कार्यालय: प्रधान आयुक्त सीमाशुल्क, मुन्द्रा,
सीमाशुल्क भवन, मुन्द्रा बंदरगाह, कच्छ, गुजरात- 370421
OFFICE OF THE PRINCIPAL COMMISSIONER OF CUSTOMS:
CUSTOM HOUSE, MUNDRA PORT, KUTCH, GUJARAT-370421.
PHONE : 02838-271426/271163 FAX :02838-271425
E-mail id- adj-mundra@gov.in

A. File No.	:	GEN/ADJ/ADC/832/2026-Adjn-O/o Pr Commr-Cus-Mundra
B. SCN No.	:	97/2026-27/ADC/AKM/MCH
C. Date of Issue		19-06-2026
D. Passed by	:	**Amit Kumar Mishra,** Additional Commissioner of Customs, Custom House, Mundra
E. Noticess(s)/Exporter	:	**1.** M/s. Jai Hanuman Traders (IEC : AATFJ1328H) **2.** Shri Pasham Sudhakar Reddy, partner of M/s Jai Hanuman Traders **3.** Shri Javed Khan Pathan **4.** M/s. Svarad Logistics India Pvt. Ltd., Customs Broker
F. DIN	:	20260671MO0000316229

(Show Cause Notice under Section 28(4) of the Customs Act, 1962)

Whereas it appeared that:

M/s. Jai Hanuman Traders (IEC : AATFJ1328H), having address at 3 rd Floor, 1-8-31 to 41, Kapadia Towers, PG Road, Sindhi Colony, Bapu Bagh Colony, Secunderabad, Hyderabad, Telangana-500003 (also referred to as “the Exporter” hereafter) filed three Shipping Bill no 1848219, 1848253 both dated 21.06.2024 and shipping bill no. 1904569 dated 24.06.2024 at Mundra Custom House. The goods covered under said shipping Bills were declared as Basmati Rice-10 containers in each shipping bill i.e. total 30 Containers.

2 . Intelligence gathered by the Directorate of Revenue Intelligence (DRI), Gandhidham Regional Unit, indicated that exporter has mis-declared the goods and actual goods contained in 30 containers are mix of 'Non-Basmati - Parboiled Rice' and "Non-Basmati-White Rice”. Further intelligence gathered by the DRI suggested that M/s. Jai Hanuman Traders filed one more Shipping Bill having No. 1905955 dated 24.06.2024, which has been declared to contain “parboiled rice”, and the actual goods in the consignment are white rice.

Accordingly, the consignments covered under said 04 shipping bills were put on hold by the DRI, after approval of the competent authority.

3 . Acting upon the intelligence, an investigation was initiated by the DRI. During the investigation representative samples were collected from the subject consignments as discussed above, and sent for testing at CRCL, Kandla. Further, Statements of the concerned persons of the exporter M/s. Jai Hanuman Traders and Customs Broker M/s. Svarad Logistics India Pvt. Ltd. were recorded under section 108 of the Customs Act,1962. From the investigation carried out, it was revealed/established that a total 818.33 MT (16567 PP bags) of Non-Basmati Rice (Other than Basmati/Parboiled/White Rice) having value of approx. Rs. 3.27 Cr., was mis-declared as Non Basmati Rice/Parboiled Rice in the 3 Shipping Bills declared as Indian Basmati Rice, while a total 52.000 MT (1040 PP bags) of "White Rice" having market value of approx. Rs. 0.23 Cr. was found mis-declared as Indian Basmati Rice under shipping bills No. 1848253 dated 21.06.2024.

4 . Accordingly, from the test reports and other key facts revealed from the investigation carried out, it appeared that Parboiled rice having quantity, 8,65,880 Kgs., being exported under the subject 4 Shipping Bills by M/s Jai Hanuman Traders, having approx. value of Rs. 3,93,36,929/- was liable for total duty amounting to Rs. 78,67,386/-, out of which 629.08 MT valued at approx. 2,85,79,104/- attracting total duty of Rs. 57,15,821/-, was mis-declared as Basmati Rice, while remaining was declared as parboiled rice. It was found that under Shipping Bill No. 1905955 dated 24.06.2024, duty amounting to Rs. 24,53,520/- was paid. During the course of investigation, M/s Jai Hanuman Traders paid the applicable customs duty of approx. Rs. 81.69 Lakhs, against subject four Shipping Bill Nos. 1848219 & 1848253, both dated 21.06.2024 and 1904569 & 1905955 both dated 24.06.2024, against the total duty in respect of the subject 4 Shipping Bills. Consequently, a Show Cause Notice F.NO.GEN/ADJ/COMM/588/2024-ADJN-O/o Pr. Commr-Cus-Mundra dated 24.12.2024 (**RUD-1**) was issued by the Commissioner, Mundra Customs in the matter, in respect of the investigation carried out by DRI in the matter of aforementioned 04 Shipping Bills.

5. During the course of investigation, statements of the Partner Of M/s. Jai Hanuman Traders and Customs Broker were recorded, where-in the partner/ the exporter as well as the representative (G-card holder) of Customs broker accepted/admitted that they had exported parboiled rice in the past consignments also, by way of mis-declaration. Accordingly, investigation in respect of consignment exported in the past by the said exporter was initiated by the DRI.

6. Statements recorded during the investigation:

6.1 Statement of Shri Javed Khan Pathan dated 26.06.2024

Statement of Shri Javed Khan Pathan, Proprietor of M/s Silverline Logistics and G-Card holder of Customs Broker M/s Svarad Logistics India Pvt. Ltd., was recorded on 26.06.2024 (**RUD-2**), during which he interalia stated that his firm was engaged in customs clearing, freight forwarding and transportation work at Mundra Port. He stated that import/export clearances were handled under the Customs Broker licence of M/s Svarad Logistics India Pvt. Ltd., Chennai, and that he had obtained his G-Card in August 2023. He stated that he came into contact with M/s Jai Hanuman Traders through online sources and subsequently met Shri Sudhakar Reddy at Hyderabad. Thereafter, his firm started handling export consignments of rice for M/s Jai Hanuman Traders from September 2023 onwards. He further stated that around 300 containers of Basmati Rice and Parboiled Rice exported by M/s Jai Hanuman Traders had been handled by his firm till date.

Shri Pathan stated that for export documentation, they obtained invoices, packing lists, purchase invoices and APEDA certificates wherever applicable. He admitted that he was aware of the export policy relating to rice, including the 20% export duty on Parboiled Rice and prohibition on export of Non-Basmati White Rice, while Basmati Rice was freely exportable subject to APEDA certification.

He further stated that apart from customs clearance work, his firm had also provided a warehouse at Mundra to M/s Jai Hanuman Traders for stuffing and self-sealing of export containers. He also stated that his firm was providing services to related entities including M/s Grain Impex Private Limited and M/s Manchkonda Agrotech Pvt. Ltd.

During examination of WhatsApp chats recovered from his mobile phone, discrepancies were noticed between the brands declared in shipping bills and the brands actually loaded into containers. Shri Pathan stated that the loading operations were supervised by his staff Shri Nadeem at the warehouse. Upon being confronted with the discrepancies, he admitted that only “Swastik” brand rice was Basmati Rice while the other brands mentioned in the chats were non-Basmati/parboiled rice.

He further admitted that, on the directions of Shri Sudhakar Reddy of M/s Jai Hanuman Traders, Basmati Rice bags were loaded at the front side of containers while non-Basmati/parboiled rice bags were concealed behind them

so as to evade applicable Customs duties. ***He stated that approximately 70–80 containers had been exported earlier using the same modus operandi of concealing dutiable rice behind freely exportable rice***.

6.2 Statement of Shri Pasham Sudhakar Reddy dated 14.08.2024:

Statement of Shri Pasham Sudhakar Reddy Partner of M/s Jai Hanuman Traders was recorded on 14.08.2024 (**RUD-3**) during which he stated that the firm was established in February 2023 and was engaged in export of rice and trading of rice and paddy. He stated that the firm obtained IEC in April 2023 and commenced export operations around August–September 2023 through Mundra and Nhava Sheva Ports. He further stated that exports through Mundra were conducted under self-sealing procedure. He stated that he and Shri Dachepally Nageshwara Rao were equal partners in the firm, with Shri Rao handling quality checks while all operational activities such as purchase, export, transportation, sales and marketing were managed by me. He also identified major overseas buyers and suppliers associated with the business.

Shri Reddy stated that M/s Jai Hanuman Traders exported only Basmati Rice and Parboiled Rice. He further stated that Shri Javed Khan Pathan of M/s Silverline Logistics handled customs clearance, freight forwarding, container booking and loading/unloading operations at Mundra. He admitted that invoices and packing lists for exports were prepared by him personally. When confronted with the statement of Shri Javed Khan Pathan regarding concealment of Parboiled Rice behind Basmati Rice to evade customs duty, Shri Reddy admitted that Parboiled Rice had been concealed behind Basmati Rice. However, he attributed the lapse to his inability to supervise loading operations due to his son's ill health.

He denied the statement of Shri Javed Khan Pathan, that similar consignments had been exported earlier using the same modus operandi. He acknowledged that White Rice/Non-Basmati Raw Rice was prohibited for export and claimed that such rice was procured only for domestic sales. However, he could not produce supporting domestic sale invoices at the time of recording of statement. Shri Reddy further admitted that the subject consignments were stuffed at a warehouse located at M/s Karmbhoomi Enterprise, Mundra, despite self-sealing permission having been granted for a godown located at Kandla. He stated that the Mundra warehouse was used due to labour issues at Kandla and ease of logistics.

Upon being shown laboratory test reports relating to the 40 containers detained by DRI, Shri Reddy acknowledged that goods other than Basmati Rice and Parboiled Rice were found concealed in the export consignments. He further

admitted awareness that rice classified under Customs Tariff Heading 10063090 was prohibited for export under Notification No. 20/2023 dated 26.07.2023 and accepted the CRCL test reports issued by Customs House Laboratory, Kandla.

6.3 Statement of Shri Javed Khan Pathan dated 14.08.2024

Further statement of Shri Javed Khan Pathan was recorded on 14.08.2024 **(RUD-4)** during which he was shown the test reports of CRCL Kandla He stated that that he had gone through the laboratory test reports and accepted the findings wherever the goods were identified as Basmati Rice, Parboiled Rice or White Rice. However, he expressed the view that most of the samples categorized as "other than Basmati/Parboiled/White Rice" were actually Parboiled Rice and requested clarification from the concerned laboratory regarding the exact specifications of such rice. Shri Pathan further admitted that the export consignments were stuffed and loaded from the warehouse of M/s Karmbhoomi Enterprises, Mundra, and not from the godown for which self-sealing permission had been obtained by the exporter.

Regarding domestic transactions of M/s Jai Hanuman Traders, Shri Pathan stated that he was not involved in their domestic sales activities and could not specify the quantity of such sales, though he acknowledged that domestic sales were being undertaken by the exporter. He also stated that apart from Shri Pasham Sudhakar Reddy, another person namely Shri Bhanu Prakash Manchukonda was involved in monitoring the export consignments. He stated that Shri Bhanu Prakash Manchukonda, Director of M/s Manchukonda Agrotech Private Limited and owner of M/s Aadarsh Food Stuff Trading LLC, UAE, used to make enquiries regarding delivery of the goods.

6.4 Statement of Shri Pasham Sudhakar Reddy dated 30.08.2024

In his further statement dated 30.08.2024 **(RUD-5)**, Shri Pasham Sudhakar Reddy, Partner of M/s Jai Hanuman Traders, clarified that the goods earlier categorized in CRCL reports as "other than Basmati/White/Parboiled Rice" were actually parboiled/steam rice. He stated that during his earlier statement dated 14.08.2024, he was under stress and had mistakenly accepted that such goods fell under prohibited category CTH 10063090. Subsequently, after verifying purchase records and test reports, he was sure that the goods were in fact parboiled rice procured for export and therefore sought clarification from CRCL, Kandla.

He accepted the clarification issued by CRCL, Kandla vide e-mail dated 25.08.2024 that the disputed samples were partially gelatinized "steam rice." He explained that steam rice and parboiled rice were essentially similar

products produced through different processing methods involving steaming and/or boiling of paddy. He also elaborated on the manufacturing process of White Rice, Basmati Rice and Parboiled Rice. Shri Reddy admitted that the consignments covered under Shipping Bill Nos. 1848219, 1848253 and 1904569, declared as "Indian Basmati Rice," actually contained parboiled rice concealed behind bags of Basmati Rice in order to evade 20% Customs duty applicable on parboiled rice exports. He stated that each container contained approximately 80–100 bags of Basmati Rice placed in front, while around 440 bags of parboiled rice were stuffed behind them.

He further admitted that the consignment covered under Shipping Bill No. 1905955 declared as "Parboiled Rice" was correctly declared and exported on payment of applicable duty. He accepted that the total quantity of concealed parboiled rice in the live consignments was approximately 629.08 MT valued at Rs. 2.85 Crores and agreed to pay the applicable Customs duty thereon. Regarding the presence of White Rice found in certain consignments, Shri Reddy stated that White Rice/Non-Basmati Raw Rice was purchased only for domestic sales and not for export. He admitted that export of White Rice was prohibited and claimed that the White Rice bags were mistakenly stuffed into export containers by warehouse staff because export and domestic stock were stored nearby in the same godown. He also produced copies of 19 domestic sale invoices relating to White Rice.

Shri Reddy further admitted that, ***in the past***, ***M/s Jai Hanuman Traders had exported approximately 30 containers (around 660 MT) of parboiled rice by mis-declaring the same as Basmati Rice during March 2024 to May 2024, thereby evading Customs duty of approximately Rs. 60 Lakhs***. He admitted the modus operandi of concealing parboiled rice behind bags of Basmati Rice in those consignments as well. Shri Reddy further admitted that M/s Jai Hanuman Traders had mis-declared and attempted to export 639.10 MT of parboiled rice valued at Rs. 2,85,79,104/- in the live consignments by evading applicable Customs duty at 20%. He further agreed to deposit the applicable duty along with interest for both the live consignments and the past consignments where duty had been evaded

6.5 Statement of Shri Pasham Sudhakar Reddy dated 16.05.2025

In his statement recorded on 16.05.2025 **(RUD-6)**, Shri Pasham Sudhakar Reddy, Partner of M/s Jai Hanuman Traders, confirmed his earlier statements dated 14.08.2024 and 30.08.2024 regarding mis-declaration of Parboiled Rice as Basmati Rice for evasion of Customs duty. Shri Reddy stated that M/s Jai Hanuman Traders had previously exported 29 containers across four consignments covered under Shipping Bill Nos. 1167931 dated 25.05.2024,

1561450 dated 10.06.2024, 1582131 dated 11.06.2024 and 1655492 dated 13.06.2024 **(RUD-7 Coll'y)**, wherein Parboiled Rice was deliberately concealed behind bags of declared Basmati Rice to evade Customs Duty at 20%. He explained the stuffing pattern used in the containers, including concealment of approximately 440–500 bags of Parboiled Rice behind 80–100 bags of declared Basmati Rice in each container.

He admitted that the total quantity of Parboiled Rice exported through the said consignments was approximately 630 MT valued at around Rs. 2,83,50,000/-, and that the Customs duty evaded amounted to approximately Rs. 56.70 Lakhs. He agreed to deposit the evaded duty along with applicable interest. Shri Reddy stated that the shipping bills for the aforesaid consignments were prepared and filed by Customs House Agent M/s Svarad Logistics (India) Pvt. Ltd. based on the invoices, packing lists and supporting documents provided by M/s Jai Hanuman Traders. However, he admitted that the documents falsely declared the goods as "Indian Basmati Rice" under his directions, despite his full knowledge that the actual goods being exported were Parboiled Rice. He accepted his personal involvement in reviewing and approving the false documentation prior to filing.

He further admitted that supporting export documents such as commercial invoices, packing lists and certificates of origin intentionally described the goods as "Indian Basmati Rice" to facilitate export clearance and evade Customs duty. Shri Reddy identified M/s Svarad Logistics (India) Pvt. Ltd., Chennai, as the Customs House Agent responsible for customs clearance of the consignments at Mundra Port. He also admitted that overseas buyers/consignees were fully aware that Parboiled Rice was being supplied instead of Basmati Rice, and that the mis-declaration was carried out solely to evade Customs duty. According to him, the buyers had agreed to receive Parboiled Rice while the export documents falsely described the goods as Basmati Rice.

Further, Shri Reddy stated that payments against the said consignments were received through banking channels in the form of foreign inward remittances into the company's bank account against invoices raised for "Indian Basmati Rice." He acknowledged that although the export records reflected the declared invoice values, the actual commodity exported was Parboiled Rice and the declarations made in the shipping and invoice documents were incorrect. Shri Reddy admitted that M/s Jai Hanuman Traders had mis-declared and exported approximately 630 MT of Parboiled Rice valued at Rs. 2,83,50,000/- in the past consignments by evading Customs duty of approximately Rs. 56.70 Lakhs, and undertook to deposit the evaded duty along with applicable interest

6.6 Statement of Shri Javed Khan Pathan dated 23.07.2025

Further statement of Shri Javed Khan Pathan was recorded on 23.07.2025 **(RUD-8)** during which reaffirmed his earlier statements dated 26.06.2024 and 14.08.2024 regarding the export of Parboiled Rice by concealing the same behind Basmati Rice in export consignments of M/s Jai Hanuman Traders. Shri Pathan admitted that the modus operandi adopted in the 40 live containers detained by DRI was also used in 29 containers exported earlier across four consignments covered under Shipping Bill Nos. 1167931 dated 25.05.2024, 1561450 dated 10.06.2024, 1582131 dated 11.06.2024 and 1655492 dated 13.06.2024. He confirmed that Parboiled Rice was concealed behind bags of declared Basmati Rice with intent to evade applicable Customs duty.

Upon being shown the statement dated 16.05.2025 of Shri Pasham Sudhakar Reddy, Shri Pathan agreed with the contents of the said statement and admitted that approximately 630 MT of Parboiled Rice valued at Rs. 2,83,50,000/- had been exported through the said consignments by evading Customs duty amounting to approximately Rs. 56.70 Lakhs. He further stated that Shri Sudhakar Reddy had assured him that the evaded duty along with applicable interest would be deposited at the earliest. Shri Pathan further admitted that he was fully aware of the concealment of dutiable Parboiled Rice behind freely exportable Basmati Rice at the time of export. He stated that he did not inform Customs authorities regarding the concealment because Shri Sudhakar Reddy had instructed him to keep the concealment undisclosed.

Regarding involvement of the Customs Broker, Shri Pathan stated that apart from the four consignments already identified, no other shipping bills involving similar concealment and mis-declaration had been filed by M/s Svarad Logistics (India) Pvt. Ltd. for M/s Jai Hanuman Traders. Shri Pathan further stated that M/s Svarad Logistics (India) Pvt. Ltd. had filed the four shipping bills under which Parboiled Rice was mis-declared and concealed behind Indian Basmati Rice, involving approximately 630 MT of Parboiled Rice valued at Rs. 2,83,50,000/- with attempted evasion of Customs duty amounting to approximately Rs. 56.70 Lakhs.

6.7 Statement of Shri Pasham Sudhakar Reddy dated 16.04.2026

In his statement recorded under Section 108 of the Customs Act, 1962 on 16.04.2026 **(RUD-9)**, Shri Pasham Sudhakar Reddy, Partner of M/s Jai Hanuman Traders, was confronted regarding his earlier admission made in statement dated 16.05.2025 concerning evasion of Customs duty amounting to approximately Rs. 56.70 Lakhs through mis-declaration of Parboiled Rice as Basmati Rice in four export consignments. Shri Reddy admitted that despite his earlier assurance, the Customs duty had not been paid as on the date of recording of the statement. However, he attempted to modify and partially

retract his earlier admissions by giving shipping bill-wise explanations.

He stated that Shipping Bill Nos. 1582131 dated 11.06.2024 and 1655492 dated 13.06.2024 were correctly declared as Parboiled Rice and exported after payment of applicable Customs duty at 20%, and therefore no duty liability remained in respect of those consignments. In respect of Shipping Bill No. 1167931 dated 25.05.2024, Shri Reddy claimed that the declared goods as well as the actual exported goods were Basmati Rice and denied any mis-declaration or duty liability in that consignment.

However, with regard to Shipping Bill No. 1561450 dated 10.06.2024, Shri Reddy admitted the facts stated in his earlier statement dated 16.05.2025 and accepted that mis-declaration had taken place. He stated that M/s Jai Hanuman Traders was ready to pay the applicable Customs duty in respect of that shipping bill. When confronted with contradictions between his present statement and his earlier admissions, Shri Reddy reiterated that only one past consignment covered under Shipping Bill No. 1561450 dated 10.06.2024 involved mis-declaration of Parboiled Rice as Basmati Rice and denied mis-declaration in the remaining consignments.

Shri Reddy was also confronted with the statement dated 23.07.2025 of Shri Javed Khan Pathan, wherein Shri Pathan had admitted that he was aware of concealment of Parboiled Rice behind Basmati Rice on the instructions of Shri Sudhakar Reddy. In response, Shri Reddy accepted that he had instructed Shri Javed Khan Pathan to conceal the Parboiled Rice behind Basmati Rice and not disclose the same to anyone but claimed that such concealment related only to the consignment covered under Shipping Bill No. 1561450 dated 10.06.2024 comprising four containers.

He further disputed the facts of the statement of Shri Javed Khan Pathan that four shipping bills involved concealment and mis-declaration and maintained that only one shipping bill i.e. 1561450 dated 10.06.2024 involved such mis-declaration. In conclusion, Shri Reddy stated that M/s Jai Hanuman Traders was ready to pay applicable Customs duty only in respect of Shipping Bill No. 1561450 dated 10.06.2024.

7. Findings of the investigation

7.1 Intelligence was developed by the Directorate of Revenue Intelligence (DRI), Gandhidham Regional Unit, indicating that M/s Jai Hanuman Traders (IEC: AATFJ1328H), Hyderabad, had mis-declared export consignments of Parboiled Rice as “Indian Basmati Rice” with intent to evade applicable Customs duty on export of Parboiled Rice; and whereas investigation conducted in

respect of Shipping Bill Nos. 1848219 and 1848253 both dated 21.06.2024, Shipping Bill No. 1904569 dated 24.06.2024 and Shipping Bill No. 1905955 dated 24.06.2024 established large scale concealment and mis-declaration of Parboiled Rice and White Rice in export consignments. Investigation was initiated and subsequently Show Cause Notice bearing F.NO.GEN/ADJ/COMM/588/2024-ADJN-O/o Pr. Commr-Cus-Mundra dated 24.12.2024 was issued by the Commissioner, Mundra Customs in the matter.

7.2 During investigation, statements of Shri Pasham Sudhakar Reddy, Partner of M/s Jai Hanuman Traders, and Shri Javed Khan Pathan, G-Card holder of Customs Broker M/s Svarad Logistics (India) Pvt. Ltd. and Proprietor of M/s Silverline Logistics, were recorded under Section 108 of the Customs Act, 1962, wherein both persons admitted that Parboiled Rice had been concealed behind bags of Basmati Rice in export consignments to evade Customs duty leviable at 20%. Shri Javed Khan Pathan, in his statements dated 26.06.2024 and 23.07.2025, categorically admitted that approximately 70–80 containers had been exported using the same modus operandi and specifically confirmed that similar concealment and mis-declaration had been adopted in 29 past containers covered under Shipping Bill Nos. 1167931 dated 25.05.2024, 1561450 dated 10.06.2024, 1582131 dated 11.06.2024 and 1655492 dated 13.06.2024.

7.3 Shri Pasham Sudhakar Reddy, in his statements dated 30.08.2024 and 16.05.2025, admitted that M/s Jai Hanuman Traders had exported approximately 630 MT of Parboiled Rice valued at approximately Rs. 2,83,50,000/- through the aforesaid consignments by concealing the same behind bags of Basmati Rice and thereby evading Customs duty amounting to approximately Rs. 56.70 Lakhs. Shri Pasham Sudhakar Reddy further admitted that export documents including invoices, packing lists and shipping documents were intentionally prepared showing the goods as “Indian Basmati Rice” despite actual export of Parboiled Rice, and also admitted that overseas buyers were aware of the actual nature of the goods exported.

7.4 In his subsequent statement dated 16.04.2026, Shri Pasham Sudhakar Reddy attempted to partially retract his earlier admissions by claiming that Shipping Bill Nos. 1582131 dated 11.06.2024 and 1655492 dated 13.06.2024 were correctly declared as Parboiled Rice and cleared on payment of applicable Customs duty and that Shipping Bill No. 1167931 dated 25.05.2024 was related to export of genuine Basmati Rice and there was no mis-declaration for this Shipping Bill; however, he continued to admit that Shipping Bill No. 1561450 dated 10.06.2024 involved concealment and mis-declaration of Parboiled Rice as Basmati Rice.

7.5 Shri Pasham Sudhakar Reddy in his statement dated 16.04.2026 in respect of Shipping Bill No. 1167931 dated 25.05.2024 related to export of genuine Basmati Rice, does not appear credible in view of his earlier voluntary and detailed admissions recorded on 30.08.2024 and 16.05.2025, wherein he had specifically admitted the modus operandi adopted in all four consignments, including stuffing pattern, quantity concealed, duty evaded, and intentional preparation of false export documents. Further, he could not provide any evidence/proof or any documents in support of his claim that the goods exported under Shipping Bill No. 1167931 dated 25.05.2024 were actually Basmati Rice.

7.6 It is also pertinent to note that Shri Pasham Shudhakar Reddy did not file any retraction to his statement dated 16.05.2025, wherein he admitted that M/s. Jai Hanuman Traders had exported Parboiled Rice by mis-declaring it as Basmati Rice under Shipping Bill No. 1167931 dated 25.05.2024. Accordingly, the facts admitted by him in his statement dated 16.05.2025 with respect to Shipping Bill No. 1167931 dated 25.05.2024 attain finality and are binding upon him.

7.7 However, from ICES data, it was noticed/verified that in Shipping Bill Nos. 1582131 dated 11.06.2024 and 1655492 dated 13.06.2024 the goods were declared as Parboiled Rice and exported on payment of applicable Customs duty, as stated by Shri Pasham Sudhakar Reddy. Accordingly, it appears that M/s Jai Hanuman Traders, through its Partner Shri Pasham Sudhakar Reddy, knowingly and intentionally mis-declared export consignments of Parboiled Rice as Basmati Rice under Shipping Bill Nos. 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024 by concealing Parboiled Rice behind bags of declared Basmati Rice, thereby evading Customs duty leviable under the applicable export policy and Customs law.

7.8 It further appears that Shri Javed Khan Pathan, acting as G-Card holder of Customs Broker M/s Svarad Logistics (India) Pvt. Ltd. and proprietor of M/s Silverline Logistics, knowingly facilitated filing of the export documents and clearance of the consignments despite being aware of the concealment and mis-declaration, thereby rendering himself liable for penal action under the provisions of the Customs Act, 1962.

7.9 It was also observed that the exporter had wrongly availed RoDTEP (Remission of Duties or Taxes on Export Products Scheme) and Drawback benefits against the above-mentioned Shipping Bill Nos. 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024. Accordingly, the said benefits are

liable to be recovered under Section 28AAA of the Customs Act, 1962. The details are as under:

Table-A

Sr. NO.	Shipping Bill no and date	Rodtep Amount Claimed (in Rs)	Drawback Amount Claimed (in Rs.)
1.	1167931 dated 25.05.2024	208443	1950
2.	1561450 dated 10.06.2024	95115	720
	Total	**3,03,558**	**2,670**

7.10 The exporter while filing shipping bills have to opt for the benefits under RoDTEP scheme. The exporter has subscribed to a declaration as to the truthfulness of the contents of the Shipping Bills in terms of Section 50(2) and 50(3) of the Customs Act, 1962. As per section 113(ja) of the Customs Act, 1962, any goods entered for exportation under claim of remission or refund of any duty or tax or levy to make wrongful claim in contravention of the provision of this Act or any other law for the time being in force are liable for confiscation under the said Act. Thus, the exports covered under the said Shipping Bills as tabulated in **TABLE – A** become liable for confiscation under provisions of Section 113(ja) of the Customs Act, 1962.

7.11 In view of the aforementioned facts and deliberations, it appears that the exporter had wilfully claimed the duty credit under RoDTEP scheme, for which they were not eligible. Thus, the exporter has colluded and suppressed at the declaration level while filing the impugned Shipping Bills as tabulated under TABLE – A and claimed undue benefit of RoDTEP scheme. Therefore, it appears that M/s Jai Hanuman Traders is liable for penalty under section 114AB of Customs Act, 1962.

7.12 Accordingly, the RoDTEP benefit amounting to Rs. 3,03,558/- claimed by M/s. Jai Hanuman Traders was obtained through collusion, wilful misstatement, and suppression of facts by mis-declaring parboiled rice as Indian Basmati rice. Therefore, the said benefit is inadmissible to them and is liable to be recovered under Section 28AAA of the Customs Act, 1962 read with Notification No. 76/2021-Customs (as amended) dated 23.09.2021. The drawback benefits amounting to Rs. 2670/- claimed by the exporter is also recoverable under Rule 17 of Customs and Central Excise Duties Drawback Rules, 2017.

8. Quantification and Duty:

8 . 1 As per the documents submitted by M/s. Jai Hanuman Traders, the details of the goods in the subject 02 shipping bills are as under:

Sr. No	Shipping Bill No. and Date	Goods declared	Total containers	Total bags in the shipment	Quantity per bag (kg.)	Total quantity in the consignment
1.	1167931 dated 25.05.2024	Basmati Rice	10	5200	50	260 MT
2.	1561450 dated 10.06.2024	Basmati Rice	4	2399 (600 each in 03 containers and 599 in one container)	40	95.96 MT

8.2 As per statement dated 30.08.2024 and 16.05.2025, of Shri Pasham Sudhakar Reddy, partner of M/s. Jai Hanuman Traders, they had exported parboiled rice by way of mis- declaring the same as Basmati Rice, He explained the stuffing pattern used in the containers, including concealment of approximately 440–500 bags of Parboiled Rice behind 80–100 bags of declared Basmati Rice in each container. Accordingly, the total quantity of parboiled rice exported by them in the past consignments is as per the table below:

Table-B

Sr. No	Shipping Bill No. and Date	Quantity per bag (kg.)	Quantity of parboiled rice concealed per container	Quantity of Basmati Rice per container	Total Quantity of concealed Parboiled rice in the consignment	Total quantity of Basmati rice used as cover cargo in the consignment
1.	1167931 dated 25.05.2024	50	22MT (440 Bags *50)	4 MT (80 Bags*50)	220 MT	40 MT
2.	1561450 dated 10.06.2024	40	20 MT (500 Bags*40)	4 MT (100 Bags)	80 MT	16MT
Total					**300 MT**	**56 MT**

8.3 Therefore, it appears that M/s. Jai Hanuman Traders exported 300 MT of Parboiled Rice by way of concealment behind 56 MT of Basmati Rice by way of mis-declaration under the subject 02 Shipping Bills as mentioned in **Table-B** above. Export of parboiled rice was allowed subject to payment of 20% Customs duty on the same, as pe notification no. 49/2023-Customs dated 25th August,

2023 issued by the CBIC. Therefore, as per value of Basmati Rice and parboiled rice taken in the SCN No. Show Cause Notice F.NO.GEN/ADJ/COMM/588/2024-ADJN-O/o Pr. Commr-Cus-Mundra dated 24.12.2024 issued by the Commissioner, Mundra Customs, wherein value of Parboiled Rice has been taken as Rs. 45.43/- per Kg. and value of Basmati Rice has been taken as Rs. 81.27/- per kg, the value of aforesaid quantity of Parboiled Rice exported by way of misdeclaration and value of Basmati Rice used as cover cargo for concealment of the said goods by M/s. Jai Hanuman Traders under Shipping Bill No. 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024 are as under:

Table-C

Sr. No	Shipping Bill No. and Date	Total Quantity of concealed Parboiled rice in the consignment	Total quantity of Basmati rice used as cover cargo in the consignment	Total value of concealed Parboiled rice in the consignment (Rs.)	Total value of Basmati rice used as cover cargo in the consignment (Rs.)	Duty (@20% of (E)) evaded on the parboiled rice exported by concealment
A	B	C	D	E	F	G
1.	1167931 dated 25.05.2024	220 MT	40 MT	99,94,600	32,50,800	19,98,920
2.	1561450 dated 10.06.2024	80 MT	15.96 MT	36,34,400	13,00,320	7,26,880
Total		**300 MT**	**55.96 MT**	**1,36,29,000**	**45,51,120**	**27,25,800**

8.4 Accordingly, the total duty evaded by means of collusion, wilful misstatement, and suppression of facts by mis-declaring parboiled rice as Indian Basmati rice by M/s. Jai Hanuman Traders on the export of 300 MT of parboiled rice under Shipping Bill Nos. 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024, calculated at 20% of the value of the export goods, amounts to Rs. 27,25,800/-. The said amount is liable to be paid by them under section 28 (4) of The Customs Act, 1962 along with applicable interest under Section 28AA of the Customs Act, 1962.

9. Liability for confiscation:

As discussed in the foregoing paras, M/s. Jai Hanuman Traders have illegally exported 300 MT of parboiled rice having approx. value of Rs. 1,36,29,000/- by way of concealment and misdeclaration, by concealing the said goods behind Basmati Rice having total quantity of 56 MT, and approx. value of Rs. 45,51,120/-. Therefore, it appears that the goods i.e. 300 MT of parboiled rice,

exported by evading Customs Duty of Rs. 27,25,800/-, was liable to be confiscated under Section 113 (i) of the Customs Act, 1962. Further the goods used as cover cargo i.e. 56 MT of Basmati Rice were liable for confiscation under Section 119 of the Customs Act, 1962.

10. Relevant Legal Provisionss

10.1 Section 28 (4) of the Customs Act, 1962, which is being reproduced below, states that:

"Section 28. Recovery of duties not levied or not paid or short-levied or short-paid or erroneously refunded. -

.....

(4) Where any duty has not been levied or not paid or has been short-levied or short-paid] or erroneously refunded, or interest payable has not been paid, part-paid or erroneously refunded, by reason of, -

(a) collusion; or
(b) any wilful mis-statement; or
(c) suppression of facts,

by the importer or the exporter or the agent or employee of the importer or exporter, the proper officer shall, within five years from the relevant date, serve notice on the person chargeable with duty or interest which has not been so levied or not paid or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice.

..... "

10.2 Section 28AAA. Recovery of duties in certain cases. -

(1) Where an instrument issued to a person has been obtained by him by means of-

(a) collusion; or
(b) wilful misstatement; or
(c) suppression of facts,

for the purposes of this Act or the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992), or [2] [any other law, or any scheme of the Central Government, for the time being in force, by such person] or his agent or employee and such instrument is utilised under the provisions of this Act or the rules [3] [or regulations] made or notifications issued thereunder, by a person other than the person to whom the instrument was issued, the duty relatable to

such utilisation of instrument shall be deemed never to have been exempted or debited and such duty shall be recovered from the person to whom the said instrument was issued:

Provided that the action relating to recovery of duty under this section against the person to whom the instrument was issued shall be without prejudice to an action against the importer under Section 28

(2) Where the duty becomes recoverable in accordance with the provisions of sub-section (1), the person from whom such duty is to be recovered, shall, in addition to such duty, be liable to pay interest at the rate fixed by the Central Government under section 28AA and the amount of such interest shall be calculated for the period beginning from the date of utilisation of the instrument till the date of recovery of such duty.

(3) For the purposes of recovery under sub-section (2), the proper officer shall serve notice on the person to whom the instrument was issued requiring him to show cause, within a period of thirty days from the date of receipt of the notice, as to why the amount specified in the notice (excluding the interest) should not be recovered from him, and after giving that person an opportunity of being heard, and after considering the representation, if any, made by such person, determine the amount of duty or interest or both to be recovered from such person, not being in excess of the amount specified in the notice, and pass order to recover the amount of duty or interest or both and the person to whom the instrument was issued shall repay the amount so specified in the notice within a period of thirty days from the date of receipt of the said order, along with the interest due on such amount, whether or not the amount of interest is specified separately.

(4) Where an order determining the duty has been passed under Section 28, no order to recover that duty shall be passed under this section.

(5) Where the person referred to in sub-section (3) fails to repay the amount within the period of thirty days specified therein, it shall be recovered in the manner laid down in sub-section (1) of section 142.]

….

10.3 SECTION 113. Confiscation of goods attempted to be improperly exported, etc. –

…..

(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;

……..

[4] [(ja) any goods entered for exportation under claim of remission or refund of any duty or tax or levy to make a wrongful claim in contravention of the provisions of this Act or any other law for the time being in force;……..

10.4 Section 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 [1][2][not exceeding three times the value of the goods as declared by the exporter or the value as determined under this Act]], whichever is the greater;

[(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:

Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent of the penalty so determined;]

(iii) in the case of any other goods, to a penalty not exceeding the value of the goods, as declared by the exporter or the value as determined under this Act, whichever is the greater.

10.5 Section 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.

10.6 Section 114AB. Penalty for obtaining instrument by fraud, etc. -

Where any person has obtained any instrument by fraud, collusion, wilful misstatement or suppression of facts and such instrument has been utilised by such person or any other person for discharging duty, the person to whom the instrument was issued shall be liable for penalty not exceeding the face value of

such instrument.

Explanation .-For the purposes of this section, the expression "instrument" shall have the same meaning as assigned to it in the Explanation 1 to section 28AAA.]

.....

.....

10.7 . Para 3 of Notification No. 76/2021-Customs (N.T) dated 23.09.2021,

"Cancellation of duty credit. - (1) Where a person contravenes any of the provisions of the Act or any other law for the time being in force or the rules or regulations made thereunder in relation to exports to which the duty credit relates, or in relation to the e scrip, the Principal Commissioner of Customs or Commissioner of Customs having jurisdiction over the customs station of registration of the e-scrip may, after enquiry, pass an order to cancel the said duty credit or e-scrip.

(2) Where the e-scrip is so cancelled, the duty credit amount in the said e- scrip shall be deemed never to have been allowed and the proper officer of Customs shall proceed to recover the duty credit amount used in such e-scrip or transferred from such e-scrip.

(3) The proper officer of Customs may, without prejudice to any other action that may be taken under this Act or any other law for the time being in force, suspend the operation of the said e-scrip or the electronic duty credit ledger of such exporter or any duty credit transferred from such e-scrip, during pendency of the enquiry under sub-clause (1).

10.8. Para 4 of Notification No. 76/2021-Customs (N.T.) dated 23.09.2021:

"Recovery of amount of duty credit. - (1) Where an amount of duty credit has, for any reason, been allowed in excess of what the exporter is entitled to, the exporter shall repay the amount so allowed in excess, himself or on demand by the proper officer, along with interest, at the rate as fixed under section 28AA for the purposes of that section, on that portion of duty credit allowed in excess, which has been used or transferred, and where the exporter fails to repay the amount along with interest, as applicable, it shall be recovered in the manner provided in section 142 of the said Act.

10.9 Customs and Central Excise Duties Drawback Rules, 2017 :

".....

Rule 17. Repayment of erroneous or excess payment of drawback and interest. -

Where an amount of drawback and interest, if any, hasbeen paid erroneously or the amount so paid is in excess of what the claimantis entitled to, the claimant shall, on demand by a proper officer of Customsrepay the amount so paid erroneously or in excess, as the case may be, andwhere the claimant fails to repay the amount it shall be recovered in themanner laid down in sub-section (1) of section 142 of the Customs Act, 1962 (52of 1962).

.....

10.10 [Section 75A. Interest on drawback. –

(1) Where any drawback payable to a claimant under section 74 or section 75 is not paid within a[period of [one month]] from the date of filing a claim for payment of such drawback, there shall be paid to that claimant in addition to the amount of drawback, interest at the rate fixed under section 27A from the date after the expiry of the said [2][period of [3][one month]] till the date of payment of such drawback: [4][***] [5]

[(2) Where any drawback has been paid to the claimant erroneously or it becomes otherwise recoverable under this Act or the rules made thereunder, the claimant shall, within a period of two months from the date of demand, pay in addition to the said amount of drawback, interest at the rate fixed under [6][section 28AA] and the amount of interest shall be calculated for the period beginning from the date of payment of such drawback to the claimant till the date of recovery of such drawback.]

10.11 Section 119. Confiscation of goods used for concealing smuggled goods. -

"Any goods used for concealing smuggled goods shall also be liable to confiscation.

10.12 Notification 49/2023-Customs for Export Duty

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Revenue)
Notification No. 49 /2023-Customs

New Delhi, the 25th August, 2023

G.S.R. .....(E). - Whereas, the Central Government is satisfied that export duty should be levied on certain articles and that circumstances exist which render it necessary to take immediate action.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 8 of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), the Central Government, hereby directs that the Second Schedule to the Customs Tariff Act shall be amended in the following manner, namely: -

In the Second Schedule to the Customs Tariff Act, after Sl. No. 6B and the entries relating thereto, the following Sl. No. and entries relating thereto shall be inserted, namely: -

(1)	(2)	(3)	(4)
"6C.	1006 30 10	Rice, parboiled	20%";

2. This notification shall come into force with immediate effect.

[F. No. CBIC-190354/161/2023-TRU]

(Amreeta Titus)
Deputy Secretary

Role played by various firms/persons:

11. M/s Jai Hanuman Traders (IEC: AATFJ1328H) (Exporter)::

11.1 The Directorate of Revenue Intelligence (DRI), Gandhidham Regional Unit, gathered intelligence indicating that M/s Jai Hanuman Traders, having address at `3rd Floor, 1-8-31 TO 41, Kapadia Towers, PG Road, Sindhi Colony, BapuBagh Colony, Secunderabad, Hyderabad, Telangana – 500003, mis-declared goods in four shipping bills filed at Mundra Customs House. Three of these shipping bills (nos. 1848219 and 1848253 dated 21.06.2024, and no. 1904569 dated 24.06.2024) were declared to contain Indian Basmati Rice, while one (no. 1905955 dated 24.06.2024) was declared as parboiled rice. It was discovered that the actual goods comprised a mix of non-basmati parboiled rice and white rice, items subject to different export restrictions and duties. Specifically, parboiled rice was liable to a 20% customs duty, while white rice was prohibited for export.

11.2 Upon investigation by DRI, it was found that 30 containers under the first three shipping bills held 818.33 MT of non-basmati rice, which was misdeclared as basmati rice, with a market value of approximately approx. Rs. 3.27 crores. Additionally, 52 MT of white rice, valued at approx. Rs. 23 lakhs, was mis-declared under shipping bill no. 1848253 Dt 21.06.2024. Similarly,

under shipping bill no. 1905955 Dt 24.06.2024, 22.9 MT of parboiled rice worth ₹10.4 lakhs and 122.48 MT of basmati rice worth ₹1 crore were used as cover cargo for concealing prohibited and misdeclared items, making them liable for confiscation.

11.3 During the investigation, Shri Javed Khan Pathan, G Card Holder for the Customs Broker M/s Svarad Logistics, stated that he had prepared the shipping documents based on the exporter's declaration and had no role in verifying the physical characteristics of the goods. He emphasized that his role was limited to documentation, asserting his ignorance of any misdeclaration. Shri Pasham Sudhakar Reddy, partner of M/s Jai Hanuman Traders, admitted that the consignments were indeed parboiled rice mis-declared as basmati rice, attributing this to stress and oversight during document preparation. He acknowledged the findings of the CRCL test reports and cooperated with the investigation.

11.4 Later, Shri Pasham Sudhakar Reddy sent a letter explaining that the misdeclared rice might actually be classified as parboiled rice, based on comments from the Food Corporation of India (FCI). Clarification was sought from CRCL, Kandla, which confirmed that the rice in question was partially gelatinized, consistent with partially steamed or boiled rice. Based on this, it was determined that 629.08 MT of parboiled rice, valued at ₹2.85 crores, had been misdeclared as basmati rice to evade 20% customs duty. Additionally, 52 MT of white rice, prohibited for export, was attempted to be exported under false declarations.

11.5 M/s. Jai Hanuman Traders mis-declared parboiled rice as Indian Basmati Rice and tried to export 629.08 MT of parboiled Rice valued at Rs. 2,85,79,104/- in the 3 Shipping Bills declared as Indian Basmati Rice, by evading Customs Duty @ 20%. Therefore, the said goods appeared to be liable to be confiscated under the Section 113 (i) of the Customs Act, 1962. Further M/s Jai Hanuman Traders, tried to export 52 MT of White Rice valued at approx. Rs. 23.40 lakhs, under Shipping Bill No. 1905955 dated 24.06.2024 and 1848253 dated 21.06.2024, which was prohibited for export as per notification no. 20/2023 dated 20.07.2023.

11.6 The above investigation culminated in issuance of Show cause Notice No. bearing F.NO.GEN/ADJ/COMM/588/2024-ADJN-O/o Pr. Commr-Cus-Mundra dated 24.12.2024 issued by the Commissioner, Mundra Customs. **Subsequently, further investigation was carried in respect of past consignment for which Shri Paham Sudhakar Reddy had admitted to have mis-declared the Parboiled rice as Basmati Rice exported under Shipping**

Bills no 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024 .

11.7 Further, M/s. Jai Hanuman Traders had mis-declared parboiled rice as Indian Basmati Rice and exported 300 MT of parboiled rice valued at Rs. 1,36,29,000/- in the 2 Shipping bills declared as Indian Basmati rice, by evading Customs Duty @ 20%. Total duty sought to be evaded by the exporter is Rs. 27,25,800/-. Therefore the said goods appeared to be liable for confiscation under the section 113(i) of the customs Act, 1962. Therefore, by the acts of omission and commission as discussed above, M/s. Jai Hanuman Traders appear to have made themselves liable for penalty under section 114(ii) of the Customs Act, 1962

11.8 It further appears that by such acts and omission, the exporter has knowingly and intentionally made/signed/used the export documents (Shipping Bill etc.) and other related documents, which were false or incorrect in material particular for the purpose of evading applicable Customs duty , therefor it appears that they are also liable to penalty under Section 114AA of the Customs Act, 1962.

12. Shri Pasham Sudhakar Reddy, partner of M/s Jai Hanuman Traders (Exporter):

12.1 Shri Pasham Sudhakar Reddy, partner of M/s Jai Hanuman Traders, played a pivotal role in the misdeclaration of goods intended for export under four shipping bills filed at Mundra Customs House. As the main person handling the exporter, he was directly responsible for the consignments, which included 818.33 MT of non-basmati rice misdeclared as basmati rice, 52 MT of prohibited white rice, and 22.9 MT of parboiled rice misdeclared as basmati rice. These misdeclarations aimed to evade export restrictions and customs duties.

12.2 During the investigation, Shri Reddy admitted to the discrepancies, acknowledging that the consignments labelled as basmati rice actually contained parboiled and white rice. He attributed the misdeclaration to stress and oversight during documentation. He cooperated with the investigation, admitting the findings of the CRCL test reports that confirmed the nature of the goods. Shri Reddy later clarified that the misdeclared rice might fall under the category of parboiled rice, based on feedback from the Food Corporation of India (FCI). Further verification by CRCL, Kandla, corroborated this claim, confirming the rice was partially gelatinized and consistent with parboiled rice.

12.3 Shri Reddy accepted the determination that 629.08 MT of parboiled rice, valued at ₹2.85 crores, was misdeclared to evade 20% customs duty.

Additionally, he acknowledged the presence of 52 MT of white rice, which is prohibited for export. He expressed regret for his actions and assured full payment of the evaded duty amounting to ₹81.69 lakhs, including interest. He also emphasized his commitment to ensuring such errors would not occur in the future.

12.4 Shri Reddy's admissions and willingness to cooperate reflect his acceptance of responsibility. However, the deliberate nature of the misdeclaration, aimed at evading customs duties and export regulations, underscores his central role in the offense, which rendered the goods liable for confiscation under the Customs Act, 1962. Therefore, Shri Reddy appears to be liable for penal action under the provisions of Customs Act, 1962.

12.5 The above investigation culminated in issuance of Show cause Notice bearing F.NO.GEN/ADJ/COMM/588/2024-ADJN-O/o Pr. Commr-Cus-Mundra dated 24.12.2024 issued by the Commissioner, Mundra Customs. **Subsequently, further investigation was carried in respect of past consignment for which Shri Pasham Sudhakar Reddy had admitted to have mis-declared the Parboiled rice as Basmati Rice under Shipping Bills no 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024.**

12.6 Therefore, by the said acts of omissions and commission, Shri Pasham Sudhakar Reddy appears to have rendered himself liable for penalty under Section 114(ii) of the Customs Act, 1962 , for the purposes of evading applicable Customs duty in respect of Shipping Bill nos 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024 .

12.7 It further appears that by such acts and omission, Shri Pasham Sudhakar Reddy, has knowingly and intentionally made/signed/used the export documents (Shipping Bill etc.) and other related documents, which were false or incorrect in material particular for the purpose of evading applicable Customs duty , therefor it appears that he is also liable to penalty under Section 114AA of the Customs Act, 1962.

13. Shri Javed Khan Pathan, G Card Holder of CHA M/s Svarad Logistics India Pvt. Ltd. and proprietor of M/s Silverline Logistics, Forwarder Firm

13.1 Shri Javed Khan Pathan held dual roles that significantly influenced the misdeclaration of export consignments at Mundra Customs House. As a G-Card holder under the CHA license of M/s Svarad Logistics, he was entrusted with substantial responsibilities, including overseeing the preparation and filing of shipping documents and ensuring compliance with customs regulations.

Simultaneously, he was the proprietor of the freight forwarder firm, M/s Silverline Logistics, further expanding his involvement in the logistical chain of the export consignments.

13.2 In his capacity as a G-Card holder, Shri Javed Khan Pathan was responsible for scrutinizing and verifying the shipping bills and other declarations submitted by the exporter, M/s Jai Hanuman Traders. The shipping bills described the exported goods as basmati rice, but subsequent investigations revealed that the consignments included 818.33 MT of non-basmati rice, 52 MT of prohibited white rice, and 22.9 MT of parboiled rice, which were misdeclared to evade export restrictions and customs duties. His failure to ensure the accuracy of the declared goods constitutes a breach of the duties entrusted to him as a G-Card holder.

13.3 As the proprietor of M/s Silverline Logistics, a freight forwarding firm, Shri Javed Khan Pathan was also responsible for the coordination and movement of the consignments. This dual involvement created an overlapping role in the export process, increasing his accountability for any irregularities. It was expected of him, as both a G-Card holder and a freight forwarder, to exercise due diligence and verify the accuracy of the export declarations. However, his oversight facilitated the clearance of mis-declared goods.

13.4 During the investigation, search was carried out at the office of M/s Silverline Logistics. Further, during statement dated 26.06.2024 of Shri Javed Khan Pathan, chats related to export of Rice by M/s Jai Hanuman Traders, were found in his phone. In the subject chats, it was noticed that the warehouse at Mundra taken by M/s Silverline Logistics for the exporter. Further, employees of M/s Silverline logistics, were looking after the loading unloading of the goods at the said godown, with various chats related to loading of white rice and parboiled rice. From the said chats, it appeared that Shri Javed Khan Pathan was aware of the mis-declaration by M/s Jai Hanuman Traders, in the export of Basmati and parboiled rice, still Shri Pathan claimed reliance on the exporter's provided documents. In the said Whatsapp chats, a group namely 'Jai Hanuman Silverline Godown' on WhatsApp was used for coordination between various parties involved in the export operations of M/s Jai Hanuman Traders. Members included staff responsible for warehouse operations and logistics, such as Shri Nadeem, who handled container loading at the godown rented by M/s Jai Hanuman Traders.

13.5 In the said group chat, image sent on 21.06.2024 by "Nadeem Miyana Warehouse Rice" showed container loading details for Invoice Nos. JH019 and JH020, which were the invoices for For Shipping Bills Nos. 1848219 and

1848253, dated 21.06.2024, the brands mentioned for the respective containers were “Prabal Sky Blue,” “Prabal Black,” “Prabal Red,” “Prabal Blue,” “Local,” “Jira Kasala,” and “Swastik”, however, the said shipping bills were declared to contain Indian Basmati Rice. During the investigation, most of the rice in the said 2 shipping bills was found to be Parboiled Rice. Shri Javed Khan Pathan admitted that it was sent by his staff, who managed the loading at the godown, however he claimed to be unaware of the said discrepancies and stated that the goods were provided by the suppliers of M/s Jai Hanuman Traders.

13.6 In the same chat, an image sent by “Nadeem Miyana Warehouse Rice” on 24.06.2024 showed container loading details for Invoice No. JH022, brand named “Prabal Blue,” “Prabal Black,” “Prabal Red,” and “Swastik”, however, for the shipping bill no. 1904569, in respect of the said invoice, the declared goods included only "Swastik" and "Nawaab" brands. The image revealed three additional brands (“Prabal Blue,” “Prabal Black,” and “Prabal Red”) loaded into the container but not declared in the shipping bill. During the investigation also, the container covered under the said shipping bill were found to contain mostly parboiled rice. Shri Pathan admitted that only “Swastik” brand was basmati rice, while the remaining brands were of parboiled rice. He confessed that this misdeclaration was carried out under instructions from Shri Sudhakar Reddy of M/s Jai Hanuman Traders.

13.7 Further, during the search at the said godown, no stock register or any other document related to the goods found at the said premises was found. Therefore, the said facts clearly show that there was active coordination between Shri Pathan, and M/s Jai Hanuman Traders, therefore evidencing Shri Pathan’s awareness of and involvement in the fraudulent practices.

13.8 The evidence as per the said chat and other documents found during the investigation indicated that Shri Pathan’s actions contributed to the misdeclaration and subsequent export of prohibited goods, rendering him liable to penal action under the Customs Act, 1962. His dual roles as a G-Card holder and freight forwarder increased the scope of his responsibilities and the expectation of due diligence, which he failed to meet.

13.9 The above investigation culminated in issuance of Show cause Notice bearing F.NO.GEN/ADJ/COMM/588/2024-ADJN-O/o Pr. Commr-Cus-Mundra dated 24.12.2024 issued by the Commissioner, Mundra Customs. **Subsequently, further investigation was carried in respect of past consignment for which Shri Paham Sudhakar Reddy had admitted to have mis-declared the Parboiled rice as Basmati Rice under Shipping Bills no 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024.** Shri Javed

khan Pathan played the same role as earlier in respect of above said Shipping Bills. Shri Pasham Sudhakar Reddy in his statement dated 16.04.2026 categorically admitted that he had instructed Shri Javed Khan Pathan for concealing the parboiled rice behind Basmati rice underscores his active involvement in the concealment and misdeclaration rendering Shri Javed khan Pathan liable for penal action under the Customs Act.

13.10 Therefore, by the said acts of omissions and commission, Shri Javed Khan Pathan appears to have rendered himself liable for penalty under Section 114(ii) of the Customs Act, 1962 . Further, for knowingly and intentionally made/signed/used the export document (Shipping Bill etc.) and other related documents, which were false or incorrect in material particular for the purposes of evading applicable Customs duty in respect of Shipping Bill nos 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024, he is also liable for penalty under section 114AA of the Customs Act, 1962.

14. M/s. Svarad Logistics India Pvt. Ltd. (Customs Broker/CHA):

14.1 M/s Svarad Logistics India Pvt. Ltd., the Customs broker/CHA responsible for handling the shipping documentation for M/s Jai Hanuman Traders, played a pivotal role in facilitating the fraudulent export operations of M/s Jai Hanuman Traders. Acting as the customs broker for these transactions, M/s Svarad Logistics was entrusted with the responsibility of ensuring compliance with customs regulations, including accurate declarations of goods in shipping documents. However, evidence from shipping bills, WhatsApp chats, and the statements of individuals involved indicates that the company was complicit in the misdeclaration of export consignments to evade customs duties.

14.2 Investigation revealed that the shipping bills filed by M/s Svarad Logistics India Pvt. Ltd. described the consignments as basmati rice/parboiled rice, whereas the actual goods included 122.48 MT of Basmati rice, 52 MT of prohibited white rice, and 865.88 MT of parboiled rice, wherein 639.10 MT of parboiled rice, valued at ₹2.85 crores, was misdeclared to evade 20% customs duty, along with aforementioned quantity the white rice, which was prohibited for export. The misdeclaration enabled the exporter to evade export restrictions and customs duties. While the CHA is expected to exercise due diligence in verifying the details provided by the exporter, M/s Svarad Logistics accepted the exporter's declaration without proper scrutiny.

14.3 The company handled customs clearance for M/s Jai Hanuman Traders, preparing and filing shipping bills for export consignments. Their role included coordinating the documentation and facilitating inspections at the port. Despite

being aware of irregularities in the cargo, they filed shipping bills declaring only basmati rice as the goods being exported. Evidence shows that containers also included non-basmati parboiled rice, which attracted an export duty of 20%. By misdeclaring these goods as basmati rice, the company enabled M/s Jai Hanuman Traders to evade the applicable customs duties.

14.4 In Shipping Bill No. 1904569 for Invoice No. JH022, where the declared goods were limited to the "Swastik" brand of basmati rice. However, WhatsApp chats reveal that additional brands such as "Prabal Blue," "Prabal Black," and "Prabal Red" were also loaded into the container. Despite this knowledge, M/s Svarad Logistics did not amend the shipping bill to reflect the accurate cargo composition. Similar discrepancies were found in Shipping Bills Nos. 1848219 and 1848253, corresponding to Invoice Nos. JH019 and JH020, where only "Swastik" basmati rice was declared, but other non-basmati brands such as "Sky Blue" and "Jira Kasala" were also present in the consignment. This modus operandi of concealing non-basmati rice behind basmati rice in the containers was carried out with the active involvement of M/s Svarad Logistics.

14.5 Statements and chats reveal that the staff at M/s Svarad Logistics, including G Card holder Javed Khan Pathan, were aware of the misdeclaration. Javed Khan Pathan admitted that the non-basmati rice was concealed behind basmati rice in the containers under the instructions of Shri Sudhakar Reddy of M/s Jai Hanuman Traders. Despite being alerted to these practices, no corrective action was taken to ensure compliance with customs laws. Instead, the company facilitated the clearance of approximately 70-80 such containers through this fraudulent method.

14.6 The evidence indicates that M/s Svarad Logistics was not merely negligent but actively complicit in the evasion of customs duties by M/s Jai Hanuman Traders. Their failure to amend shipping bills despite clear discrepancies, combined with their facilitation of shipments involving misdeclared goods, highlights their central role in the execution of these fraudulent practices.

14.7 The above investigation culminated in issuance of Show cause Notice bearing F.NO.-GEN/ADJ/COMM/588/2024-ADJN-O/o Pr. Commr-Cus-Mundra dated 24.12.2024 issued by the Commissioner, Mundra Customs. **Subsequently, further investigation was carried in respect of past consignment for which Shri Paham Sudhakar Reddy had admitted to have mis-declared the Parboiled rice as Basmati Rice under Shipping Bills no 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024.**

14.8 As discussed above, the actions of M/s Svarad Logistics were instrumental in enabling the export of mis-declared goods, rendering them liable to penal action under the Customs Act, 1962. While the CHA's involvement may not have been deliberate, its negligence and lack of oversight contributed to the violation of customs laws.

14.9 Therefore, by the said acts of omission and commission, M/s. Svarad Logistics India Pvt. Ltd. appear to have rendered themselves liable for penalty under Section 114(ii) of the Customs Act, 1962.

15. Now therefore, **M/s. Jai Hanuman Traders**, having address at 3rd Floor, 1-8-31 TO 41, Kapadia Towers, PG Road, Sindhi Colony, BapuBagh Colony, Secunderabad, Hyderabad, Telangana – 500003, are hereby called upon to show cause to **the Additional Commissioner of Customs (Export), Custom House, Mundra** having his office at O/o the Pr. Commissioner of Customs, Port User Building, Adani Port and SEZ, Mundra, as to why:

(i) 300 MT of parboiled Rice valued at **Rs. 1,36,29,000/-**, found to have been mis-declared as Indian Basmati Rice in Shipping Bill no. 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024, should not be held liable for confiscation under Section 113 (i) of the Customs Act, 1962.

(ii) 55.96 MT of Basmati Rice valued at **Rs. 45,51,120/-** under shipping bills bearing no. 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024, used as cover cargo for concealment of Parboiled rice, should not be held liable for confiscation under Section 119 of Customs Act, 1962.

(iii) Differential Duty amounting to **Rs. 27,25,800/-**, on 300 MT of parboiled Rice valued at **Rs. 1,36,29,000/-**, found to have been exported by mis-declaring as Indian Basmati Rice should not be demanded and recovered under Section 28(4) of the Customs Act, 1962.

(iv) Interest at appropriate rate should not be demanded and recovered on the duty demanded at (iii) above under Section 28AA of the Customs Act, 1962.

(v) Penalty should not be imposed upon them under Section 114(ii) and Section 114AA of the Customs Act, 1962, separately.

(vi) The RoDTEP benefit amounting to **Rs. 3,03,558/-** (Rupees Three Lakhs Three Thousand Five Hundred Fifty Eight only) claimed against Shipping Bill Nos. 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024 as mentioned in Table – A should not be denied and the RoDTEP scrip generated in ICES

should not be cancelled/suspended.

(vii) Interest at appropriate rate should not be demanded and recovered on the amount demanded at (vi) under Section of 28AAA (2) of Customs Act, 1962 read with Notification No. 76/2021-Customs (as amended) dated 23.09.2021.

(viii) 300 MT of parboiled Rice valued at **Rs. 1,36,29,000/-**, found to have been mis-declared as Indian Basmati Rice in Shipping Bill no. 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024, should not be held liable for confiscation under Section 113 (ja) of the Customs Act, 1962.

(ix) The ineligible Drawback claim amounting to **Rs. 2670/-** availed under Shipping Bill Nos. 1167931 dated 25.05.2024 and 1561450 dated 10.06.2024 should not be recovered from M/s. Jai Hanuman Traders under Rule 17 of Customs and Central Excise Duties Drawback Rules, 2017.

(x) Interest at appropriate rate should not be demanded and recovered on the amount demanded at (ix) above under Section 75A (2) of the Customs Act, 1962.

(xi) Penalty should not be imposed upon them under Section 114AB of the Customs Act, 1962, separately.

16. Now therefore, **Shri Pasham Sudhakar Reddy**, partner of M/s Jai Hanuman Traders, 3rd Floor, 1-8-31 TO 41, Kapadia Towers, PG Road, Sindhi Colony, BapuBagh Colony, Secunderabad, Hyderabad, Telangana – 500003, is hereby called upon to show cause to **the Additional Commissioner of Customs (Export), Custom House, Mundra** as to why penalty should not be imposed upon him under Section 114(ii), 114AA of the Customs Act, 1962, separately.

17. Now therefore, **Shri Javed Khan Pathan**, G Card Holder of CHA M/s Svarad Logistics India Pvt. Ltd. and proprietor of M/s Silverline Logistics, Second Floor, Office No. 213/214, Mani Complex, Plot No. 84, Sector-8, Gandhidham, is hereby called upon to show cause to **the Additional Commissioner of Customs (Export), Custom House, Mundra** as to why penalty should not be imposed upon him under Section 114(ii) and 114AA of the Customs Act, 1962, separately.

18. Now therefore, **M/s. Svarad Logistics India Pvt. Ltd.**, Customs Broker, through its G Card Holder, Shri Javed Khan Pathan, Second Floor, Office No. 213/214, Mani Complex, Plot No. 84, Sector-8, Gandhidham, are hereby called

upon to show cause to **the Additional Commissioner of Customs (Export), Custom House, Mundra** as to why penalty should not be imposed upon them under Section 114(ii) of the Customs Act, 1962, separately.

19. All the Noticees are further required to produce at the time of showing cause all evidences upon which they intend to rely in support of their defence. They are further advised to indicate in their written submission as to whether they desire to be heard in person before the case is adjudicated. If no mention is made about this in their written submissions, it would be presumed that they do not desire to be heard in person. If no cause is shown by them against the action proposed to be taken within 30 days from the date of receipt of this Notice or if they do not appear before the adjudicating authority, when the case is posted for hearing, the case is liable to be decided Ex-Parte on the basis of material evidence available on record.

20. The documents/articles as listed at Annexure-R are relied upon and are enclosed with this show cause notice, and where not enclosed with this Notice will be made available for inspection on demand made in writing.

21. The department reserves its right to issue addendum/ corrigendum to show cause notice or to make any additions, deletions amendments or supplements to this notice, if any, at a later stage. The department/DRI also reserves its right to issue separate Notice/s for other Noticees, offences etc related to the above case, if warranted.

22. If the said Noticee/s will pay the duty with interest and penalty as specified under Section 28(5) of Custom Act, 1962 within 30 days from the receipt of this notice the proceedings may be deemed to be conclusive as to the matters stated therein, without prejudice to the provisions of section 135, 135A and 140 of the Custom Act, 1962, if applicable.

Digitally signed by
Amit Kumar Mishra
Date: 19-06-2026
21:15:28

(Amit Kumar Mishra)
Additional Commissioner of Customs,
Custom House, Mundra.

BY REGISTERED/SPEED POST

1. M/s Jai Hanuman Traders, having address at 3rd Floor, 1-8-31 TO 41, Kapadia Towers, PG Road, Sindhi Colony, BapuBagh Colony, Secunderabad, Hyderabad, Telangana – 500003.
(e-mail- jaihanumantraders9944@gmail.com)

2. Shri Pasham Sudhakar Reddy, partner of M/s Jai Hanuman Traders, 3rd Floor, 1-8-31 TO 41, Kapadia Towers, PG Road, Sindhi Colony, BapuBagh Colony, Secunderabad, Hyderabad, Telangana – 500003.
(e-mail - jaihanumantraders9944@gmail.com).

3. Shri Javed Khan Pathan, G Card Holder of CHA M/s Svarad Logistics India Pvt. Ltd. and proprietor of M/s Silverline Logistics, Second Floor, Office No. 213/214, Mani Complex, Plot No. 84, Sector-8, Gandhidham
(email- logistics@silverline-log.com)

4. M/s. Svarad Logistics India Pvt. Ltd., Customs Broker, through its G Card Holder, Shri Javed Khan Pathan, Second Floor, Office No. 213/214, Mani Complex, Plot No. 84, Sector-8, Gandhidham
(email- logistics@silverline-log.com)

Copy to:
1. The Additional Director, Directorate of Revenue Intelligence, Gandhidham Regional Unit.
2. The Deputy Commissioner of Customs, EDI, Customs Mundra.
3. Guard File.