thereafter forwarding the approved checklist back to M/s Krishna Logistics for filing of Bills of Entry, thereby establishing that M/s Versatile Logistics was an integral and active part of the entire customs clearance operation. He further admitted that their work ended only once the consignment was cleared from Customs, and the importer paid them for this facilitation work till customs clearance of the goods, thereby disprove their claim of being merely a forwarding agency. Though M/s Versatile Logistics has sought to project themselves as a forwarding agency, their role clearly justify that they were involved in Customs clearance work though they were not eligible for the same, and that they along with M/s Krishna Logistics roped in M/s Continental Shipping Services to use the "F" card for effecting the customs clearance related work. Shri Ravindra Sawant, in his voluntary statement dated 15.01.2025, admitted that M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. paid M/s Versatile Logistics Rs. 5,000/- per container as facilitation charges, out of which Rs. 1,000/- per container was paid to M/s Krishna Logistics, thereby establishing that M/s Versatile Logistics financially benefitted from the illicit import operation.

**40.2** M/s Versatile Logistics actively facilitating the illicit import of restricted goods namely Kerosene and Gas Oil without any valid license under CBLR 2018, receiving and forwarding import documents, connecting the importer to M/s Krishna Logistics for unauthorized customs clearance, verifying checklists prepared by M/s Krishna Logistics and forwarding the same to the importer for approval, and remaining actively involved in the entire customs clearance process till out of charge was given

by Customs, and was in every way concerned in the customs clearance of restricted goods and which they know or had reason to believe that they were liable to confiscation under Section 111(d), (f), (l) and (m) of the Customs Act, 1962. Therefore, M/s Versatile Logistics is liable for penalty under **Section 112(b)(i)** of the Customs Act, 1962. I find that imposition of penalty under Section 112(a) and 112(b) simultaneously tantamount to imposition of double penalty, therefore, I refrain from imposition of penalty under Section 112(a) of the Act. Further, M/s Versatile Logistics was actively involved in facilitating the filing of Bills of Entry containing false and incorrect declarations in material particulars. It clearly establishes that M/s Versatile Logistics was fully aware of the nature of the goods being cleared and yet actively facilitated the process of filing false and incorrect declarations in the Bills of Entry, thereby rendering themselves liable for penalty under **Section 114AA** of the Customs Act, 1962.

**41. In view of the aforesaid discussions and findings, I pass the following order:**

**ORDER**

**41.1 Order for Classification, Confiscation and Redemption.**

- i. I reject the declared classification of the impugned goods i.e. Kerosene having total quantity **1227.360 MTs** mis-declared as Mix Hydrocarbon Oil under Customs Tariff Item 27101990 under Bill of entry no. 9788488, 9788473, 9788468, 2088871, and 2088881 and allow the same to be re-classified under the Customs Tariff Item 27101932.
- ii. I reject the declared classification of the impugned goods i.e. Gas Oil having a total quantity **1794.610 MTs** mis-declared as Mix Hydrocarbon Oil under Customs Tariff Item 27101990 under Bill of entry no. 9788466, 9788470, 9788474, 9788476, 9788487, 2040130 and 2087386 and allow the same to be re-classified under the Customs Tariff Item 27101941.
- iii. I order to confiscate the impugned goods i.e Kerosene and Gas oil sought to be imported by M/s Skyfalcon Minerals and Chemicals Pvt. Ltd. in 156 containers pertaining to 12 Bills of entry having declared value of **Rs. 12,98,45,290/-** (Rupees Twelve Crore Ninety Eight Lakh Forty Five Thousand Two Hundred and Ninety only) seized under Section 110 of the Customs Act, 1962 vide Seizure Memorandums dated 07.05.2024, 27.05.2024 and 13.09.2024 lying seized at Mundra Port under Section 111(d), 111(f), 111(l) & 111(m) of the Customs Act, 1962. However, I given an option to the Importer to redeem the goods for the limited purpose of re-export upon payment of redemption fine of **Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakh**

**Only)** under the provisions of Section 125 of the Customs Act, 1962.

**41.2 Penalty Under Section 112(a) and/or 112(b) of the Customs Act, 1962.**

- i. I impose a penalty of **Rs. 60,00,000/- (Rupees Sixty Lakh only)** on **M/s Skyfalcon Minerals And Chemicals Private Limited** under Section 112 (a)(i) of the Customs Act, 1962. However, I do not impose penalty under Section 112(b) of the Customs Act'1962, for the reasons discussed above.
- ii. I impose a penalty of **Rs. 1,00,000/- (Rupees One Lakh only)** on **Shri Sudhakar.S.** Director of M/s Skyfalcon Minerals And Chemicals Private Limited under Section 112 (a)(i) of the Customs Act, 1962. However, I do not impose penalty under Section 112(b) of the Customs Act'1962, for the reasons discussed above.
- iii. I impose a penalty of **Rs. 50,000/- (Rupees Fifty Thousand only)** on **M/s Continental Shipping Services** under Section 112 (a)(i) of the Customs Act, 1962. However, I do not impose penalty under Section 112(b) of the Customs Act'1962, for the reasons discussed above.
- iv. I impose a penalty of **Rs.50,000/- (Rupees Fifty Thousand only)** on **Ms. Shanmuga Jayashree**, Partner M/s Continental shipping Services under Section 112 (a)(i) of the Customs Act, 1962. However, I do not impose penalty under Section 112(b) of the Customs Act'1962, for the reasons discussed above.
- v. I impose a penalty of **Rs. 25,000/- (Rupees Twenty-Five Thousand only)** on **M/s Krishna Logistics** under Section 112 (b)(i) of the Customs Act, 1962. However, I do not impose penalty under Section 112(a) of the Customs Act'1962, for the reasons discussed above.
- vi. I impose a penalty of **Rs. 25,000/- (Rupees Twenty Five Thousand only)** on **Shri Satish Maheshwari** of M/s Krishna Logistics under Section 112 (b)(i) of the Customs Act, 1962. However, I do not impose penalty under Section 112(a) of the Customs Act'1962, for the reasons discussed above.
- vii. I impose a penalty of **Rs.25,000/- (Rupees Twenty Five Thousand only)** on **M/s Versatile Logistics** under Section 112 (b)(i) of the Customs Act, 1962. However, I do not impose penalty under Section 112(a) of the Customs Act'1962, for the reasons discussed above.

**41.3 Penalty Under Section 114AA of the Customs Act, 1962.**

- i. I impose a penalty of **Rs. 2,00,000/- (Rupees Two Lakh only)** on **M/s Skyfalcon Minerals And Chemicals Private Limited** under Section 114AA of the Customs Act, 1962.
- ii. I impose a penalty of **Rs. 50,000/- (Rupees Fifty Thousand only)** on **Shri Sudhakar. S.** Director of M/s Skyfalcon Minerals And Chemicals Private

Limited under Section 114AA of the Customs Act, 1962.

- iii. I impose a penalty of **Rs. 25,000/- (Rupees Twenty-Five Thousand only)** on **M/s Continental Shipping Services** under Section 114AA of the Customs Act, 1962.
- iv. I impose a penalty of **Rs. 25,000/- (Rupees Twenty-Five Thousand only)** on **Ms. Shanmuga Jayashree**, Partner M/s Continental shipping Services under Section 114AA of the Customs Act, 1962.
- v. I impose a penalty of **Rs. 25,000/- (Rupees Twenty-Five Thousand only)** on **M/s Krishna Logistics** under Section 114AA of the Customs Act, 1962.
- vi. I impose a penalty of **Rs. 10,000/- (Rupees Ten Thousand only)** on **Shri Satish Maheshwari** of M/s Krishna Logistics under Section 114AA of the Customs Act, 1962.
- vii. I impose a penalty of **Rs. 10,000/- (Rupees Ten Thousand only)** on **M/s Versatile Logistics** under Section 114AA of the Customs Act, 1962.

**42.** This OIO is issued without prejudice to any other action that may be taken against the claimant under the provisions of the Customs Act, 1962 or rules made there under or under any other law for the time being in force.

43. The Show Cause Notice issued vide F. No. GEN/ADJ/ADC/305/2025-Adjn. dated 28.01.2025 is hereby disposed off on above terms.

**DIPAK ZALA**  
**ADDITIONAL COMMISSIONER OF CUSTOMS,**  
**MUNDRA CUSTOMS HOUSE**

**To,**

**By Speed Post/Email**

1. M/s Skyfalcon Minerals and Chemicals Private Limited, (IEC-ABGCS3469P), 14/1, Velan Nagar 1st Main Road, Arumbakkam, Chennai, Tamil Nadu-600106
2. Shri Sudhakar. S. S/o Srinivasan, Director of M/s Skyfalcon Minerals and Chemicals Private Limited, 56, Velusampuram, 1<sup>st</sup> Cross, L.N.S. Anjal, Karur, Karur, Tamil Nadu-639001
3. M/s. Continental Shipping Services, Office no 17, Ghanshyam complex, near the bridge, New Adani port road, Dhrab, Kachchh, Gujarat-370421

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

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

6. Shri Satish Maheshwari of M/s Krishna Logistics, S/o Shri Rayshi Bhai Maheswari, Near GEB Office, Bhatt Pad, Bhachau, Kachchh, Gujarat-370140

7. M/s Versatile Logistics, (Shri Ravindra Sawant, proprietor),

Address 1- office no. 124, 1st floor, Shiv Centre, Sector 17, Plot No 72, Vashi, Navi Mumbai- 400705

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

**Copy to:-**

1. The Deputy Director, DRI, Noida Regional Unit, Noida(E-mail: [dri-noida@gov.in](mailto:dri-noida@gov.in) )
2. The Dy./Asstt. Commissioner (RRA/TRC), Customs House, Mundra.
3. The Dy./Asstt. Commissioner (EDI), Customs House, Mundra... *(with the direction to upload on the official website immediately)*
4. The Deputy/Assistant Commissioner of Customs, Group-I, Custom House, Mundra.