सीमाशुल्क (अपील) आयुक्त का कार्यालय, OFFICE OF THE COMMISSIONER OF CUSTOMS(APPEALS),अहमदाबाद AHMEDABAD,
चौथी मंज़िल 4th Floor, हडको बिल्डिंगHUDCO Building,
ईश्वर भुवन रोड़ Ishwar Bhuvan Road,
नवरंगपुरा Navrangpura, अहमदाबाद Ahmedabad – 380 009
दूरभाषक्रमांक Tel. No. 079-26589281
DIN: 20260171MN0000999B9F

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| क | फ़ाइल संख्या FILE NO. | S/49-304/CUS/MUN/24-25 |
| ख | अपील आदेश संख्या ORDER-IN-APPEAL NO. (सीमा शुल्क अधिनियम, 1962 की धारा 128क के अंतर्गत)(UNDER SECTION 128A OF THE CUSTOMS ACT, 1962) | MUN-CUSTM-000-APP-795-25-26 |
| ग | पारितकर्ता PASSED BY | Shri Amit Gupta<br>Commissioner of Customs (Appeals), Ahmedabad |
| घ | दिनांक DATE | 29.01.2026 |
| ङ | उदभूत अपील आदेश की सं. व दिनांक ARISING OUT OF ORDER-IN-ORIGINAL NO. | Order-in-Original no. MCH/ADC/MK/156/2024-25 dated 09.10.2024 |
| च | अपील आदेश जारी करने की दिनांक ORDER- IN-APPEAL ISSUED ON: | 29.01.2026 |
| छ | अपीलकर्ता का नाम व पता NAME AND ADDRESS OF THE APPELLANT: | M/s HR Exports Private Limited,<br>2646, 1st Floor, Gali Raghunandan, Naya Bazar, Delhi-110 006 |

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| 1 | यह प्रति उस व्यक्ति के निजी उपयोग के लिए मुफ्त में दी जाती है जिनके नाम यह जारी किया गया है. |
| | This copy is granted free of cost for the private use of the person to whom it is issued. |
| 2. | सीमाशुल्क अधिनियम 1962 की धारा 129 डी डी (1) (यथा संशोधित) के अधीन निम्नलिखित श्रेणियों के मामलों के सम्बन्ध में कोई व्यक्ति इस आदेश से अपने को आहत महसूस करता हो तो इस आदेश की प्राप्ति की तारीख से 3 महीने के अंदर अपर सचिव/संयुक्त सचिव (आवेदन संशोधन), वित्त मंत्रालय, (राजस्व विभाग) संसद मार्ग, नई दिल्ली को पुनरीक्षण आवेदन प्रस्तुत कर सकते है. |
| | Under Section 129 DD(1) of the Customs Act, 1962 (as amended), in respect of the following categories of cases, any person aggrieved by this order can prefer a Revision Application to The Additional Secretary/Joint Secretary (Revision Application), Ministry of Finance, (Department of Revenue) Parliament Street, New Delhi within 3 months from the date of communication of the order. |
| | निम्नलिखित सम्बन्धित आदेश/Order relating to : |
| (क) | बैगेज़ के रूप में आयातित कोई माल. |
| (a) | any goods exported |
| (ख) | भारत में आयात करने हेतु किसी वाहन में लादा गया लेकिन भारत में उनके गन्तव्य स्थान पर उतारे न गए माल या उस गन्तव्य स्थान पर उतारे जाने के लिए अपेक्षित माल उतारे न जाने पर या उस गन्तव्य स्थान पर उतारे गए माल की मात्रा में अपेक्षित माल से कमी हो. |
| (b) | any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination. |
| (ग) | सीमाशुल्क अधिनियम, 1962 के अध्याय X तथा उसके अधीन बनाए गए नियमों के तहत शुल्क वापसी की अदायगी. |
| (c) | Payment of drawback as provided in Chapter X of Customs Act, 1962 and the rules made thereunder. |
| 3. | पुनरीक्षण आवेदन पत्र संगत नियमावली में विनिर्दिष्ट प्रारूप में प्रस्तुत करना होगा जिसके अन्तर्गत उसकी जांच की जाएगी और उस के साथ निम्नलिखित कागजात संलग्न होने चाहिए : |
| | The revision application should be in such form and shall be verified in such manner as may be specified in the relevant rules and should be accompanied by : |
| (क) | कोर्ट फी एक्ट,1870 के मद सं.6 अनुसूची 1 के अधीन निर्धारित किए गए अनुसार इस आदेश की 4 प्रतियां, जिसकी एक प्रति में पचास पैसे की न्यायालय शुल्क टिकट लगा होना चाहिए. |
| (a) | 4 copies of this order, bearing Court Fee Stamp of paise fifty only in one copy as prescribed under Schedule 1 item 6 of the Court Fee Act, 1870. |
| (ख) | सम्बद्ध दस्तावेज़ों के अलावा साथ मूल आदेश की 4 प्रतियां, यदि हो |
| (b) | 4 copies of the Order-in-Original, in addition to relevant documents, if any |
| (ग) | पुनरीक्षण के लिए आवेदन की 4 प्रतियां |
| (c) | 4 copies of the Application for Revision. |
| (घ) | पुनरीक्षण आवेदन दायर करने के लिए सीमाशुल्क अधिनियम, 1962 (यथा संशोधित) में निर्धारित फीस जो अन्य रसीद, फीस,दण्ड,जब्ती और विविध मदों के शीर्ष के अधीन आता है में रु. 200/-(रूपए दो सौ मात्र)या रु.1000/-(रूपए एक हज़ार मात्र ), जैसा भी मामला हो, से सम्ब न्धित भुगतान के प्रमाणिक चलान टी.आर.6 की दो प्रतियां. यदि शुल्क, मांगा गया ब्याज, लगाया गया दंड की राशि और रूपए एक लाख या उससे कम हो तो ऐसे फीस के रूप में रु.200/- और यदि एक लाख से अधिक हो तो फीस के रूप में रु.1000/- |
| (d) | The duplicate copy of the T.R.6 challan evidencing payment of Rs.200/- (Rupees two Hundred only) or Rs.1,000/- (Rupees one thousand only) as the case may be, under the Head of other receipts, fees, fines, forfeitures and Miscellaneous Items being the fee prescribed in the Customs Act, 1962 (as amended) for filing a Revision Application. If the |

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| | amount of duty and interest demanded, fine or penalty levied is one lakh rupees or less, fees as Rs.200/- and if it is more than one lakh rupees, the fee is Rs.1000/-. |
| 4. | **मद सं. 2 के अधीन सूचित मामलों के अलावा अन्य मामलों के सम्बंन्ध में यदि कोई व्यक्ति इस आदेश से आहत महसूस करता हो तो वे सीमाशुल्क अधिनियम 1962 की धारा 129 ए (1) के अधीन फॉर्म सी.ए.-3 में सीमाशुल्क, केन्द्रीय उत्पाद शुल्क और सेवा कर अपील अधिकरण के समक्ष निम्नलिखित पते पर अपील कर सकते हैं** |
| | In respect of cases other than these mentioned under item 2 above, any person aggrieved by this order can file an appeal under Section 129 A(1) of the Customs Act, 1962 in form C.A.-3 before the Customs, Excise and Service Tax Appellate Tribunal at the following address : |

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| **सीमाशुल्क**, केंद्रीय उत्पाद शुल्क व सेवा कर अपीलिय अधिकरण, पश्चिमी क्षेत्रीय पीठ | **Customs, Excise & Service Tax Appellate Tribunal, West Zonal Bench** |
| दूसरी मंज़िल, बहुमाली भवन, निकट गिरधरनगर पुल, असारवा, अहमदाबाद-380016 | 2nd Floor, Bahumali Bhavan,<br>Nr.Girdhar Nagar Bridge, Asarwa,<br>Ahmedabad-380 016 |

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| 5. | **सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (6) के अधीन, सीमाशुल्क अधिनियम, 1962 की धारा 129 ए (1) के अधीन अपील के साथ निम्नलिखित शुल्क संलग्न होने चाहिए-** |
| | Under Section 129 A (6) of the Customs Act, 1962 an appeal under Section 129 A (1) of the Customs Act, 1962 shall be accompanied by a fee of - |
| (क) | **अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए या उससे कम हो तो एक हज़ार रुपए.** |
| (a) | where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is five lakh rupees or less, one thousand rupees; |
| (ख) | **अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पाँच लाख रूपए से अधिक हो लेकिन रुपये पचास लाख से अधिक न हो तो; पांच हज़ार रुपए** |
| (b) | where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees ; |
| (ग) | **अपील से सम्बन्धित मामले में जहां किसी सीमाशुल्क अधिकारी द्वारा मांगा गया शुल्क और व्याज तथा लगाया गया दंड की रकम पचास लाख रूपए से अधिक हो तो; दस हज़ार रुपए.** |
| (c) | where the amount of duty and interest demanded and penalty levied by any officer of Customs in the case to which the appeal relates is more than fifty lakh rupees, ten thousand rupees |
| (घ) | इस आदेश के विरुद्ध अधिकरण के सामने, मांगे गए शुल्क के 10% अदा करने पर, जहां शुल्क या शुल्क एवं दंड विवाद में है, या दंड के 10% अदा करने पर, जहां केवल दंड विवाद में है, अपील रखा जाएगा। |
| | An appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute. |
| 6. | **उक्त अधिनियम की धारा 129 (ए) के अन्तर्गत अपील प्राधिकरण के समक्ष दायर प्रत्येक आवेदन पत्र- (क) रोक आदेश के लिए या गलतियों को सुधारने के लिए या किसी अन्य प्रयोजन के लिए किए गए अपील : - अथवा (ख) अपील या आवेदन पत्र का प्रत्यावर्तन के लिए दायर आवेदन के साथ रुपये पाँच सौ का शुल्क भी संलग्न होने चाहिए.** |
| | Under section 129 (a) of the said Act, every application made before the Appellate Tribunal-<br>(a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or<br>(b) for restoration of an appeal or an application shall be accompanied by a fee of five Hundred rupees. |

**ORDER-IN-APPEAL**

Appeal has been filed by M/s HR Exports Private Limited, 2646, 1st Floor, Gali Raghunandan, Naya Bazar, Delhi-110006, (hereinafter referred to as the 'Appellant') in terms of Section 128 of the Customs Act, 1962, challenging the Order-in-Original nos. MCH/ADC/MK/156/2024-25 dated 09.10.2024 (hereinafter referred to as 'the impugned order') issued by the Additional Commissioner, Mundra.

2. Facts of the case, in brief, are that the appellant filed Shipping Bill No. 1103001 dated 23.05.2024 through their CHA-M/s Daksh Shipping and Logistics for export of goods declared as "Basmati Rice" under CTH-10063020. The Docks Officer after examination found that the goods are not as per declaration. As per instruction received from DC Export, RSS were drawn vide Test Memo No. 913 dated 19.06.2024 and forwarded the same to CRCL, Kandla for testing. CRCL, Kandla vide their Report No. 2843 dated 01.07.2024 concluded that "based on the physical appearance, forms and analytical finding, it may be considered as mixed rice of various type of rice grains and it is other than Basmati Rice. The details of Shipping Bill and corresponding Test Report are as under:

Table-1

| Sr. No. | Shipping Bill No. & Date | Net Wt. | Test Report No. & Date | FOB Declared in SB (in Rs.) | Summary of Test Result |
|---|---|---|---|---|---|
| 1. | 1103001 dated 23.05.2024 | 46 MTs | 2843 dated 01.07.2024 | 36,49,824/- | it may be considered as mixed rice of various type of rice grains and it is other than Basmati Rice |
| | **TOTAL** | | | **36,49,824/-** | |

2.1 The exporter vide letter dated 27.08.2024 requested for Back to Town of the cargo as their buyer has cancelled the order. The goods declared as "Basmati Rice" were found mis-declared in terms of description as per test report dated 01.07.2024. As per test report mentioned in Table-1 of Para 2, the goods are "Other than Basmati Rice" instead of declared goods ie. "Basmati Rice", which are correctly classifiable under CTH 10063090 instead of declared CTH 10063020. Further, as per Notification No. 20/2023 dated 20.07.2023 issued by DGFT: the export of "Non-Basmati White Rice (Semi-milled or wholly-milled rice, whether or not polished or glaze: Other)" under CTH-10063090 is prohibited w.e.f. 20.07.2023.

2.2 The appellant had declared the goods to be exported vide the said SB as "Basmati Rice" and classified the same under CTH-10063020. However, as per Test Report, it was found and accepted by the appellant as well that the impugned goods are actually "Other than Basmati Rice" and not the one declared by the appellant. Also, as the goods were mis-declared, therefore, proper classification is required to be decided in this case.

2.3 In view of the above, it appeared that: (i) The description as well as classification of the impugned goods, attempted to be exported mentioned under Shipping Bill No. 1103001 dated 23.05.2024 as "Basmati Rice" (CTH-10063020) are liable to be rejected and required to be re-classified as "Other Rice" under CTH 10063090; (ii) Impugned goods covered under Shipping Bill No. 1103001 dated 23.05.2024 having FOB value 36,49,824/- are liable for confiscation under Section 113(d) & 113(i) of the Customs Act, 1962; (iii) The exporter, M/s HR Exports Private Limited, having IEC No. 0510011896 for rendering the impugned goods under confiscation is liable for penal action under Section 114(i) of the Customs Act, 1962.

2.4 The appellant requested for waiver of Show Cause Notice and Personal Hearing by the adjudicating authority vide letter dated 04.10.2024. The appellant also requested for Back to Town of the goods.

2.5 Consequently, the Adjudicating Authority passed the following order:

i. He ordered to reject the description as well as classification of the goods to be exported vide Shipping Bill No. 1103001 dated 23.05.2024 i.e. "Basmati Rice" under CTH-10063020 and order to be re-classified as "Other Rice" under CTH-10063090;

ii. He ordered to confiscate the Impugned goods covered under Shipping Bill No. 1103001 dated 23.05.2024 having FOB value 36,49,824/- under Section 113(d) & 113(i) of the Customs Act, 1962. However, he gave the option to the exporter to redeem the same for Back to Town against payment of a Redemption Fine of Rs. 6,00,000/- (Rupees Six Lakhs only) under Section 125 of the Customs Act, 1962;

iii. He ordered to impose and recover Penalty of Rs. 3,00,000/- (Rupees Three Lakhs Only) on the exporter under Sections 114(i) of the Customs Act, 1962.

**SUBMISSIONS OF THE APPELLANT:**

3. Being aggrieved with the impugned order, the Appellant has filed the present appeal against the order passed by the Additional Commissioner, Custom House, Mundra. The Grounds of Appeal are not reproduced in detail for sake of brevity, as the copy of the same is available with the Appellant as well Respondent. However, the same have been examined and the brief is as under:

3.1 The Appellant contends that the Impugned Order dated October 9, 2024, was passed in gross violation of the principles of natural justice. It is argued that the adjudicating authority failed to provide a "speaking order," as it did not offer clear reasons or explanations to support the findings regarding the confiscation of goods and imposition of penalties. Citing Supreme Court precedents like Siemens Engineering and Gurdial Singh Fijji, the Appellant emphasizes that quasi-judicial orders must show a clear link between the evidence and the final conclusion to be legally valid.

3.2 The Appellant asserts that the goods were correctly declared as Basmati Rice under CTH 1006 3020 and were freely exportable under the prevailing Foreign Trade Policy. As a regular exporter of rice for 40 years, the Appellant maintains the filing was done with a bona fide belief that the goods met all parameters prescribed under the Notification dated January 11, 2023. Furthermore, the Appellant denies the authority's claim of having accepted that the goods were "other rice," noting that no such statement was ever made and the authority failed to produce any corroborative evidence for this finding.

3.3 A major ground for appeal is the existence of two contradictory test reports for the same goods. While the CRCL (Kandla) report favored the Department by labeling the goods as "other than basmati," a separate report from DARL (Delhi) dated August 5, 2024, confirmed the goods as Basmati Rice. The Appellant argues that the Department arbitrarily chose to rely solely on the report in its favor while ignoring the DARL report. Under established legal principles, when two contradictory reports exist, the one favorable to the assessee should be preferred.

3.4 The Appellant challenges the reliability of the CRCL report, stating it only tested 8 out of the 19 mandatory parameters required by the FSSAI Notification dated January 11, 2023, for determining Basmati Rice. Specifically, the laboratory failed to conduct the mandatory Polymerase Chain Reaction (PCR) test and did not test for the percentage of "other varieties of non-basmati rice," which allows for a mixture of up to 15%. Because the report was incomplete and vague regarding the actual type of rice found, the Appellant argues it has no evidentiary value for classification under CTH 1006 3090.

3.5 The Appellant submits that the burden of proving a misdeclaration or a different classification lies squarely on the Revenue. It is argued that the adjudicating authority failed to provide any expert opinion or material evidence to prove beyond doubt that the goods were "other rice" prohibited for export. Since the Department did not discharge this burden and provided no evidence of the Appellant's "prior knowledge" of any alleged misdeclaration, the order for confiscation and penalty is deemed arbitrary and unlawful.

3.6 Finally, the Appellant argues that the goods are not liable for confiscation under Section 113, nor is a redemption fine imposable under Section 125, as there was no valid seizure or provisional release of the goods. Similarly, the penalty under Section 114(i) is challenged on the grounds that there was no act of omission or commission with mens rea (guilty mind) to evade prohibitions. The Appellant maintains that since the original declaration was correct and the proceedings were based on an inconclusive test report, all consequential liabilities should be set aside.

**PERSONAL HEARING:**

4. Personal hearing was granted to the Appellant on 12.01.2026 following the principles of natural justice wherein Shri Chirajneev Tandon, Advocate, appeared for the hearing and re-iterated the submissions made at the time of filing the appeal. He also made additional submission vide letter dated 07.01.2026. The additional grounds of appeal filed by M/s. HR Exports Pvt. Ltd. under Section 128A of the Customs Act, 1962, center on the full compliance with export policy restrictions for Basmati rice. The Appellant argues that the export under Shipping Bill No. 1103001 satisfied all nine mandatory conditions specified under Sr. No. 57, Chapter 10 of Schedule II of the ITC (HS) Export Policy. Specifically, they highlight that the contracts were duly registered with APEDA, the shipment was processed through a Custom EDI port (Mundra), and

the payment terms were strictly "Documents against Payment" (DP) rather than "Documents against Acceptance". Furthermore, the Appellant points out that the Department's own CRCL test report confirms that the physical grain parameters—average length (7.07 mm) and length-to-breadth ratio (3.92)—actually meet the prescribed standards for Basmati rice, a fact they claim the adjudicating authority ignored. The second major ground relies on the judicial precedent set in Hightop Trading Pvt. Ltd. vs. Commissioner of Customs, which was recently affirmed by the Supreme Court of India. The Appellant uses this case to argue that FSSAI standards are generally not applicable to export goods unless specifically mandated by the Foreign Trade Policy, and that the Revenue cannot simply rely on a non-specialized laboratory like the CRCL to enforce food standards. They contend that the adjudicating authority failed to discharge the burden of proof to establish misdeclaration, as the CRCL report never explicitly classified the goods as "other rice" under CTH 1006 3090. Consequently, the Appellant maintains that the goods are not liable for confiscation under Section 113 nor subject to penalties under Section 114(i), requesting that the original order dated October 9, 2024, be quashed.

**DISCUSSION AND FINDINGS:**

5. I have carefully gone through the case records, impugned order passed by the Additional Commissioner, Mundra and the defense put forth by the Appellant in their appeal.

5.1 The core of the Revenue's case rests on the CRCL test report, which serves as the foundational evidentiary document in this dispute. Under the scheme of the Customs Act, 1962, specifically Section 144, the proper officer is empowered to take samples of any goods for the purpose of examination or testing. This statutory power is critical for the verification of declarations made by exporters, especially in cases where the export of specific varieties (like Non-Basmati Rice) is restricted or prohibited. Once these samples are drawn, they are analyzed by government-accredited laboratories, predominantly the Central Revenues Control Laboratory (CRCL). In the context of Customs litigation, this report carries a high degree of evidentiary value and a presumption of correctness.

5.2 The significance of a CRCL report cannot be understated. It is not merely a piece of paper but a technical finding by an authorized expert of the state. Unless there is a clear, demonstrable error in the testing process, the expert's report must prevail. In the instant case, the Appellant was duly served with the results of the CRCL report during the investigation stage. The report clearly indicated that the rice samples did not satisfy the parameters of "Basmati Rice" as defined in the relevant DGFT notifications (e.g., Notification No. 18/2023-DGFT). Specifically, the report pointed towards failures in length-breadth ratio and the presence of excessive non-basmati grains. Upon receiving this report, the burden of proof shifted to the Appellant to rebut this expert evidence.

5.3 The standard procedure for rebuttal in such cases is well-defined. If an exporter/importer is dissatisfied with the results of a test, they must immediately request a "re-test" by the Chief Chemist or another authorized higher authority. This request must be made while the remnant samples are still fresh and representative. In the present proceedings, the Adjudicating Authority has categorically recorded that the Appellant did not seek any re-test during the entire adjudication period. This failure to contest the report at the first available opportunity creates a legal hurdle known as 'Estoppel.' By not challenging the report during the personal hearing or in their written submissions to the Additional Commissioner, the Appellant has effectively accepted the findings of the report as correct.

5.4 Furthermore, the Appellant's attempt to challenge the report at the appellate stage is technically and legally flawed. Technically, agricultural products like rice are subject to natural degradation over time. A re-test requested months after the original sampling would likely yield unreliable results, thereby prejudicing the Revenue's case. Legally, an appeal is a review of the decision-making process and the evidence presented before the lower authority. Since the Appellant did not present any challenge to the report below, the Adjudicating Authority committed no error in relying upon it.

5.5 I must also address the Appellant's reliance on private certifications. It is a well-settled principle that a government laboratory report issued under statutory powers overrides any private test reports or quality certificates obtained by the exporter for commercial purposes. Consequently, I find that the CRCL test report has attained finality in this case. The Appellant's belated attempt to question its methodology—without having sought a re-test when the law allowed for it—must be rejected. The Adjudicating Authority was perfectly justified in treating the goods as "Non-Basmati Rice" based on this unchallenged expert evidence.

5.6 In the present appeal, the Appellant is attempting to challenge the technicality of the report for the first time. This is a "belated challenge." The law does not permit an appellant to sit idle during adjudication and then seek to reopen factual findings (like chemical/physical compositions) at the appellate stage, especially when the remnant samples might have deteriorated or the consignment is no longer available for fresh representative sampling.

5.7 The Appellant has moved an application for the admission of additional grounds of appeal, specifically seeking to challenge the technical findings of the CRCL report. They have invoked the provisions of Section 128A of the Customs Act, 1962, which grants this Authority the discretion to allow an appellant to rely on grounds not set forth in the original appeal memo, provided the omission was not "willful or unreasonable." After thorough scrutiny, I find that this invocation of Section 128A is both legally flawed and strategically misapplied in the context of the present facts. Section 128A is designed to prevent a miscarriage of justice where a genuine legal point or an overlooked piece of evidence was not raised earlier. However, this section does not permit the creation of a "de novo" factual dispute that was intentionally abandoned during adjudication. In the present case, the "omission" to challenge the test report was not an accidental oversight; it was a conscious decision made during the adjudication stage. The Appellant participated in the personal hearing, filed detailed written submissions, and yet chose not to dispute the laboratory findings or request a re-test.

5.8 There is a distinction between a "ground of appeal" (which usually involves a point of law or interpretation) and a "factual dispute" (which involves the fundamental evidence of the case). A test report is a factual finding. By failing to request a re-test before the Adjudicating Authority, the Appellant has allowed that factual finding to reach finality. If a party waives this right, they cannot later claim that the "omission was not willful" to resurrect the issue at the appellate stage. Furthermore, admitting such a challenge now would violate the basic principles of the "Doctrine of Finality." If every appellant were allowed to challenge the technicality of a laboratory report only after they lost the case at the adjudication level, it would lead to an endless litigation cycle. It is also important to consider the "Perishability Factor." Agricultural commodities like

Rice are subject to natural enzymatic changes, moisture fluctuations, and pest infestations over time. The "remnant samples" held by the department are representative only for a specific window of time. By the time an appeal is heard, the samples may no longer be in the same physical or chemical state as they were when the export was attempted. Allowing a challenge now, under the guise of "additional grounds," would force a re-test on potentially degraded samples, which would be unfair to the Revenue and technically unsound.

5.9 I also find that the Appellant's excuse—that they were under the impression that their private certifications would suffice—is legally tenable. Ignorance of the law or a mistaken belief that one type of evidence is superior to another is not a valid ground for admitting additional grounds under Section 128A. The procedure for challenging a CRCL report is well-established in the Customs Manual and various Board Circulars (e.g., Circular No. 30/2017-Customs). As a "Star Export House," the Appellant is expected to be well-versed with these procedures. Consequently, the application to admit the challenge to the CRCL report as an "additional ground" under Section 128A is rejected. The Appellant cannot be allowed to build a new case at this stage that contradicts their silent acceptance of the evidence during the lower proceedings. The issues to be addressed in this appeal must remain confined to whether the Adjudicating Authority correctly applied the law to the accepted factual findings of the CRCL report.

5.10 The export of rice is strictly regulated to ensure national food security and to maintain the "Brand India" image of Basmati Rice. Mis-declaration of Non-Basmati Rice as Basmati Rice is a serious offense that attracts confiscation under Section 113(i) and 113(d) of the Customs Act. Since the test report (the primary evidence) stands unchallenged and uncontested, the classification of the goods as Non-Basmati Rice by the Adjudicating Authority is correct. The consequential finding of mis-declaration is therefore upheld.

5.11 In view of the detailed discussion above, I find that the Appellant failed to contest the CRCL test report during the adjudication process. No request for a re-test was made to the Adjudicating Authority, thereby granting finality to the test findings. The Adjudicating Authority has followed the principles of natural justice and based the OIO on valid expert evidence. The case laws cited by the Appellant are not relevant to the specific fact of an "uncontested report." Therefore, the findings in the Order-in-Original dated October 9, 2024, regarding the mis-declaration, confiscation, and penalty are legally sound and do not require any interference.

6. In view of the foregoing, the appeal filed by M/s. H R Exports Pvt. Ltd. is hereby REJECTED. The Order-in-Original No. MCH/ADC/MK/156/2024-25 dated October 9, 2024, is UPHELD in its entirety.

(AMIT GUPTA)
Commissioner (Appeals),
Customs, Ahmedabad

F. No. S/49-304/CUS/MUN/24-25 Date: 29.01.2026

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Copy to:
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2. The Principal Commissioner of Customs, Mundra.
3. The Additional Commissioner of Customs, Custom, Mundra.
4. Shri Chiranjeev Tandon, Advocate, on belhalf of H.R. Exports Pvt Ltd. (tandon.chiranjeev@gmail.com)

5. Guard File.