

Kerosene worth Rs 2 billion smuggled from Karachi Port in last four years

Directorate General, Intelligence & Investigation - Customs, has detected smuggling of kerosene oil worth more than Rs 2 billion from Karachi Port during the last four years. Sources told *Business Recorder* here on Tuesday that the Directorate General, Intelligence & Investigation - Customs, on the instructions and under supervision of its Director General Shaukat Ali has detected smuggling of kerosene oil.

According to the available details, three importers have been importing kerosene oil from M/s Ravago Landmark Pvt Ltd of South Korea and clearing it as white spirit on the strength of false description recorded on Bills of Lading (BLs), Goods Declarations (GDs) and laboratory test reports. As per Sr No 2 of Appendix-B (Part-II) of Import Policy order, 2016 (IPO), only approved oil marketing companies (OMCs) are authorised to import kerosene oil. Import/clearance of kerosene oil by persons/companies other than OMCs constitutes the offence of smuggling within the meaning of sections 2(S) and 16 of the Customs Act, 1969 read with Sr No 2 of Appendix-B (Part-II) of IPO, 2016 and section 3(3) of the Import & Export (Control) Act, 1951.

Karachi Regional Office of Customs Intelligence has seized a total of 7095 MT kerosene oil, valuing Rs 334.22 million unlawfully imported at Karachi Port by three importers that are M/s SMD Sons (5010 MTs: Rs 236 million), M/s MA Corporation (532 MTs: Rs 25.06 million), M/s Power Industries (1553 MTs: Rs 73.16 million). The whole proceedings were triggered by seizure of an oil tanker at Sadiqabad by the Customs Intelligence officials, the oil tanker contained 23.28 MTs, later confirmed as kerosene oil through a laboratory test conducted by Hydrocarbon Development Institute of Pakistan (HDIP), Islamabad. The possession holder of the aforesaid quantity of kerosene oil had presented copy of GD No KOSK-EB-3320 dated 31.05.2017 (in support of his contention of lawful import of the goods into the country), showing import of white spirit from South Korea by M/s SMD Sons. Since the goods were, actually, kerosene oil (and not white spirit as contended by the possession holder) the same were seized under section 168 of the Customs Act, 1969 for being liable to confiscation. Deputy Director, Customs Intelligence, Multan accordingly informed all concerned about the fraud outlined above. And as a follow-up action, the Director, Customs Intelligence, Karachi (Samina Tasleem Zehra) seized identical goods lying at Karachi Port after having laboratory test of the goods/oil got conducted through HDIP, Islamabad.

Import data retrieved by Customs Intelligence has established that, during the past four (04) years, two of the three importers mentioned above (M/s SMD Sons and M/s MA Corporation) had unlawfully imported as much as 36,225 MTs of kerosene oil on the declared value of Rs 1717 million, 30,025 MTs valuing of Rs 1420 million, by M/s SMD Sons through 34 GDs and 6200 MTs valuing Rs 297 million, by M/s MA Corporation through 14 GDs.

From the look of things it appears that the three fraudulent importers had smuggled such huge quantity of kerosene oil through a legal route with impunity over a period of four years and had marketed it far and wide across the country in front of all the OMCs including Pakistan State Oil

(PSO). It cannot be believed that neither the relevant Customs officers/officials nor the OMCs did not know what was going. There is such a huge difference in the smell of white spirit and kerosene oil that even a layman, let alone the Customs officers/officials, could tell from the smell that the item being imported was kerosene oil and not white spirit. Similarly, the OMCs must have been in knowledge of how and from what source huge demand of kerosene oil in the local market was being met.

Customs Intelligence has lodged FIRs against the smugglers masquerading as importers and investigation is stated to be under way. It can only be hoped that all the Customs officers, irrespective of their designations, postings and influence, are proceeded against in letter and spirit so that patronage of such rackets is discouraged effectively in further.

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