

Press Release dated: 05.10.2018

DRI busts another syndicate involved in racket of illegal import/smuggling of Kerosene – makes massive seizure of 139 containers of smuggled item at Kandla

Specific tip was received by the DRI Ahmedabad that illegal import/smuggling of Diesel and Kerosene continues to take place through Kandla despite DRI's seizure of the entire ship load of smuggled diesel carried by vessel MT AL HEERA a few months back. Discreet watch was accordingly remounted at Kandla by DRI and informers and intelligences therein were reactivated. Finally, specific information was received that importers based at Punjab, Delhi, Rajasthan and Gujarat had formed a cartel and had brought in 139 containers of Kerosene at Kandla from Jebel Ali port in United Arab Emirates in connivance with certain importers and Customs Brokers of Gujarat by mis-declaring the same as 'Industrial Composite Mixture Plus (ICMP)/Low Aromatic White Spirit' in Customs documents. Accordingly, the 139 containers suspected to carry smuggled goods were detained. Since there was suspicion about the veracity of laboratory test reports being given by the government laboratory at Kandla, representative samples were taken from containers and were sent for testing directly to CRCL, New Delhi. The test reports received from CRCL, New Delhi have confirmed that the samples had characteristics of SKO as per IS:1459-1974, thereby establishing the illegal import of Kerosene in guise of 'Industrial Composite Mixture Plus (ICMP) /Low Aromatic White Spirit'.

SKO (Kerosene) is a restricted item which is permitted to be imported only by State Trading Enterprises and no private person is allowed to import it. As per the Schedule-I of Import Policy ITC (HS) 2017, pertaining to Section V, Chapter 27, only State Trading Enterprises are allowed to import SKO (Kerosene) covered under EXIM Code 27101910. The policy condition stipulates that import of SKO (Kerosene) shall be allowed only 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.

Accordingly, 2442.88 MTs of imported SKO (Kerosene), in 139 containers, mis-declared as 'Industrial Composite Mixture Plus (ICMP)/Low Aromatic White Spirit' valued at Rs.11,48,11,800/-(Rupees Eleven Crores Forty Eight Lakhs Eleven Thousand Eight Hundred only) were placed under seizure by DRI under the provisions of the Customs Act, 1962. In continuing operation DRI has arrested the three main persons involved in the said smuggling on 5th October, 2018 (Friday). They have been produced before Addl. Chief Judicial Magistrate, Gandhidham who has remanded them to judicial custody till 17th October, 2018.

The role of some public servants is also under the scanner.

DRI investigations continue.