

	<p>Office of the Commissioner of Customs, New Custom House, Near Balaji Temple, New Kandla – 370 210. Tel. 02836-271468-469, /Fax. 02836-271467 E-mail : adjcustomskandla22@gmail.com</p>
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SHOW CAUSE NOTICE
(ISSUED UNDER SECTION 124 OF THE CUSTOMS ACT, 1962)

1. INTRODUCTION

1.1 Whereas, The Directorate of Revenue Intelligence (DRI), Ahmedabad Zonal Unit, initiated an investigation pursuant to specific and credible intelligence indicating an organised attempt to illegally export Natural Garnet, a restricted Beach Sand Mineral, from Kandla Port in Gujarat. The intelligence, highlighted that two entities, namely M/s Unique Enterprise (IEC: DRRPK0313R), based in Mundra, Gujarat, and M/s KSK Agrochem (IEC: AAYFK6855B), based in Navi Mumbai, Maharashtra, had filed shipping documents mis-declaring the actual nature of the export goods to circumvent statutory restrictions imposed under the Foreign Trade Policy.

1.2 Whereas, It is pertinent to mention that Natural Garnet, classified under Sl. No. 98A of Chapter 26, Schedule 2 of the Export Policy, notified vide Notification No. 26/2015-2020, is a restricted item falling within the category of Beach Sand Minerals. The export of Natural Garnet is strictly regulated and permitted only through the State Trading Enterprise (STE) — M/s Indian Rare Earths Limited (IREL) or by other entities possessing specific authorisation granted by the Directorate General of Foreign Trade (DGFT), Government of India. Any export undertaken by unauthorised entities amounts to a violation of the Foreign Trade (Development and Regulation) Act, 1992, the Customs Act, 1962, and related legal provisions.

1.3 Whereas, The investigation revealed that both M/s Unique Enterprise and M/s KSK Agrochem, acting in concert with other individuals and entities, resorted to deliberate misdeclaration of the restricted Natural Garnet as “Industrial Salt” and “Feldspar”, respectively, to facilitate its unauthorised export from Kandla Port. The said misdeclaration was facilitated through manipulation of shipping documents, non-compliance with statutory documentary requirements, misrepresentation by intermediaries, and exploitation of the self-sealing facility granted to these exporters.

1.4 Whereas, The investigation further brought to light the involvement of various intermediaries, including Customs House Agents (CHAs), logistics providers, and suppliers, who either actively participated in, abetted, or failed to exercise mandated due diligence, thereby facilitating the illegal export attempt.

2. INVESTIGATION CONDUCTED

2.1 Whereas, Upon receipt of the aforementioned intelligence, the DRI, Ahmedabad Zonal Unit, immediately communicated with SIIB, Customs, Kandla, requesting that the consignments pertaining to the suspected entities be placed on hold for detailed

examination. The consignments comprised a total of 31 containers, covered under six shipping bills, filed by M/s Unique Enterprise and M/s KSK Agrochem, and examined under Panchnama dated 28.01.2025/29.01.2025 **(RUD 1)** & Panchnama dated 17.03.2025 **(RUD 2)** as detailed below:

Table 1: Export Consignments of M/s Unique Enterprise (IEC: DRRPK0313R)

Sr. No.	Shipping Bill No. & Date	Container No.	Declared Goods	Remarks
1	7507660 dated 22.01.2025	SEGU1109470	Industrial Salt	Examination conducted under Panchnama dated 28–29.01.2025
2		SEGU1024177	Industrial Salt	
3	7507661 dated 22.01.2025	SEGU1480557	Industrial Salt	Examination conducted under Panchnama dated 28–29.01.2025
4		GESU3996677	Industrial Salt	
5		CAIU6549242	Industrial Salt	
6		SEGU1119591	Industrial Salt	

Table 2: Export Consignments of M/s KSK Agrochem (IEC: AAYFK6855B)

Sr. No.	Shipping Bill No. & Date	Container No.	Declared Goods	Remarks
1	7508429 dated 22.01.2025	DFSU2493086	Feldspar	Examination under Panchnama dated 28–29.01.2025
2		GESU3863951	Feldspar	
3		DFSU1273981	Feldspar	
4		DFSU2784815	Feldspar	
5		UACU4052036	Feldspar	
6		AXIU2946061	Feldspar	
7		DFSU1552100	Feldspar	
8	7508434 dated 22.01.2025	UACU3823709	Feldspar	Examination conducted under Panchnama dated 28–29.01.2025
9		GESU1305020	Feldspar	
10		FCIU6292996	Feldspar	
11		UACU3676423	Feldspar	
12		UACU4013723	Feldspar	
13	7524092 dated 23.01.2025	GLDU5471719	Feldspar	Examination conducted under Panchnama dated 28–29.01.2025
14		GESU1211980	Feldspar	
15		TRHU1301440	Feldspar	
16		GATU1348216	Feldspar	
17		XINU1126740	Feldspar	
18		GCXU2328305	Feldspar	
19		GESU3917889	Feldspar	

2.2 Whereas, The examination of the containers was conducted at the Central Warehousing Corporation (CWC) CFS, Kandla Port Trust, Kandla, under independent Panchnama proceedings dated 28-29.01.2025 in the presence of independent witnesses and representatives of the Customs and DRI.

2.3 Whereas, During panchnama proceedings, it was revealed that containers pertaining to Shipping Bill no. 7508434 dated 22.01.2025 of M/s KSK AGROCHEM (IEC - AAYFK6855B) are actually same as of Shipping Bill no. 7508430 dated 22.01.2025 of M/s KSK AGROCHEM (IEC - AAYFK6855B) and the containers for the shipping bill no. 7508430 Dated 22.01.2025 were amended and the new container for

the said shipping bill were UACU4094155, BSIU2984864, TEMU2800923, GLDU9496438, NIDU2353712 and BSIU2089334 and had already left the port. Accordingly, an email was sent to recall the containers of the shipping bill no. 7508430 Dated 22.01.2025.

2.4 Whereas, the examination of the containers of shipping bill no. 7508430 Dated 22.01.2025 were was conducted at the Central Warehousing Corporation (CWC) CFS, Kandla Port Trust, Kandla, under independent Panchnama proceedings dated 17.03.2025 in the presence of independent witnesses and representatives of the Customs and SIIB, Kandla.

Table 3: Export Consignments of M/s KSK Agrochem (IEC: AAYFK6855B)

Sr. No.	Shipping Bill No. & Date	Container No.	Declared Goods	Remarks
20	7508430 dated 22.01.2025	UACU4094155	Feldspar	Recalled & Examination conducted under Panchnama dated 17.03.2025
21		BSIU2984864	Feldspar	
22		TEMU2800923	Feldspar	
23		GLDU9496438	Feldspar	
24		NIDU2353712	Feldspar	
25		BSIU2089334	Feldspar	

2.5 Whereas, during examination, it was observed that the goods were packed in jumbo bags containing reddish sand-like material, which, upon visual inspection, was inconsistent with the declared descriptions of *Industrial Salt* and *Feldspar*. Accordingly, representative samples were drawn from all shipping bills and forwarded to IREL (India) Limited, Kollam, for detailed scientific analysis vide letter dated 12.02.2025 along with Test Memo **(RUD 3)** & letter dated 07.04.2025 along with Test Memo **(RUD 4)**.

2.6 Whereas, The 10 IREL Test Reports dated 24.03.2025 **(RUD 5 to RUD14)** received vide letter RC:UHO: STE: 2025:483 dated 25.03.2025 **(RUD 15)** (for Shipping Bill Nos. 7507660 and 7507661 dated 22.01.2025 pertaining to M/s Unique Enterprise and Shipping Bill Nos. 7508429 and 7508434 dated 22.01.2025, 7524092 dated 23.01.2025 pertaining to M/s KSK Agrochem) and the 2 IREL Test report dated 23.04.2025 **(RUD 16 & RUD 17)** received vide letter RC:UHO: STE: 2025:34 dated 23.04.2025 **(RUD 18)** (for Shipping Bill No. 7508430 dated 22.01.2025), conclusively established that the material in all containers was Natural Garnet, a restricted Beach Sand Mineral falling under CTI 25132030, the export of which is restricted under the Foreign Trade Policy.

2.6.1 These test reports highlighted that the composition of the sample is garnet content and presence of other minerals etc.

2.6.2 Further Mineral Analysis reported that the major mineral in the sample is Garnet.

F.No- GEN/ADJ/ADC/1544/2025-Adjn-O/o Commr-Cus-Kandla
DIN- 20250771ML0000666B9B

2.6.3 The present Market price of the said Garnet samples is Rs. 19,000/- per tonne (exclusive of GST).

A few photographs of test reports are produced below: -

आई आर ई एल (इंडिया) लिमिटेड, अनुसंधान केन्द्र


IREL (India) Limited, Research Centre

(भारत सरकार का उपक्रम / A Govt. of India Undertaking)

बीच रोड, पी.बी.नं. 38, कोल्लम - 691001, केरल राज्य, इंडिया

Beach Road, P.B.No.38, Kollam Pin- 691 001, Kerala State, INDIA

☎ 91 474 2970285. Email: irelco@irel.co.in



TC - 597A

खनिज विश्लेषण रिपोर्ट MINERAL ANALYSIS REPORT

ULR - TC597425000000186F

Chemical Testing

Ores & Minerals

तारीख / Date.

24-03-2025

रिपोर्ट क्रमांक / Report No.

ML-3987

समान रूप से निकाले गए नमूना / Sample as described by party

Test memo No / Sample No.KSK/7508429/DFSU127398VSample -1,M/s. KSK Agrochem (IEC-AAYFK6855B)

नमूना मात्रा प्राप्त की / Sample quantity received

1030 g.

नमूना संदर्भ संख्या / Sample Ref. No

IRERC/033/A/25

IRERC पर प्राप्त नमूना / Sample received at IRERC

By Courier

परीक्षण प्रारंभ दिनांक / Test Start date

20-03-2025

नमूने की प्राप्ति की तिथि / Date of receipt of sample

21-02-2025

परीक्षण की अंतिम तिथि / Test End Date

22-03-2025

विधि का उपयोग किया / Method used : SOP No. RC/LMS/SOP/ML/07

खनिज/ Minerals

गार्नेट / GARNET

अन्य भारी खनिज / OTHER HEAVY MINERALS

काईज / QUARTZ

शेल्स / SHELLS

संपूर्ण / TOTAL :

वजन % / WEIGHT %

97.8

1.8

0.2

0.2

100.00

द्वारा आयोजित परीक्षण / Tests Conducted by

Vineeth N J (Exe. Geologist)

Test Report Reviewed & Authorized By.

H.O.D: Name & Signature. Ch. Maheshwari Tech. [Mineral]

टिप्पणियाँ / Remarks : Other Heavy Minerals are Pyroxenene and Limonite.

पार्टी का नाम और पता / Name & Address of the Party

DIRECTORATE OF REVENUE INTELLIGENCE

Zonal Unit, Unit No.15, Magnet Corporate Park, Near Sola Flyover, S.G Highway

पार्टी का पत्रसंदर्भ / Party's Letter Ref:

Your letter Ref. No. DRI/AZU/GI-02/ENQ-09(INT-13)2025/2394, dated 12-02-2025


----- End of Report ML-3987 -----

Form No:ML/04

Rev No: 04

Rev Date: 16-07-2024

- The sample/s is/are collected and given to IRERC by the party and the results apply to the sample/s as received.
- The information contained in this report reflects the findings at the time of intervention of the sample/s and within the limits of scope of work as agreed upon and as mentioned in Performa Invoice issued to party.
- The test report shall not be reproduced except in full, without the written approval of IREL (India) Limited.
- The results of the test reported herein relate only to the sample(s) tested and such samples are retained only for a period one year.
- The minerals whose content are $\geq 0.1\%$ in the sample are only reflected in this report. The minerals $< 0.1\%$ are below detection limits (BDL) in the sample.



आईआरईएल पंजीकृत कार्यालय: प्लॉट नं.1207, सिद्धिविनायक मंदिर के सामने, वीर सावरकर मार्ग, प्रभादेवी, मुंबई- 400 028, भारत

IREL Regd. Office: Plot No.1207, Opp.SiddhiVinayakTemple, Veer SavarkarMarg, Prabhadevi, Mumbai . 400 028 . INDIA

Page 1 of 1

आई आर ई एल (इंडिया) लिमिटेड, अनुसंधान केन्द्र


IREL (India) Limited, Research Centre

(भारत सरकार का उपक्रम / A Govt. of India Undertaking)

बीच रोड, पी.बी.नं. 38, कोल्लम - 691001, केरल राज्य, इंडिया

Beach Road, P.B.No.38, Kollam Pin- 691 001, Kerala State, INDIA

☎ 91 474 2970285. Email: irelco@irel.co.in



TC - 597A

खनिज विश्लेषण रिपोर्ट MINERAL ANALYSIS REPORT

ULR - TC597425000000187F

Chemical Testing

Ores & Minerals

तारीख / Date.

24-03-2025

रिपोर्ट क्रमांक / Report No.

ML-3988

समान रूप से निकाले गए नमूना / Sample as described by party

Test memo No / Sample No.KSK/7508434/DFSU2493086/Sample -1, M/s. KSK Agrochem (IEC-AAYFK6855B)

नमूना मात्रा प्राप्त की / Sample quantity received

1072 g.

नमूना संदर्भ संख्या / Sample Ref. No

IRERC/033/B/25

IRERC पर प्राप्त नमूना / Sample received at IRERC

By Courier

परीक्षण प्रारंभ दिनांक / Test Start date

20-03-2025

नमूने की प्राप्ति की तिथि / Date of receipt of sample

21-02-2025

परीक्षण की अंतिम तिथि / Test End Date

22-03-2025

विधि का उपयोग किया / Method used : SOP No. RC/LMS/SOP/ML/07

खनिज/ Minerals

गार्नेट / GARNET

अन्य भारी खनिज / OTHER HEAVY MINERALS

काईज / QUARTZ

संपूर्ण / TOTAL :

वजन % / WEIGHT %

98.8

1.0

0.2

100.00

द्वारा आयोजित परीक्षण / Tests Conducted by

Vineeth N J (Exe. Geologist)

Test Report Reviewed & Authorized By.

H.O.D: Name & Signature. Ch. Maheshwari Tech. [Mineral]

टिप्पणियाँ / Remarks : Other Heavy Minerals are Pyroxene and Limonite.

पार्टी का नाम और पता / Name & Address of the Party

DIRECTORATE OF REVENUE INTELLIGENCE

Zonal Unit, Unit No.15, Magnet Corporate Park, Near Sola Flyover, S.G Highway

पार्टी का पत्रसंदर्भ / Party's Letter Ref:

Your letter Ref. No. DRI/AZU/GI-02/ENQ-09(INT-13)2025/2394, dated 12-02-2025


----- End of Report ML-3988 -----

Form No:ML/04

Rev No: 04

Rev Date: 16-07-2024

- The sample/s is/are collected and given to IRERC by the party and the results apply to the sample/s as received.
- The information contained in this report reflects the findings at the time of intervention of the sample/s and within the limits of scope of work as agreed upon and as mentioned in Performa Invoice issued to party.
- The test report shall not be reproduced except in full, without the written approval of IREL (India) Limited.
- The results of the test reported herein relate only to the sample(s) tested and such samples are retained only for a period one year.
- The minerals whose content are $\geq 0.1\%$ in the sample are only reflected in this report. The minerals $< 0.1\%$ are below detection limits (BDL) in the sample.




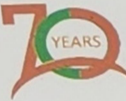
आईआरईएल पंजीकृत कार्यालय: प्लॉट नं.1207, सिद्धिविनायक मंदिर के सामने, वीर सावरकर मार्ग, प्रभादेवी, मुंबई- 400 028, भारत


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F.No- GEN/ADJ/ADC/1544/2025-Adjn-O/o Commr-Cus-Kandla
DIN- 20250771ML0000666B9B



आईआरईएल (इंडिया) लिमिटेड
IREL (India) Limited
 (भारत सरकार का उपक्रम)
 (A Govt. of India Undertaking)


आज़ादी का अमृत महोत्सव

CIN : U15100MH1950GOI008187 Website : www.irel.co.in
 ISO 9001:2015, ISO 14001: 2015 & OHSAS 18001 : 2007 Company

RC: UHO: STE:2025: 483 25-03-2025

To
DIRECTORATE OF REVENUE INTELLIGENCE
Zonal Unit, Unit No.15, Magnet Corporate Park,
Near Sola Flyover, S.G Highway
Thaltej, Ahmedabad -380054.

Sub: Mineral & Size analysis of five Samples.
Ref: 1. Your letter Ref. No. DRI/AZU/GI-02/ENQ-09(INT-13)2025/2394, dated 12-02-2025
2. Your email dated 07-03-2025
3. Test Memo No. KSK/7508429/DFSU1273981/Sample -1
4. Test Memo No. KSK/7508434/DFSU2493086/Sample -1
5. Test Memo No. KSK/7524092/GESU3917889/Sample -1
6. Test Memo No.UE/7507660/SEGU1024177/Sample-1
7. Test Memo No.UE/7507661/GESU3996677/Sample-1
8. Sample Ref No. IRERC-33/A/25 to IRERC-33/E/25

Sirs,
This refers to the Mineral & Size Analysis of five samples sent by you as per the details mentioned above. The samples have been analyzed, and the mineral & size analysis report No. ML-3987 to ML-3996 are enclosed.

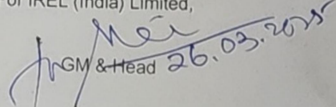
Based on the sample analysis, the reply to the queries vide letter referred above is given below: -

1. Nature of the Sample: - Sand (as per Size Analysis reports No. ML- 3992, 3993, 3994, 3995 & 3996 are enclosed).
2. Composition of the goods with percentage content (Briefly describe any known or assumed composition, e.g. Garnet content, Presence of other minerals, etc.): - As given in Mineral Analysis reports No. ML-3987, 3988, 3989, 3990 & 3991 are enclosed).
3. Whether the sample under reference is Garnet or otherwise: - As per the Mineralogical Analysis reports the major mineral in the samples are Garnet.
4. Whether it is any other Rare Earth Mineral: - No.
5. Place of origin: Unknown Origin
6. Present Market Price: The price of Coarse Grade Garnet (ASTM 30-60 Mesh with Garnet >97%) is Rs. 19,000 per tonne (exclusive of GST at 18%)
7. Remarks (if any): - Nil.

We acknowledge the receipt of payment of Rs.36,196/- through NEFT against Proforma invoice No.117, dated 21-02-2025, towards the testing charge for the samples.

Please kindly fill out and return (hard or soft copy) the enclosed Customer Feedback form, which will help us to serve you better.

Thanking you,

Yours truly,
For IREL (India) Limited,

JGM & Head 26.03.2025

Encl: As above

Seem - Poonam Kikani
Poonam Kikani

आईआरईएल (इंडिया) लिमिटेड, अनुसंधान केंद्र, बीच रोड, पी. बी. नंबर: 38, कोल्लम - 691001 केरल राज्य
 IREL (India) Limited, Research Centre, Beach Road, P. B. No. 38, Kollam, - 691001, Kerala State
 फोन / Tel. : 91 474 2970285, 91 474 2749533 email : irerc@irel.co.in
 पंजीकृत कार्यालय: प्लॉट नं. 1207, वीर सावरकर मार्ग, सिद्धिविनायक मंदिर के पास, प्रभादेवी, मुंबई - 400 028.
 Regd. Office: Plot No.1207, Veer Savarkar Marg, Near Siddhivinayak Temple, Prabhadevi, Mumbai - 400 028.

2.7 Consequently, the goods were placed under seizure vide Seizure Memos dated 07.04.2025 (**RUD 19 and RUD 20**) and 28.04.2025 (**RUD 21**), issued under Section 110 of the Customs Act, 1962, based on the reasonable belief that the said goods were liable for confiscation under the provisions of Section 113 of the Customs Act, 1962.

2.8 Whereas, To further ascertain the modus operandi and identify other involved parties, searches were conducted at the declared premises of the exporters and related entities.

The outcome is tabulated below:

Table 3: Outcome of Searches

Sr. No.	Premises Address	Related Party	Outcome
1	Plot No. 61A, Ashapura Nagar, Baroi, Mundra, Gujarat	M/s Unique Enterprise	Premises could not be traced.
2	Warehouse No. 1/B, Motakapaya, Mundra, Gujarat	M/s Unique Enterprise	Premises could not be traced.
3	Plot No. 74, Sector 11, Godown No. 1B, Gandhidham, Gujarat	M/s KSK Agrochem	Premises found in the name of another firm; M/s KSK Agrochem was not working from this premises. (Visit Note dated 30.01.2025) (RUD – 22)
4	G28, Haware Fantasia Business Park, Sector - 30A, Plot No -47, Navi Mumbai, Maharashtra	M/s KSK Agrochem	Panchnama dated 30.01.2025, Premises found in the name of other firm; M/s KSK Agrochem was not working from this premises (RUD – 23)
5	1st Floor, Office No. V-959, Krishi Wholesale Mart, Sector- 19, Plot No. 17B, 17C & 18, Opp Akshar Buisness Park, Vashi Navi Mumbai, Thane, Maharashtra - 400703	M/s KSK Agrochem	Panchnama dated 03.03.2025, Premises found in the name of M/s KSK Agrochem. (RUD – 24)
6	476, Patelo Ki Guvadi, Bigod Tehsil, Mandalgarh, Bhilwara, Rajasthan - 311601	M/s Patel Enterprise (08DQGPK3907P1ZA)	Panchnama dated 19.02.2025 was conducted wherein Garnet like material found and other machinery for manufacturing/processing of garnet were also found. (RUD – 25)
7	Nurjas Under Developed Industrial Area, Plot No. 6, Pur, Bhilwara, Rajasthan - 311021	M/s Raghav Minerals (08AAJPN4608E1ZR)	Panchnama dated 19.02.2025 was conducted wherein Garnet like material found and other machinery for manufacturing/processing of garnet were also found. (RUD – 26)

8	Ground floor, Shop no 105, Krishna Complex, Raman Nagar Road, Shree Bhurakhiya Scooping Parlour, Katargam, Surat, Surat, Gujarat, 395004	M/s Teentaik Traders (24BEGPS6862H1Z4)	Premises could not be traced.
9	SHOP NO.16, MURLIDHAR COMPLEX, MUNDRA, Kachchh, Gujarat, 370421	M/s KGN Enterprise (IEC: BHPPG9374Q)	Summons undelivered with remarks “no such company at this address”, it appears firm is not working at the registered address. No such firm exists at the said address as per visit note dated 11.07.2025. (RUD – 27)
10	Godown Address- R.S.No 352, Warehouse No. 5 Motakapaya, Near Petrol Pump, Mundra, Gujarat- 370421	Self-sealing address of M/s KGN Enterprise	Neither the firm nor its self sealing premises were found at the said address as per vist note dated 11.07.2025 (RUD – 28)

3. SUMMARY OF STATEMENTS RECORDED

3.1 Whereas, in the course of the investigation, summons under Section 108 of the Customs Act, 1962 were issued to key individuals connected with the attempted illegal export of restricted Natural Garnet by M/s Unique Enterprise and M/s KSK Agrochem. Statements were recorded on multiple occasions from the principal persons involved, as well as supporting individuals and intermediaries, including representatives of Customs House Agents (CHAs) and logistics providers. The relevant portions of their statements, recorded voluntarily in the presence of DRI officers, are summarised below:

3.2 Whereas, Summons dated 05.02.2025, 07.04.2025 and 29.04.2025 were issued to M/s Unique Enterprise for submissions of documents and recording of statement. Shri Pranesh Kikani on behalf of M/s Unique Enterprise appeared for statement and statement dated 05.02.2025 **(RUD – 29)** and 05.05.2025 **(RUD – 30)** were recorded. During his statements, it appears that Shri Pranesh Kikani, inter-alia, stated that:

- Though M/s Unique Enterprise is a proprietorship concern in the name of his wife, Mrs. Ranjitkaur Kikani, he manages all business operations, including exports, imports, logistics, and financial affairs.
- He admitted to knowingly filing Shipping Bills No. 7507660 and 7507661, dated 22.01.2025, declaring the goods as Industrial Salt, when in fact the goods were Natural Garnet, a restricted Beach Sand Mineral.

- The goods were procured from M/s Patel Enterprise, Bhilwara, but invoices were arranged in the name of M/s Teentaik Traders, Surat, declaring the goods as Industrial Salt to conceal their true nature.
- The stuffing of goods was done directly from supplier trucks in an open area near Gandhidham, bypassing registered self-sealing facility for which permission was taken from Customs Authority.
- He was fully aware that Natural Garnet is a restricted item under the Export Policy and that misdeclaration was intended to circumvent these restrictions.
- He coordinated with Shri Sapan Khemchandani to arrange CHA for filing shipping bills for M/s KSK Agrochem and M/s Unique Enterprise.
- He introduced Shri Karthik Marla to Shri Sapan Khemchandani, facilitating the export arrangements for M/s KSK Agrochem and M/s Unique Enterprise.
- He contacted Shri Anshu Mahto, Partner of M/s Service Bureau Logistics LLP, CHA firm for customs Clearance and filling of shipping bills.
- He admitted receiving instructions from Mr. Naveen, partner of M/s Spark Minerals DMCC, Dubai, to export Garnet by misdeclaring it as Industrial Salt.
- He inter-alia stated during the statement that:

"I want to state that I tried to export "Beach Sand Minerals" through M/s. Unique Enterprise by mis- disclaiming the same as " Industrial Salt" falling under HSN 25010010". Two Shipping Bills 7507661 & 7507660 both dated 22.01.2025 were filed by our CHA at Kandla Port on my direction and documents provided by me for clearance of goods declared as industrial salt which was stuffed in 6 containers. I agree that I knowingly tried to export the Beach Sand Minerals by mis-declaring the same as Industrial salt"

"the goods i.e. "Beach Sand Minerals" were supposed to be delivered to M/s. Spark Minerals DMCC, Dubai at Plot No. DMCC-PH2, P.O. Box 18252 Dubai, UAE. No purchase order was send to me by the buyer. I want to state that during my visit at Dubai in Dec-2024 I met with one person Shri Naveen (+971508658477) who told me about the requirement of "Beach Sand Minerals" and asked me to do business of "Beach Sand Minerals" from India. Shri Naveen has been residing in Dubai for last 20 years and is partner in M/s. Spark Minerals DMCC. Shri Naveen is from south India but I do not know his address in India.

Further, I want to state that regarding sale, payment and quantity of "Beach Sand Minerals" I talked over phone to Shri Naveen 3-4 times. No contract and other documents were made or shared for sale of "Beach Sand Minerals" to M/s. Spark Minerals DMCC, Dubai. No payment has been received regarding export of "Beach Sand Minerals". A Rate of 270 dollars per metric ton was agreed upon by both parties i.e. between our firm M/s. Unique Enterprise and M/s. Spark Minerals DMCC, Dubai."

"the "Beach Sand Minerals" was supplied to us by Shri Aziz Patel owner of M/s. Patel Enterprise, Bhilwara. Shri Aziz Patel belongs to Bhilwara and his contact no. is 9785108786. The goods i.e. "Beach Sand Minerals" were supplied from

Mundra only, however, the invoices were provided by Shri Aziz Patel via whatsapp for Industrial Salt (HSN – 25010010) and were in the name of M/s. Teentaik Traders(24BEGPS6862H1Z4), Surat. I do not know any thing about M/s. Teentaik Traders(24BEGPS6862H1Z4), Surat. The invoices were arranged by Shri Aziz Patel. No payment regarding purchase of "Beach Sand Minerals" has been made till date. I submit the invoices bearing No. TAX/65 to TAX/68 all dated 23.01.2025 and Invoice No. TAX/69 to TAX/72 all dated 24.01.2025 provided to me by Shri Aziz Patel for supplying the "Beach Sand Minerals". The invoices were issued declaring goods as industrial salt which was nothing but a ploy to masquerade the actual goods i.e. "Beach Sand Minerals".

3.3 Whereas, Summons dated 05.02.2025, 07.04.2025 and 29.04.2025 were issued to M/s KSK Agrochem for submissions of documents and recording of statement. Shri Karthik Marla Partner of M/s KSK Agrochem appeared for statement and statement dated 05.02.2025 (**RUD – 31**) and 16.05.2025 (**RUD – 32**) were recorded. During his statements, Shri Karthik Marla, inter-alia, stated that:

- He knowingly filed Shipping Bills No. 7508429, 7508430, 7508434, dated 22.01.2025, and 7524092, dated 23.01.2025, declaring the goods as Feldspar, while the goods were actually Natural Garnet.
- The goods were sourced from M/s Raghav Minerals, Bhilwara, arranged through one Shri Sunil, though full supplier details were not provided.
- He knowingly misdeclared the goods to avoid restrictions imposed on the export of Beach Sand Minerals, as they lacked the requisite mining licence or authorisation from IREL.
- He introduced himself to Shri Sapan Khemchandani through Shri Pranesh Kikani, who arranged for M/s Gaurav M. Jhaveri to handle customs clearance.
- He self-sealed the containers near Ambica Weighbridge, Gandhidham, without using approved self-sealing premises for which permission was taken from Customs Authority.
- The buyer, Mr. Yunis Khan, P.T.C. WLL, CR No. 187898, Doha, Qatar, instructed him to misdeclare the goods to avoid detection.
- He admitted:

“Shri Yunis Khan discussed with me whether I am able to send “Garnet Abrasive”. He informed me that it is a banned export cargo and I have to mis-declare the goods to evade the restriction imposed. Then I found out that restriction was imposed on “Garnet Abrasive” in the year 2018-19 for the export of “Beach sand Minerals”.

I submit that I tried contacting IREL, Indian Rare Earth Limited office in Prabha Devi, Dadar, Mumbai and came to know that export permit is being issued to “Ravana” Holder companies, which is a type of mining licence. I did not have mining licence, as I am trader, so I mis-declared the garnet abrasive,

which is covered under the restriction of "Beach sand minerals" as "Feldspar" and I attempted to export the goods against shipping bill Numbers 7524092 dated 23.01.2025, 7508434 dated 22.01.2025, 7508429 dated 22.01.2025 and 7508430 dated 22.01.2025."

"I procured my goods from Bigod and Bhilwara in Rajasthan state through various suppliers which were introduced to me by Shri Aziz Patel having contact number +91 9785108786. He used to arrange for the billing details and e-way bill details which included making arrangements for GST numbers."

"The goods on hold have been supplied by M/s Raghav Minerals, Bhilwara which is handled by Shri Sunil..."

3.4 Whereas, Summons dated 05.02.2025, 07.04.2025 and 29.04.2025 were issued to Shri Sapan J. Khemchandani who facilitated for filing shipping bills for recording of statement. Shri Sapan J. Khemchandani who facilitated for filing shipping bills appeared for statement and statement dated 05.02.2025 (**RUD – 33**) and 07.05.2025 (**RUD – 34**) were recorded. During his statements, Shri Sapan Khemchandani, inter-alia, stated that:

- Acting of the direction of Shri Pranesh Kikani, he arranged for the filing of shipping bills for M/s KSK Agrochem by misrepresenting himself as a representative of M/s Gaurav M. Jhaveri, Customs Broker, using his brother's association with the firm.
- He coordinated with Shri Srinu Gunti, employee of M/s SRNK Logistics Pvt. Ltd., to file shipping bills for both M/s KSK Agrochem and M/s KGN Enterprise.
- When Shri Srinu Gunti demanded photographs of cargo loading as a prerequisite for filing the shipping bills, Shri Khemchandani was unable to provide them. Consequently, the shipping bills for both exporters were cancelled.
- Shri Sapan Khemchandani himself paid the cancellation charges for these shipping bills, establishing his direct control and involvement in the misuse of export documents.
- He admitted that he was fully aware that the goods being exported were restricted Beach Sand Minerals (Garnet) and that the misdeclaration as "Feldspar" or "Industrial Salt" was done deliberately to evade DGFT restrictions.
- He acknowledged that the same modus operandi was attempted using the export documents of M/s KGN Enterprise, thereby manipulating multiple exporter identities to facilitate illegal exports.
- He further revealed that foreign buyers had instructed the exporters to misdeclare the goods, demonstrating that the buyers were also aware of the restrictions and were complicit in the offence.

- He admitted to knowingly aiding and abetting the attempted illegal exports by misusing CHA credentials, coordinating with others involved, and circumventing the regulatory framework.
- In his own words, Shri Khemchandani stated in his statement dated 05.02.2025:

“Shri Kartik was introduced by Shri Pranesh Kikani Owner of M/s Ashapura Impex. As I was handling export of Rice consignment of M/s Ashapura Impex.”

“All the work related to our firm is done by either me or my brother Mr. Jayesh Khemchandani”

“We select CHA based on our convenience. Currently, we are working with CHA firm M/s Gaurav M. Jhaveri for all customs formalities like preparation of the checklist, filing of shipping bill. On being asked, I further state that I have been working with CHA firm M/s Gaurav M. Jhaveri since 2021.”

“As Mr Kartik was resident of Bombay, therefore, being local person Shri Pranesh Kikani was looking all the work of the firm. As I also stated above that I have received the clearance work from Pranesh Kikani therefore Shri Pranesh Kikani was the only person for me to contact for the purpose of any query or payment related to M/s KSK Agrochem. I also state that when the consignment was put on hold by DRI, Shri Pranesh Kikani informed me about the same”

- Further, Shri Khemchandani in his statement dated 07.05.2025 stated that

“I coordinated with M/s Gaurav M. Jhaveri through their G-pass holder, Shri Bharat Parmar, but I am not their authorized representative and am not authorized to record statements on their behalf. My brother, Shri Jayesh Khemchandani, is a clerk in Shri Bharat Parmar’s office at M/s Gaurav M. Jhaveri and vouched for exporters to him. I also work with M/s SRNK Logistics Pvt Ltd for export filings.”

“I mistakenly claimed to be an authorized person of M/s Gaurav M. Jhaveri due to my coordination with Shri Bharat Parmar for customs clearance. I am not their authorized representative or authorized to record statements on their behalf. My firm, M/s Ashirwad Shipping Service Amrapur Logistics, is a freight forwarder coordinating with M/s Gaurav M. Jhaveri for clients like M/s KSK Agrochem. My brother Jayesh works as a H Card Holder in their office caused confusion.”

“I coordinated with my brother Jayesh, who works as a H Card Holder for Shri Bharat Parmar, to facilitate clearance for M/s KSK Agrochem, M/s KGN Enterprise. I asked Jayesh to vouch for these exporters to Shri Bharat Parmar, assuring him they were legitimate based on prior shipping bills and documents from Shri Pranesh Kikani and Shri Karthik J. Marla. Jayesh conveyed to Shri Bharat Parmar that the exporters had export history and self-sealing permissions, without verifying further. I did not inform Jayesh or Shri Bharat Parmar about the

garnet misdeclaration or the non-existence of self-sealing premises, as I relied on Shri Pranesh and Shri Karthik's assurances and did not want to raise suspicions"

"Shri Rao's statement is correct. On 22.01.2025, he requested photographs of goods and stuffing for 10 shipping bills for M/s KSK Agrochem and M/s KGN Enterprise. I couldn't provide them, as Shri Pranesh, Shri Karthik and Shri Kripalsinh Gohel handled stuffing. On 23.01.2025, Shri Rao demanded cancellation due to customs scrutiny concerns. I agreed, paid cancellation challans via PhonePe, and visited Kandla Customs."

"I charged Rs. 2000 per shipping bill for M/s KSK Agrochem, M/s Unique Enterprise and M/s KGN Enterprise"

3.5 Whereas, Summons dated 07.04.2025 was issued to Shri Srinu Gunti of M/s SRNK Logistics Pvt. Ltd a CHA firm facilitated for filing shipping bills of M/s KSK Agrochem for recording of statement. Shri Srinu Gunti of M/s SRNK Logistics Pvt. Ltd appeared for statement and statement dated 19.04.2025 (**RUD – 35**) were recorded. During his statements, Shri Srinu Gunti, inter-alia, stated that:

- He filed shipping bills for M/s SRNK Logistics Pvt. Ltd. at the instruction of Shri Sapan Khemchandani, but those shipping bills were subsequently cancelled.
- He was not aware that the goods involved were Natural Garnet or restricted Beach Sand Minerals.
- He submitted:

"I submit that I have filed Shipping bills pertaining to M/s KGN Enterprise and M/s KSK Agrochem as per the directions of Shri Sapan (Sunny)... However, I asked him if the same are genuine exporters, to which he assured me that these exporters are genuine. I asked Shri Sapan(Sunny) to send photographs of empty containers, the stuffing procedure and the goods, before and after sealing of the same. Shri Sapan did not provide me these photographs for the same on 22.1.2025 , accordingly I had an argument with him and asked him to cancel these shipping bills in the morning of 23.1.2025. I submit a copy of my Whatsapp chat with Shri Sapan (Sunny) where I asked him to cancel the said shipping bills. He himself came to my office after lunch on 23.1.2025 and by his own Phonepe account, challans for cancellation of the same were paid and generated on 23.1.2025. Thereafter, he himself went to Kandla Customs for cancellation of the above said shipping bills. Accordingly, I do not agree with the reply given by Shri Sapan."

3.6 Summons dated 06.02.2025 was issued to Authorised Representative of M/s Service Bureau Logistics a CHA firm facilitated for filing shipping bills of M/s Unique Enterprise for recording of statement. Shri Anshu Mahto of M/s Service Bureau Logistics appeared for statement and statement dated 06.02.2025 (**RUD – 36**) was recorded. During his statements, Shri Anshu Mahto stated that:

- He filed the shipping bills for **M/s Unique Enterprise** (Shipping Bills No. **7507660** and **7507661**) based on documents and declarations provided by **Shri Pranesh Kikani**, without physically verifying the goods.
- He stated that the transportation of goods was arranged by Shri Pranesh Kikani of M/s Unique Enterprise.
- He did not raise any concerns or seek further clarification regarding the nature of the goods.
- He admitted:

“We filed the export shipping bills as per documents received from Shri Pranesh Kikani to our office colleague Shri Aniket. We never verify the cargo before filing shipping documents. The transportation of the cargo was arranged by Shri Pranesh Kikani, our company did not make any arrangements for movement of goods to port premises. We were never provided with weighbridge slips, e-way bills, or transport invoices.”

3.7 Whereas, Summons dated 29.04.2025 was issued to M/s Gaurav M. Jhaveri, a CHA firm facilitated for filing shipping bills of M/s KSK Agrochem for recording of statement and submission of documents. Shri Bharat M. Parmar, Owner of M/s Kinjal Logitrans India Private Limited, G Card Holder of M/s Gaurav M. Jhaveri appeared for statement and statement dated 07.05.2025 (**RUD – 37**) was recorded. During his statements, Shri Bharat Parmar stated that:

- The shipping bills for M/s KSK Agrochem were filed by the CHA firm based entirely on the documents and declarations provided by Shri Sapan Khemchandani, who misrepresented himself as a representative of M/s Gaurav M. Jhaveri, without the firm's knowledge or authorisation.
- The CHA firm did not independently verify the nature of the goods.
- He submitted:

“Shri Jayesh Khemchandani and Shri Sapan Khemchandanoi, vouched for M/s KSK Agrochem, M/s KGN Enterprise, stating that Shri Sapan has provided prior shipping bills and self-sealing permissions, indicating they were legitimate exporters. I relied on Jayesh’s assurances and Sapan’s documents, including invoices and claimed self-sealing permissions, without independently verifying the exporters’ credentials, as I trusted Sapan’s long-standing coordination and Jayesh’s role. I did not visit their premises or check KYC details beyond the provided documents”

“I did not verify the premises, as my role as a CHA relies on exporter-provided documents, and self-sealing permissions are typically verified by customs. I assumed the documents were genuine.”

3.8 Whereas, Multiple summons were issued to M/s Patel Enterprise and M/s Raghav Minerals, the alleged suppliers of the Natural Garnet, on 19.02.2025,

07.04.2025, and 29.04.2025. However, neither entity nor their authorised representatives appeared before the DRI for recording of statements. Further, the search proceedings conducted at the premises of these entities revealed that these entities are dealing in processing and supply of Garnet. Further, the summons issued by this office required these entities to submit documents in relation to mining permits, e-ravannah challans, transporter details and procurement invoices. Despite repeated reminders in the matter, these entities neither appeared for recording of statement nor submitted the mining permits, e-ravannah challans, transporter details and procurement invoices. These statements of the accused, the searches conducted at the premises and the entities' deliberate non adherence to summons establishes the active role of these entities in the present matter.

4. ROLE PLAYED BY EACH PERSON/ENTITY AND EVIDENCE

4.1 Accordingly, it appears that, the investigation has brought to light a meticulously orchestrated conspiracy involving exporters, suppliers, intermediaries, CHA firms, and foreign buyers, all of whom acted in concert to attempt the illegal export of restricted Natural Garnet by misuse of self-sealing facility and resorting to misdeclaration of description, quantity, and value, abuse of shipping documentation, and deliberate evasion of statutory restrictions imposed under the Customs Act, Foreign Trade Policy, FTDR Act, and CBLR.

4.2 Section 50 of the Customs Act, 1962 provides:

"Where any goods are to be exported, the exporter shall make entry thereof by presenting to the proper officer in such form and manner as may be prescribed a shipping bill or a bill of export in respect of such goods, and such exporter shall at the foot of such shipping bill or bill of export make and subscribe to a declaration as to the truth of the contents thereof."

4.3 M/s Unique Enterprise and Shri Pranesh Kikani

4.3.1 It appears that, M/s Unique Enterprise, controlled by Shri Pranesh Kikani, filed Shipping Bills No. 7507660 and 7507661, dated 22.01.2025, declaring restricted Natural Garnet as "Industrial Salt" under incorrect HSN 25010010. The declared value was significantly lower than the actual market value, as confirmed by IREL's test reports.

4.3.2 It appears that, By knowingly mis-declaring the description and value of the goods, Shri Pranesh Kikani contravened the requirement of truthful declaration under Section 50.

4.3.3 Section 113(d) & 113(i) of the Customs Act, 1962 provides:
"The following export goods shall be liable to confiscation—

(d) any goods attempted to be exported or brought within the limits of any customs area for the purpose of being exported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force.

(i) any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made under this Act.”

4.3.4 It appears that, the restricted Natural Garnet was attempted to be exported contrary to prohibitions imposed under the Foreign Trade Policy. The false declaration of description and value, along with misuse of self-sealing permission and unauthorised stuffing, renders the goods liable to confiscation under Section 113(d) & 113(i).

4.3.5 Whereas, Section 114 of the Customs Act, 1962 provide for penalties for acts or omissions that render goods liable to confiscation, and for wilful misstatement or suppression of facts.

4.3.6 It appears that, the acts of deliberate mis-declaration, suppression of facts, using fake export invoices and facilitation of unauthorised export attempts attract penalties under Sections 114 along with Section 114AA of the Customs Act, 1962 upon Shri Pranesh Kikani and M/s. Unique Enterprise under self-sealing permission. Further, despite the fact that the declared premises did not exist as an operational self-sealing location, Shri Pranesh Kikani arranged stuffing near Ambica Weighbridge, outside any authorised premises, thereby misusing self-sealing permission and circumventing customs examination.

4.4 M/s KSK Agrochem and Shri Karthik Marla

4.4.1 It appears that, M/s KSK Agrochem, through partner Shri Karthik Marla, filed Shipping Bills No. 7508429, 7508430, 7508434, and 7524092, declaring restricted Natural Garnet as "Feldspar" under incorrect classification and suppressed value.

4.4.2 It appears that, By mis-declaring the description and value, Shri Karthik Marla contravened Section 50 of the Customs Act, 1962.

4.4.3 It appears that, The restricted Natural Garnet was attempted to be exported contrary to prohibitions imposed under the Foreign Trade Policy. The false declaration of description and value, along with misuse of self-sealing permission and unauthorised stuffing, renders the goods liable to confiscation under Section 113(d) & 113(i) of the Customs Act, 1962.

4.4.4 It appears that, deliberate misdeclaration using, fake export invoices and misuse of self-sealing permission, combined with unauthorised stuffing, on the part of M/s. KSK Agrochem and Shri Karthik Marla constitute clear acts of commission attracting penalties under Sections 114, 114AA of the Customs Act and Section 11(2) of the FTDR Act, 1992., Shri Marla violated Section 50. He admitted to sourcing the goods from M/s Raghav Minerals and deliberately mis-declaring them on instructions of the

foreign buyer. He arranged stuffing near Ambica Weighbridge, knowing that no valid self-sealing premises existed.

4.5 Shri Sapan Khemchandani

4.5.1 It appears that, Shri Khemchandani misrepresented himself as a representative of M/s Gaurav M. Jhaveri, CHA, arranged filing of shipping bills for M/s KSK Agrochem through Shri Bharat Parmar, Owner of M/s Kinjal Logitrans India Private Limited, G Card Holder of M/s Gaurav M. Jhaveri and coordinated with M/s SRNK Logistics for filing shipping bills of M/s KSK Agrochem which was later cancelled on his direction.

4.5.2 It appears that, He was fully aware that the goods were restricted and mis-declared, he facilitated the misuse of shipping documents, directly abetting the attempted illegal export. He knowingly sent export invoices which were fake/wrong in terms of their description, value and CTH.

4.5.3 As per Section 114 of the Customs Act, any person who abets an act rendering goods liable to confiscation is liable to penalty. It appears that, His failure to produce cargo photographs led to cancellation of shipping bills, with cancellation charges paid by him further confirms his active role in the illegal export.

4.5.4. As per Section 114AA, any person who 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, is liable to a penalty, thus it appears that Shri Sapan Khemchandani is liable for penal action under Section 114AA of the Customs Act, 1962.

4.6 M/s Patel Enterprise and M/s Raghav Minerals

4.6.1 Identified as suppliers of restricted Garnet, It appears that, these entities failed to appear despite summons under Section 108 of the Customs Act. Further, the search proceedings conducted at the premises of these entities revealed that these entities are dealing in processing and supply of Garnet. Further, the summons issued by this office required these entities to submit documents in relation to mining permits, e-ravannah challans, transporter details and procurement invoices. Despite repeated reminders in the matter, these entities neither appeared for recording of statement nor submitted the mining permits, e-ravannah challans, transporter details and procurement invoices. These statements of the accused, the searches conducted at the premises and the entities' deliberate non adherence to summons establishes the active role of these entities in the present matter.

4.6.2 It appears that, Their supply of restricted goods without proper authorisation, procurement documents, e-ravannah challans, mining permits and refusal to cooperate constitute acts of commission and omission, rendering them liable under

Sections 114, 114AA and Section 117 of the Customs Act and Section 11(2) of the FTDR Act.

4.7 Shri Bharat Parmar, owner of M/s Kinjal Logitrans India Private Limited, G Card Holder of M/s Gaurav M. Jhaveri

4.7.1 i. Whereas, the Regulation 10(d) of the CBLR, 2018 states that-

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

(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;

(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;"

4.7.2 It appears that, despite exporters possessing self-sealing permission, the CHAs failed to exercise due diligence in verifying the existence of operational self-sealing premises. It appears that, Shri Bharat Parmar let himself be used by Shri Sapan Khemchandani in filing of export shipping bills with wrong entries pertaining to description, CTH and value.

4.7.3. As per Section 114AA, any person who 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, is liable to a penalty, thus it appears that Bharat Parmar, owner of M/s Kinjal Logitrans India Private Limited, G Card Holder of M/s Gaurav M. Jhaveri is liable for penal action under Section 114AA of the Customs Act, 1962.

4.8 Shri Anshu Mahto, authorised representative of M/s Service Bureau Logistics LLP

4.8.1 i. Whereas, Regulation 10(d) of the CBLR, 2018 states that

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

(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;

(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;"

4.8.2 It appears that, Despite exporters possessing self-sealing permission, the CHAs failed to exercise due diligence in verifying the existence of operational self-sealing premises.

4.8.3 During the statement Shri Anshu Mahto admitted that their firm facilitated filing of Shipping Bills of M/s. Unique Enterprise. As per Section 114AA, any 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, is liable to penalty, thus it appears that Shri Anshu Mahto, authorised representative of M/s Service Bureau Logistics LLP is liable for penal action under Section 114AA of the Customs Act, 1962

4.9 Shri Srinu Gunti, authorised representative of M/s SRNK Logistics Pvt. Ltd

4.9.1 i. Whereas, Regulation 10(d) of the CBLR, 2018 states that

"10. Obligations of Customs Broker.— A Customs Broker shall —

(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;

(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;"

4.9.2 It appears that, Shri Srinu Gunti, authorised representative of M/s SRNK Logistics Pvt. Ltd failed to bring the matter of non-existence of self sealing permission, non submission of stuffing photographs from Shri Sapan Khemchandani or the exporters M/s KSK Agrochem & M/s KGN Enterprise, to the notice of Deputy Commissioner of Customs as mandated under CBLR, 2018.

4.9.3. During the statement Shri Srinu Gunti, authorised representative of M/s SRNK Logistics Pvt. Ltd. admitted that their firm facilitated filing of Shipping Bills of M/s. Unique Enterprise. As per Section 114AA, any 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, is liable to penalty, thus it appears that Shri Srinu Gunti, authorised representative of M/s SRNK Logistics Pvt. Ltd. is liable for penal action under Section 114AA of the Customs Act, 1962.

4.10 M/s KGN Enterprise

4.10.1 It appears that, Shipping bills in the name of M/s KGN Enterprise were similarly misused by Shri Khemchandani. Their failure to submit stuffing photographs

at the time of shipping filing to the CHA M/s SRNK Logistics Pvt. Ltd and cancellation of shipping bills. Further, the summons sent physically have been returned undelivered with remarks regarding non-existence of M/s KGN Enterprise at their registered address Shop No 16, Murlidhar Complex, Mundra. Further, the summons has also been sent to their registered email address and despite the same, M/s KGN Enterprise has failed to appear for recording of statement or submission of documents. Further, searches were attempted at the registered address and the self-sealing premises, however, the firm was not found operating at the said addresses. This indicates complicity and non-existence of M/s KGN Enterprise.

4.10.2. It appears that M/s. KGN Enterprise is liable for penal action under Section 114, 114AA and 117 of the Customs Act, 1962.

4.11 Foreign Buyers: Mr. Naveen (M/s Spark Minerals DMCC) and Mr. Yunis Khan

4.11.1 It appears that, As per the statements recorded, the Foreign buyers instructed exporters to misdeclare the goods, fully aware of restrictions under Indian law. Their acts of commission establish active connivance in violating the Foreign Trade Policy and abetting illegal exports of Natural Garnet by way of misdeclaration.

4.11.2. As per Section 114AA, any 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, is liable to penalty, thus it appears that Mr. Naveen (M/s Spark Minerals DMCC) and Mr. Yunis Khan are liable for penal action under Section 114AA of the Customs Act, 1962

4.12 Connection Between the Cases

4.12.1 It appears that, The investigation conclusively establishes that deliberate misdeclaration of description, value, misuse of self-sealing permissions, omission of due diligence by CHAs, and abetment by intermediaries and foreign buyers constitute clear contraventions of the Customs Act, FTDR Act, Foreign Trade Policy, and CBLR. The investigation clearly establishes that M/s Unique Enterprise, M/s KSK Agrochem, and M/s KGN Enterprise, through the facilitation of Shri Sapan Khemchandani, were engaged in a coordinated operation to illegally export restricted Natural Garnet, exploiting misdeclaration, misuse of shipping bills, and manipulation of CHA processes.

4.12.2 It appears that, The cancellation of shipping bills for both M/s KSK Agrochem and M/s KGN Enterprise, upon inability to produce photographs of cargo loading, along with payment of cancellation charges by a single person Shri Sapan Khemchandani, demonstrates systematic misuse of multiple exporter identities for illegal Garnet exports.

4.12.3 It appears that, The common link of Shri Pranesh Kikani, Shri Karthik Marla, and Shri Sapan Khemchandani across these cases confirms the organised nature of the offence.

4.12.4 It appears that the Non-appearance of alleged suppliers and exporter M/s KGN Enterprise, along with manipulation of CHA processes, further substantiates the deliberate and systematic nature of the illegal operation.

5. RELEVANT LEGAL PROVISIONS

5.1 Whereas, The investigation has revealed deliberate and organised contraventions of statutory provisions governing export operations, customs declarations, and the export of restricted goods. The relevant provisions of the Customs Act, 1962, the Foreign Trade (Development and Regulation) Act, 1992, and the Customs Brokers Licensing Regulations (CBLR), 2018, applicable to this case, are detailed below:

5.2 Provisions of the Customs Act, 1962

i. “50. Entry of goods for exportation.

(1)The exporter of any goods shall make entry thereof by presenting to the proper officer in the case of goods to be exported in a vessel or aircraft, a shipping bill, and in the case of goods to be exported by land, a bill of export [in such form and manner as may be prescribed] [Substituted 'in the prescribed form' by Finance Act, 2018 (Act No. 13 of 2018), dated 29.3.2018].(2)The exporter of any goods, while presenting a shipping bill or bill of export, shall at the foot thereof make and subscribe to a declaration as to the truth of its contents.(3)[The exporter who presents a shipping bill or bill of export under this section 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.”

→ The exporters, M/s Unique Enterprise and M/s KSK Agrochem, deliberately made false declarations in their shipping bills, misdeclaring restricted Natural Garnet as Industrial Salt and Feldspar, respectively, in contravention of this provision.

ii. " 108. Power to summon persons to give evidence and produce documents.

(1) Any Gazetted Officer of Customs shall have power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing in any inquiry which such officer is making under this Act.(2)A summons to produce documents or other things may be for the production of certain specified documents or things or for the production of all documents or things of a certain description in the possession or under the control of the person summoned.(3)All persons so summoned shall be bound to attend either in person or by an authorised agent, as

such officer may direct; and all persons so summoned shall be bound to state the truth upon any subject, respecting which they are examined or make statements and produce such documents and other things as may be required: Provided that the exemption under section 132 of the Code of Civil Procedure, 1908 (5 of 1908), shall be applicable to any requisition for attendance under this section. (4) Every such inquiry as aforesaid shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code (45 of 1860)."

→ Summons were issued to all involved parties, including exporters, CHAs, suppliers, and intermediaries. Non-compliance with summons by M/s Patel Enterprise, M/s Raghav Minerals, and M/s KGN Enterprise constitutes a violation of this provision.

iii. Section 110 of the Customs Act, 1962

" Seizure of goods, documents and things.

(1) If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods: Provided that where it is not practicable to seize any such goods, the proper officer may serve on the owner of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer."

→ Based on credible intelligence, scientific testing, and misdeclaration detected during examination, 31 containers containing Natural Garnet were seized under this provision.

iv. Section 113(i) of the Customs Act, 1962

" Confiscation of goods attempted to be improperly exported, etc.

*- The following export goods shall be liable to confiscation:—
(d) any goods attempted to be exported or brought within the limits of any customs area for the purpose of being exported, contrary to any prohibition imposed by or under this Act or any other law for the time being in force;*

(i) any goods entered for exportation which do not correspond in respect of value or in any material particular with the entry made under this Act or in the case of baggage with the declaration made under section 77;"

→ The restricted Natural Garnet was attempted to be exported by M/s Unique Enterprise and M/s KSK Agrochem, contrary to prohibitions under the Export Policy, attracting confiscation under this section.

v. Section 114 of the Customs Act, 1962

" 114. Penalty for attempt to export goods improperly, etc.

- Any person 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 113, or abets the doing or omission of such an act, 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 three times the value of the goods as declared by the exporter or the value as determined under this Act "

→ The exporters, suppliers, intermediaries, and CHAs, by their acts of misdeclaration, abetment, and failure to exercise due diligence, are liable to penalties under this provision.

vi. Section 117 of the Customs Act, 1962

" 117. Penalties for contravention, etc., not expressly mentioned.

- Any person who contravenes any provision of this Act or abets any such contravention or who fails to comply with any provision of this Act with which it was his duty to comply, where no express penalty is elsewhere provided for such contravention or failure, shall be liable to a penalty not exceeding four lakh rupees"

→ The exporters, through wilful misstatement in their shipping documents, rendered themselves liable to penalty under this section, irrespective of the duty element, given the nature of the contravention.

vii. Section 114AA of the Customs Act, 1962

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

→ The exporters, through false information in their shipping documents mis-declaring the description and value to circumvent export restrictions, rendered themselves liable to penalty under this section, given the nature of the contravention.

→ M/s Patel Enterprise, named by Shri Pranesh Kikani as supplier of Garnet has provided a fake invoice for "Industrial Salt" from M/s Teentaik Traders, a fake entity, mis-declaring the description and value to circumvent export restrictions, rendered themselves liable to penalty under this section, given the nature of the contravention.

5.3 Provisions of the Foreign Trade (Development and Regulation) Act, 1992

i. Section 11 of the FTDR Act, 1992

"Contravention of provisions of this Act, rules, orders and foreign trade policy

11.(1) No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made there under and the foreign trade policy for the time being in force.

(2) Where any person makes or abets or attempts to make any export or import in contravention of any provision of this Act or any rules or orders made there under or the foreign trade policy he shall be liable to a penalty of not less than ten thousand rupees and not more than five times the value of the goods or services or technology in respect of which any contravention is made or attempted to be made, whichever is more."

→ Export of Natural Garnet, restricted under Sl. No. 98A of Chapter 26, Schedule 2 of the Export Policy 2015-2020, without authorisation from DGFT, constitutes contravention, attracting penal consequences under this section.

5.4 Export Policy

5.4.1 DGFT Notification No. 26/2015-2020 Dated: 21 August, 2018 **(RUD -38)** states that-

“ Subject: Export policy of Beach Sand Minerals (BSM) in Chapter 26 of Schedule 2 of ITC(HS) Classification of Export and Import Items 2018 - regarding.

S.O.(E) - *In exercise of the powers conferred by Section 3 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), read with paragraph 1.02 and 2.01 of the Foreign Trade Policy (FTP), 2015-2020, as amended from time to time, the Central Government hereby, with immediate effect, makes amendment in export policy of 'Beach Sand Minerals' in Chapter 26 of Schedule 2 of ITC(HS) Classification of Export and Import Items.*

2. The existing entries in the 'Note' of Chapter 26 of Schedule 2 of ITC(HS) Classification of Export and Import Items 2018 are substituted as under :

"NOTE:

1. Export of Rare Earth compounds classified as Beach Sand Minerals (BSM) , namely [Ilmenite, Rutile, Leucoxene(Titanium bearing mineral), Zircon, Garnet, Sillimanite and Monazite (Uranium and Thorium)], shall be regulated in terms of Sl. No. 98A of Chapter 26 Schedule 2 of ITC(HS) Classification.

2. Other minerals under code 2617 are freely exportable, except those which have been notified as prescribed substances and controlled under Atomic Energy Act, 1962".

3. A new entry at Sl. No. 98A is inserted in Chapter 26 of Schedule 2 of ITC (HS) Classification of Export & Import Items 2018 as follows:

S.No.	Tariff code	Item	HS	Unit	Item Description	Export Policy	Policy Condition
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98A	2508 5031	Kg	Beach sand Minerals [Ilmenite, Rutile, Leucoxene(Titanium bearing mineral), Zircon, Garnet, Sillimanite and Monazite (Uranium and Thorium)]	STE (State Trading Enterprise)	Export through Indian Rare Earths Limited (IREL)
	2508 5032				
	2508 5039				
	2612 1000				
	2612 2000				
	2614 0010				
	2614 0020				
	2614 0031				
	2614 0039				
	2614 0090				
	2515 1000				
	2513 2030				

4. **Effect of this Notification:**

Export of Beach Sand Minerals have been brought under STE and shall be canalized through Indian Rare Earths Limited (IREL). Beach sand minerals, permitted anywhere in the export policy, will now be regulated in terms of policy under at Sl. No. 98A of chapter 26 of Schedule 2 Export Policy.”

5.4.2 This restriction has been further notified vide Notification No 50/2024-25 dated 13.01.2025 (**RUD - 39**) which notifies the Schedule-II Export Policy of Foreign Trade Policy 2023 and further states that

“25132030 Natural garnet -----STE (State Trading Enterprise)----- Export is allowed through Indian Rare Earths Limited (IREL) only”

5.4 Provisions of the Customs Brokers Licensing Regulations (CBLR), 2018

i. Regulation 10(d) of the CBLR, 2018

"10. Obligations of Customs Broker.— A Customs Broker shall —

(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;

(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;"

→ The CHAs involved, including M/s Gaurav M. Jhaveri, M/s SRNK Logistics Pvt. Ltd., and M/s Service Bureau Logistics LLP, through their authorised representatives,

failed to exercise due diligence in verifying the nature of the goods, the self sealing premises and the correctness of declarations, thus violating this regulation.

5.5 Summary of Legal Applicability

It appears that, as per the facts established during the investigation, including misdeclaration, misuse of shipping bills, non-submission of documents, non-compliance with summons, and facilitation by intermediaries, squarely attract the provisions quoted above, rendering the goods liable for confiscation and all involved individuals and entities liable for penalties as provided under law.

6. FINDINGS ON MIS-DECLARATION, MIS-CLASSIFICATION AND VALUATION OF GOODS

6.1 WHEREAS, M/s Unique Enterprise (IEC No. DRRPK0313R) and M/s KSK Agrochem (IEC No. AAYFK6855B) filed the following Shipping Bills at KANDLA port for the export of goods declared as “Industrial Salt” and “Feldspar” under CTH 25010010 and 25291010, with the declared Free on Board (FOB) values and weights as follows:

- I. Shipping Bill No. 7507660 dated 22.01.2025 (M/s Unique Enterprise): Declared weight 56,250 kg, Net weight found 53,820 kg, Declared FOB value ₹4,40,664 (Declared CIF Rate ₹100 per MT).
- II. Shipping Bill No. 7507661 dated 22.01.2025 (M/s Unique Enterprise): Declared weight 1,12,500 kg, Net weight found 1,11,920 kg, Declared FOB value ₹8,81,328 (Declared CIF Rate ₹100 per MT).
- III. Shipping Bill No. 7524092 dated 23.01.2025 (M/s KSK Agrochem): Declared weight 1,96,700 kg, Net weight found 1,94,735 kg, Declared FOB value ₹10,66,475.2 (Declared CIF Rate ₹103 per MT).
- IV. Shipping Bill No. 7508434 dated 22.01.2025 (M/s KSK Agrochem): Declared weight 1,68,600 kg, Net weight found 1,68,050 kg, Declared FOB value ₹9,14,121.6 (Declared CIF Rate ₹103 per MT).
- V. Shipping Bill No. 7508429 dated 22.01.2025 (M/s KSK Agrochem): Declared weight 1,68,600 kg, Net weight found 1,67,150 kg, Declared FOB value ₹9,14,121.6 (Declared CIF Rate ₹103 per MT).
- VI. Shipping Bill No. 7508430 dated 22.01.2025 (M/s KSK Agrochem): Declared weight 1,68,000 kg, Net weight found 1,67,925 kg, Declared FOB value ₹9,14,121.6 (Declared CIF Rate ₹103 per MT).

6.2 AND WHEREAS, the valuation of export goods is governed by the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, notified vide Notification No. 95/2007-Customs (N.T.), dated 13th September 2007, issued under Section 14 of the Customs Act, 1962. The relevant provisions are quoted as follows:

- **Rule 3(1):** *"Subject to rule 8, the value of export goods shall be the transaction value."*

- **Rule 4(1):** " (1) The value of the export goods shall be based on the transaction value of goods of like kind and quality exported at or about the same time to other buyers in the same destination country of importation or in its absence another destination country of importation adjusted in accordance with the provisions of sub-rule (2)."
- **Rule 8: " Rejection of declared value.-**(1) When the proper officer has reason to doubt the truth or accuracy of the value declared in relation to any export goods, he may ask the exporter of such goods to furnish further information including documents or other evidence and if, after receiving such further information, or in the absence of a response of such exporter, the proper officer still has reasonable doubt about the truth or accuracy of the value so declared, the transaction value shall be deemed to have not been determined in accordance with sub-rule (1) of rule 3. "
- **Rule 6: " Residual method. -** (1) Subject to the provisions of rule 3, where the value of the export goods cannot be determined under the provisions of rules 4 and 5, the value shall be determined using reasonable means consistent with the principles and general provisions of these rules provided that local market price of the export goods may not be the only basis for determining the value of export goods.

6.3 It appears that, investigations have revealed that the goods declared as "Feldspar" by M/s KSK Agrochem and "Industrial Salt" by M/s Unique Enterprise are, in fact, "Natural Garnet Sand Mineral," as confirmed by the test report obtained from Indian Rare Earths Limited (IREL), a Government of India enterprise and the sole authorized State Trading Enterprise (STE) for the export of garnet under the Foreign Trade Policy. Accordingly, the declared description and CTH of the goods as "Feldspar" and "Industrial Salt" should be rejected and re-determined as "Natural Garnet Sand Mineral" covered under CTH 25132030 under based on the IREL findings.

6.4 Accordingly, It appears that, that the declared values are liable to be rejected under **Rule 8** of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, notified vide Notification No. 95/2007-Customs (N.T.), dated 13th September 2007, based on the following:

- **Mis-declaration of Goods Description and CTH:** It appears that, The consignments were declared as "Feldspar" and "Industrial Salt," which are not restricted items, whereas the IREL test report confirms the goods to be "Natural Garnet Sand Mineral," a restricted item requiring export canalization through IREL. This mis-declaration is a violation of Section 50(2) of the Customs Act, 1962, which requires exporters to make a true and correct declaration of the particulars of the export goods.
- **Significant Discrepancy in Declared Value:** It appears that, The declared FOB values of ₹4,40,664 and ₹8,81,328 (CIF Rate ₹100 per MT) by M/s Unique Enterprise, and ₹10,66,475.2, ₹9,14,121.6, ₹9,14,121.6, and ₹9,14,121.6 (CIF Rate ₹103 per MT) by M/s KSK Agrochem are substantially lower than the

prevailing market price for “Natural Garnet Sand Mineral” of similar grade and quality, as indicated by the IREL report, raising doubts about the truth and accuracy of the declared values.

6.5 AND, It appears that, pursuant to the liable rejection of the declared values under Rule 8, the value of the consignments is needed to be re-ascertained. As the sole authorized STE for garnet exports under the Foreign Trade Policy, IREL has the requisite expertise and authority to accurately assess the quality, grade, and market value of “Natural Garnet Sand Mineral,” making its valuation a credible basis for re-ascertainment under **Rule 4 and Rule 6** of the Customs Valuation (Determination of Value of Export Goods) Rules, 2007, notified vide Notification No. 95/2007-Customs (N.T.), dated 13th September 2007, which allows valuation based on the price at which such or like goods are ordinarily sold or offered for sale under competitive conditions in the international market. The re-ascertainment relies on the valuation issued by Indian Rare Earths Limited (IREL), for the following reasons:

1. **Specialized Expertise of IREL:** As the sole authorized STE for garnet exports under the Foreign Trade Policy, IREL has the requisite expertise and authority to accurately assess the quality, grade, and market value of “Natural Garnet Sand Mineral,” making its valuation report a credible basis for re-ascertainment.
2. **Alignment with Market Standards:** The IREL report establishes the FOB value of “Natural Garnet Sand Mineral” of the same grade and specifications as ₹19,000 per metric ton without IGST.
3. **Confirmation of Goods’ True Nature:** The IREL test report verifies that the consignments are containing Garnet Sand Mineral not “Feldspar” or “Industrial Salt,” correcting the exporters’ mis-declaration and providing a factual foundation for both the re-determination of description and valuation.
4. **Ensuring Regulatory Compliance:** Relying on IREL’s valuation aligns with the Foreign Trade Policy as IREL being the only STE allowed to export Natural Garnet, and ensures accurate assessment under Section 14 of the Customs Act, 1962.

6.6 AND, It appears that, based on the IREL valuation report, the description of the goods needs to be re-determined as “Natural Garnet Sand Mineral,” and the FOB value of the consignments is proposed to be re-ascertained at ₹19,000 per metric ton, resulting in the following total revised FOB values:

- I. Shipping Bill No. 7507660 (M/s Unique Enterprise): ₹10,22,580 (based on net weight 53,820 kg).
- II. Shipping Bill No. 7507661 (M/s Unique Enterprise): ₹21,26,480 (based on net weight 1,11,920 kg).
- III. Shipping Bill No. 7524092 (M/s KSK Agrochem): ₹36,99,965 (based on net weight 1,94,735 kg).

- IV. Shipping Bill No. 7508434 (M/s KSK Agrochem): ₹31,92,950 (based on net weight 1,68,050 kg).
- V. Shipping Bill No. 7508429 (M/s KSK Agrochem): ₹31,75,850 (based on net weight 1,67,150 kg).
- VI. Shipping Bill No. 7508430 (M/s KSK Agrochem): ₹31,90,575 (based on net weight 1,67,925 kg).

7. CONCLUSION AND OBSERVATIONS-

7.1 It appears that, On the basis of the investigation conducted, facts established, statements recorded under Section 108 of the Customs Act, 1962, scientific test reports from IREL (India) Ltd., documentary evidence, panchnama proceedings, seizure of goods, the deliberate non-appearance of certain individuals and entities, and the instructions received from foreign buyers to misdeclare the goods, the following conclusions are drawn:

7.2 It appears that, The scientific test reports issued by IREL (India) Ltd., dated 25.03.2025 and 23.04.2025, conclusively established that the goods declared as "Industrial Salt" and "Feldspar" in the shipping bills filed by M/s Unique Enterprise and M/s KSK Agrochem were in fact "Natural Garnet," a restricted Beach Sand Mineral covered under Sl. No. 98A of Chapter 26, Schedule 2 of the Export Policy, 2015-2020. It appears that, the market value of the seized goods needs to be re-determined based on these reports, which serve as irrefutable evidence of the restricted nature and high commercial value of the goods.

7.3 It appears that, in light of the IREL reports, the self-assessment of the aforementioned shipping bills is to be rejected, as the declarations made by the exporters were false and misleading, intended to circumvent statutory restrictions.

7.4 It appears that, M/s Unique Enterprise, by knowingly mis-declaring restricted Natural Garnet as Industrial Salt in Shipping Bills No. 7507660 dated 22.01.2025 and 7507661 dated 22.01.2025, attempted to export prohibited goods in gross violation of the Foreign Trade Policy and the Customs Act, 1962.

7.5 It appears that, M/s KSK Agrochem, by knowingly mis-declaring restricted Natural Garnet as Feldspar in Shipping Bills No. 7508429 dated 22.01.2025, 7508430 dated 22.01.2025, 7508434 dated 22.01.2025, and 7524092 dated 23.01.2025, similarly attempted to export prohibited goods in deliberate contravention of applicable laws.

7.6 It appears that, Shri Pranesh Kikani, controlling M/s Unique Enterprise, orchestrated the misdeclaration and facilitated similar illegal exports by M/s KSK Agrochem by coordinating with Shri Sapan Khemchandani and providing logistical and operational support.

7.7 It appears that, Shri Karthik Marla, Partner of M/s KSK Agrochem, consciously procured restricted Garnet and misdeclared the same in export documents with full knowledge of its prohibited nature. It appears that, that the foreign buyer, Mr. Yunis Khan, specifically instructed him to misdeclare the goods to avoid detection,

demonstrating the foreign buyer's knowledge and connivance in the illegal export attempt.

7.8 It appears that, Shri Sapan Khemchandani played a central and critical role in facilitating the filing of misdeclared shipping bills for M/s KSK Agrochem by misrepresenting himself as a CHA representative, misusing the credentials of M/s Gaurav M. Jhaveri, and orchestrating similar misuse of shipping bills of M/s KGN Enterprise through M/s SRNK Logistics Pvt. Ltd. It appears that, The cancellation of these shipping bills upon his inability to provide photographs of cargo, coupled with his payment of cancellation charges, clearly evidences his control and deliberate misuse of export documentation to facilitate the illegal export of restricted goods.

7.9 It appears that, The actions of M/s KGN Enterprise, who failed to appear despite summons, and whose shipping bills were similarly misused by Shri Sapan Khemchandani, non-existence at their self-sealing as well as registered premises indicate either direct complicity or wilful neglect leading to the misuse of their export credentials for illegal purposes.

7.10 It appears that, The failure of M/s Patel Enterprise and M/s Raghav Minerals to appear for inquiry, despite being named as suppliers of the restricted Garnet, reflects deliberate non-cooperation and indicates their likely involvement in the illegal supply chain.

7.11 It appears that, The investigation also reveals that foreign buyers, of Mr. Naveen of M/s Spark Minerals DMCC, Dubai and Mr. Yunis Khan of M/s P.T.C. WLL, Doha, Qatar instructed Shri Pranesh Kikani and Shri Karthik Marla respectively to mis-declare the restricted Garnet as Industrial Salt to evade export restrictions, indicating that the foreign buyers were fully aware of the prohibited nature of the goods and acted in connivance with the exporters.

SHOW CAUSE NOTICE-

8. In view of the foregoing, the following entities are hereby called upon to Show Cause to the Additional Commissioner of Customs, Customs House, Kandla, within 30 days of receipt of this Show Cause notice, as to why-

8.1. M/s. Unique Enterprise-

- i. the declared description, classification and valuation of the Shipping Bills No. 7507660 dated 22.01.2025 and 7507661 dated 22.01.2025 should not be rejected.
- ii. the goods covered under the Shipping Bills No. 7507660 dated 22.01.2025 and 7507661 dated 22.01.2025 should not be confiscated under Section 113(d) and 113(i) of the Customs Act, 1962.
- iii. the description of goods not be determined as "Natural Garnet Sand Mineral," the goods not be reclassified under CTH 25132030 and the FOB value of the consignments not be re-determined at ₹19,000 per metric ton, resulting in the following total revised FOB values-Shipping Bill No. 7507660 (M/s Unique Enterprise): ₹10,22,580 (based on net weight 53,820 kg) Shipping Bill No.

7507661 (M/s Unique Enterprise): ₹21,26,480 (based on net weight 1,11,920 kg).

- iv. Penalty under Sections 114 of the Customs Act, 1962, and Section 11(2) of the FTDR Act, 1992 should not be imposed upon M/s. Unique Enterprise, being the exporter who knowingly mis-declared restricted Natural Garnet as Industrial Salt.
- v. Penalty under Section 114AA of the Customs Act, 1962 should not be imposed upon M/s. Unique Enterprise.

8.2. M/s. KSK Agrochem-

- i. the declared description, classification and valuation of the Shipping Bills No. 7508429 dated 22.01.2025, 7508430 dated 22.01.2025, 7508434 dated 22.01.2025, and 7524092 dated 23.01.2025 should not be rejected.
- ii. the goods covered under the Shipping Bills No. 7508429 dated 22.01.2025, 7508430 dated 22.01.2025, 7508434 dated 22.01.2025, and 7524092 dated 23.01.2025 not be confiscated under Section 113(d) and 113(i) of the Customs Act, 1962.
- iii. the description of goods not be determined as "Natural Garnet Sand Mineral," the goods not be reclassified under CTH 25132030 and the FOB value of the consignments not be re-determined at ₹19,000 per metric ton, resulting in the following total revised FOB values-Shipping Bill No. 7524092 (M/s KSK Agrochem): ₹36,99,965 (based on net weight 1,94,735 kg), Shipping Bill No. 7508434 (M/s KSK Agrochem): ₹31,92,950 (based on net weight 1,68,050 kg), Shipping Bill No. 7508429 (M/s KSK Agrochem): ₹31,75,850 (based on net weight 1,67,150 kg), Shipping Bill No. 7508430 (M/s KSK Agrochem): ₹31,90,575 (based on net weight 1,67,925 kg).
- iv. Penalty under Sections 114 of the Customs Act, 1962, and Section 11(2) of the FTDR Act, 1992 should not be imposed upon M/s KSK Agrochem, being the exporter who knowingly mis-declared restricted Natural Garnet as Feldspar.
- v. Penalty under Section 114AA of the Customs Act, 1962 should not be imposed upon M/s. KSK Agrochem.

8.3. PENALTY ON OTHER PERSONS/FIRMS ETC.-

- i. Penalty under Sections 114, 114AA, and 117 of the Customs Act, 1962, and Section 11(2) of the FTDR Act, 1992 should not be imposed upon Shri Pranesh Kikani, Shri Karthik Marla, and Shri Sapan Khemchandani, having played the role of principal orchestrators and facilitators of the illegal export attempts, by arranging misdeclaration, misuse of shipping bills, misuse of self sealing permissions and acting in connivance with foreign buyers.
- ii. Penalty, for action for abetment, under Sections 114, 114AA and 117 of the Customs Act, 1962, and Section 11(2) of the FTDR Act, 1992 should not be imposed upon M/s Patel Enterprise and M/s Raghav Minerals, having been named as the suppliers of the restricted Natural Garnet and having failed to appear despite repeated summons.

- iii. Penalty under Section 114AA of the Customs Act, 1962 should not be imposed upon Shri Aziz Patel, having being named as provider of fake invoice for “Industrial Salt” from M/s Teentaik Traders, Surat for “Natural Garnet” being attempted to be exported by M/s Unique Enterprise.
 - iv. Penalty under Section 114, 114AA of the Customs Act, 1962, and Section 11(2) of the FTDR Act, 1992 should not be imposed upon Mr. Naveen of M/s Spark Minerals DMCC, Dubai and Mr. Yunis Khan of M/s P.T.C. WLL, Doha, Qatar for instructing Shri Pranesh Kikani and Shri Karthik Marla respectively to mis-declare the restricted Garnet as Industrial Salt and Feldspar to evade export restrictions and acted in connivance with the exporters.
 - v. Penalty under Section 117 of the Customs Act, 1962, for contravention of Regulation 11(d) and 11(n) of the CBLR, 2018, should not be imposed upon M/s Gaurav M. Jhaveri, M/s SRNK Logistics Pvt. Ltd., and M/s Service Bureau Logistics LLP, being the CHA firms, whose credentials and services were misused owing to their failure to exercise mandated due diligence.
 - vi. Penalty under Section 114AA of the Customs Act, 1962, should not be imposed upon M/s Gaurav M. Jhaveri, M/s SRNK Logistics Pvt. Ltd., and M/s Service Bureau Logistics LLP, being the CHA firms, whose credentials and services were misused owing to their failure to exercise mandated due diligence.
 - vii. Penalty under Section 117 of the Customs Act, 1962, for contravention of Regulation 11(d) and 11(n) of the CBLR, 2018 should not be imposed upon Shri Bharat Parmar, Shri Srinu Gunti, and Shri Anshu Mahto, being authorised representatives of the above-mentioned CHA firms who failed to exercise due diligence, thereby facilitating misdeclaration and illegal export attempts.
 - viii. Penalty under Section 114AA of the Customs Act, 1962 should not be imposed upon Shri Bharat Parmar, Shri Srinu Gunti, and Shri Anshu Mahto.
 - ix. Penalty, for abetment, under Sections 114, 114AA and 117 of the Customs Act, 1962 should not be imposed upon M/s KGN Enterprise, whose shipping bills were similarly misused by Shri Sapan Khemchandani for illegal export attempts and who failed to appear despite summons.
- 9.** This show cause notice is being issued under Section 124 of the Customs Act, 1962 without prejudice to any other action that may be taken in respect of the impugned goods and/or the persons/company mentioned in the notice, under the provisions of the Customs Act, 1962 and/or any other law for the time being in force.
- 10.** The aforesaid noticees are to submit their written reply within the 30 days before the adjudicating authority. In their reply, they should clearly state whether they wish to be heard in person or not. In case no such request is made or they do not appear before the adjudicating authority on the date and time fixed, without any sufficient cause, the case will be decided ex-parte on the basis of available records without any further reference to them.

F.No- GEN/ADJ/ADC/1544/2025-Adjn-O/o Commr-Cus-Kandla
DIN- 20250771ML0000666B9B

11. This show cause notice is issued only in respect of issues discussed in the show cause notice as discussed hereinabove.
12. The Department reserves its right to add, amend, modify, etc. this notice based on any fresh facts or evidence which may come to the notice of the Department after issue of this notice but prior to adjudication thereof.
13. List of the documents relied upon in this notice (RUDs) is Annexure-R. It may be noted that all the relied upon documents and annexures enclosed with this show cause notice are an integral part of this show cause notice.

(Rakesh Kumar Jain)
Additional Commissioner

F.No. GEN/ADJ/ADC/1544/2025-Adjn-O/o Commr-Cus-Kandla
DIN- 20250771ML0000666B9B

To,

Sr. No	GSTIN	Trade Name	Legal Name of Business	Address	Email ID:
1	24DRRPK0313R1ZD	UNIQUE ENTERPRISE	RANJITKAUR PRANESH KIKANI	PLOT NO-61A, ASHAPURA NAGAR, BAROI, MUNDRA, Kachchh, Gujarat, 370421	uniqueenterprise.mundra18@gmail.com arihantgst01@gmail.com unique.mundra18@gmail.com
2	27AAYFK6855B1ZT	KSK Agrochem	KSK AGROCHEM	1st Floor, Office No V-959, Krishi Holsale Mart, SECTOR NUMBER 19, Plot Number 17 B, 17 C & 18, Opp Akshar Business Park, Vashi, Navi Mumbai, Thane, Maharashtra, 400703	sgole2882@gmail.com kskagrochem2022@gmail.com
3	08DQGPK3907P1ZA	PATEL ENTERPRISES	ABDUL AZIZ KUDAGIRI	476, PATELO KI GUVADI, BIGOD TEHSIL MADALGARH, Bhilwara, Rajasthan, 311601	azizpatel0986@gmail.com
4	08AAJPN4608E1ZR	Raghav Minerals	SUNIL NAWAL	Mujras Under develoed industrial area, Plot no. 6, Pur, Bhilwara, Bhilwara, Rajasthan, 311021	calalitaswani@gmail.com
5	24BHPPG9374Q1ZD	K.G.N. ENTERPRISE	KRIPALSINH NAGDEVSINH GOHIL	SHOP NO.16, MURLIDHAR COMPLEX, MUNDRA, Kachchh, Gujarat, 370421	hnthackergst@gmail.com
6	Sapan J Khemchandani S/o Shri Jagdishbhai Khemchandani		Proprietor of M/s Ashirwad Shipping Service Amrapur Logistics	Plot No. 180-10, Ward-4B, Chandrapur, P.O: Adipur, Kachchh, Gujarat- 370205	sapankhemchandani@gmail.com
7	Shri Pranesh Kumudchandra Kikani, son of Shri Kumudchandra Harshadray Kikani		Authorised person of M/s UNIQUE ENTERPRISE	A-61, Ashpura Nagar-2, Nr. Paras Nagar, Baroi Road Mundra, Kachchh, Gujarat-370421	Unique.mundra18@gmail.com
8	Shri Karthik J. Marla S/o. Late Jayaram Marla		Partner of M/s KSK Agrochem	Flat No. 204, Tulip, Kesar Garden, Sector 20, Navi Mumbai, Kharghar, Raigarh, Maharashtra - 410210	
9	Shri Gunti Truptathi Rao S/o Mukundha Rao		Authorised person of M/s SRNK Logistics Pvt. Ltd.	202, Sec-7, Flt No.97, Sharrrda Appartment, Gandhidham, Kachchh, Gujarat-370201	Gunti1982@gmail.com
10	Shri Bharatkumar Govindji Parmar S/o Shri Govindji Parmar		Co-owner of M/s Kinjal Logitrans India Private Limited	Office No. 02 & 03, 2nd Floor, Saini Arcade, Plot No. 25, Sector-8, Opp. Timber Association, B.M. Petrol Pump Road, Gandhidham, Kutch- 370201	asrbharat71@gmail.com
11	Shri Mahato Anshu Krishna Prasad S/o Krishna Prasad Mahato		Authorised person of M/s. Service Bureau Logistics LLP	Plot No 36, 9/AH, Near Shubhash Nagar, Gandhidham, Kachchh, Gujarat-370201	
12	Mr. Naveen of M/s Spark Minerals DMCC, Dubai				
13	Mr. Yunis Khan of M/s P.T.C. WLL, Doha, Qatar				

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- (i) The Additional Director, DRI, AZU, Ahmedabad for information
- (ii) The Superintendent (EDI), for uploading on the website <http://gujaratcustoms.gov.in/> in terms of Section 153(1)(e) of Customs Act, 1962.
- (iii) Guard File.