



प्रधान आयुक्त का कार्यालय, सीमा शुल्क, अहमदाबाद
“सीमा शुल्क भवन”, पहली मंजिल, पुराने हाईकोर्ट के सामने, नवरंगपुरा, अहमदाबाद – 380 009.
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SHOW CAUSE NOTICE

Whereas, M/s. Savvy ATS Reality LLP, (hereinafter referred to as "the said Noticee"), is a Private Limited Company having GSTIN:- 24AEOFS2885K1ZC and registered address at B 900, Shapath IV, Opp. Karnavati Club, S. G. Highway, Ahmeabad, Gujarat, 380015. M/s. Savvy ATS Reality LLP, is a supplier of goods viz. TMT Bars and Steel structures falling under CETH 72 to the entities registered in GIFT-SEZ for their authorized operation.

2. Whereas, a SEZ (Special Economic Zone) is deemed as a Foreign Territory for matters that relate to the Trade Tariffs, Duties, and Operations. Government Vide Notification 28/2022 - Customs, Dated: 21st May'2022, notified Export Duty on 11 Iron and Steel Intermediates to Increase local availability of these Goods and to contain raising domestic prices which may affect adversely the downstream industries, real estate industry and other direct consumers.

2.1 Whereas, a third Proviso to Rule 27 of SEZ Rules, 2006 was inserted vide Notification 19th Sep'2018, wherein it read as follows:

"Provided also that supplies from Domestic Tariff Area to Special Economic Zones shall attract Export Duty, in case, export duty is leviable on items attracting export duty. "

Thus, Export Duty on Certain Steel Items was made applicable in case of Supplies from DTA to SEZ.

2.2 Central Government vide Notifications No. 28/2022-Cus dated 21.05.2022 & 29/2022- Cus dated 21.05.2022 imposed export duty on goods falling under HSN 7208, 7209, 7210, 7213, **7214**, 7219, 7222 and 7227@ 15% with effect from 22.05.2022. Notifications No 28/2022-C us dated 21.05.2022 & 29/2022-Cus dated 21.05.2022 is produced herein below for reference:

New Delhi, the 21st May, 2022

G.S.R. (E).- Whereas, the Central Government is satisfied that export duty should be levied or increased 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, 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, -

1. against SJ. No. 21, for the entry in column (4), the entry "50%" shall be substituted;
2. against SJ. No. 22, for the entry in column (4), the entry "50%" shall be substituted;
3. against Sf. No. 43, for the entry in column (3), the entry "Flat rolled products of iron or non-alloy steel, clad, plated or coated" shall be substituted;
4. after SJ. No. 48 and the entries relating thereto, the following SI. Nos. and entries relating thereto shall be inserted, namely:-

(1)	(2)	(3)	(4)
"48A.	7219	Flat-rolled products of stainless steel, of a width of 600 mm or more	15%
48B.	7222	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel	15%
48C.	7227	Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel	15%":

2. This notification shall come into force on the 22nd day of May, 2022.

Also,

Notification No. 29/2022-Customs

New Delhi, the 21st May,
2022

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 27/201 I- Customs dated the 1st March, 2011, published in the Gazette of India, Extraordinary, Part II Section 3, Sub-section (i), vide number G.S.R. 153(E), dated the 1st March, 2011, namely:-

In the said notification, in the Table,

1. S. No. 20A and the entries relating thereto shall be omitted;
11. against S. No. 23, in column (4), for the entry, the entry "45%" shall be substituted;
111. against S. No. 48, in column (4), for the entry, the entry "15%" shall be substituted;
- 1v. against S. No. 54, in column (4), for the entry, the entry "15%" shall be substituted;
- v. against S. No. 55, in column (4), for the entry, the entry "15%" shall be substituted;
- vi. for S. No. 56 and the entries relating thereto, the following S. Nos. and entries shall be substituted, namely: -

(1)	(2)	(3)	(4)
"56.	7210	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated	15%
56A	12	Flat rolled products of iron or non-alloy steel, clad, plated or coated	Nil";

- vii. against S. No. 57, in column (4), for the entry, the entry "15%" shall be substituted;
- viii. against S. No. 58, in column (4), for the entry, the entry "15%" shall be substituted;

2. This notification shall come into effect on the 22nd day of May, 2022.

2.3. It is thus evident from Notifications No. 28/2022-Cus dated 21.05.2022 & 29/2022- Cus dated 21.05.2022 that: "Export duty is leviable on goods falling under HSN 7208, 7209, 7210, 7213, **7214**, 7219, 7222 and 7227 @ 15%".

3. Whereas, Central Government vide Notification No. 58/2022-Customs dated 18.11.2022 (w.e.f. 19.11.2022) has amended the Notification No. 27/2011-Customs dated: 01.03.2011 and substituted the "15%" rate of duty with "NIL". Said Notification is produced herein below for reference:

“ Notification No. 58/2022-Customs

New Delhi, the 18th November, 2022

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 27/2011-Customs dated the 1st March, 2011, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 153(£), dated the /st March, 2011, namely:-

In the said notification, in the Table,

- i. after S. No. 20 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -*

<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>"20 A.</i>	<i>2601 11 21, 260111 22, 260111 41, 260111 42</i>	<i>All Goods</i>	<i>Nil</i>
<i>20C</i>	<i>2601 11</i>	<i>All Goods, other than goods mentioned in S.No. 20A</i>	<i>30%</i>
<i>20D</i>	<i>2601 12</i>	<i>All Goods, other than iron ore pellets</i>	<i>30%":</i>

- "Nil" shall be substituted;*
- iii. *against S. No. 48, in column (4), for the entry "15%", the entry "Nil" shall be substituted;*
 - iv. *against S. No. 54, in column (4), for the entry "15%", the entry "Nil" shall be substituted;*
 - v. *against S. No. 55, in column (4), for the entry "15%", the entry "Nil" shall be substituted;*
 - vi. *against S. No. 56, in column (4), for the entry "15%", the entry "Nil" shall be substituted;*
 - vii. *against S. No. 57, in column (4), for the entry "15%", the entry "Nil" shall be substituted;*
 - viii. *against S. No. 58, in column (4), for the entry "15%", the entry "Nil" shall be substituted;*
 - ix. *after S. No. 61 and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely: -*

(1)	(2)	(3)	(4)
61A	7219	Flat-rolled products of stainless steel, of a width of 600 mm or more	Nil
61B	7222	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel	Nil
6/C	7227	Bars and rods, hot-rolled, in irregularly	Nil

2. This notification shall come into force on the 19th day of November, 2022."

4. Whereas it is evident from the above that the Government has with effect from 19 November 2022 rolled back export duty on iron ore pellets and steel products, including pig iron, flat-rolled products of carbon steel and stainless steel, bars, rods and non-alloy steel, vide Notification No. 58/2022-Customs, dated 18 November 2022. Export duty on iron ores with a grade higher than 58% has been reduced from 50% to 30%, while the lower grade iron ores no longer attract export duty restoring back the exemption granted up to 21 May 2022. **In other words, the supply of flat-rolled products of carbon steel and stainless steel, bars, rods and non-alloy steel to SEZ attracted levy of export duty during the period from 22.05.2022 to 18.11.2022.**

4.1. M/s. Savvy ATS Reality LLP, registered in GIFT-SEZ, Gandhinagar

have procured goods which are falling under HSN 7208, 7209, 7210, **7214** & 7219 without payment of export duty during the period between 22.05.2022 and 18.11.2022 from the Noticee. Details of such supplies are tabulated herein below as "Table-A":

Table- A

Invoice No	Invoice date	Details of Items	HSN	Quantity	Rate	Value (in Rs.)	Details of Supplier	Developer/ Unit
9	06.08.2022	TMT Steel 12 mm	7214	15.14 MT	65338.98	989232.15	Savvy ATS Reality LLP, Ahmedabad	Savvy ATS Reality LLP, Gandhinagar
1	22.09.2022	TMT Steel	7214	350 kg	57	19950	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
5	06.10.2022	TMT Steel	7214	25.11 MT	57034	1432123.74	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
10	14.10.2022	TMT Steel	7214	2.7 MT	56000	151200	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
11	17.10.2022	TMT steel 8 mm	7214	12.15 MT	59831	726946.65	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
11	17.10.2022	TMT steel 10 mm	7214	12.05 MT	58644	706660.2	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
11	17.10.2022	TMT steel 12 mm	7214	12.09 MT	57797	698765.73	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
12	17.10.2022	TMT steel 16 mm	7214	9.79 MT	57797	565832.63	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
12	17.10.2022	TMT steel 20 mm	7214	9.97 MT	57458	572856.26	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
12	17.10.2022	TMT steel 25 mm	7214	4.96 MT	57797	286673.12	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
12	17.10.2022	TMT steel 32 mm	7214	10.14 MT	58559	593788.26	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
13	18.10.2022	TMT steel 16 mm	7214	10.2 MT	57797	589529.4	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
13	18.10.2022	TMT steel 20 mm	7214	9.95 MT	57458	571707.1	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
13	18.10.2022	TMT steel 25 mm	7214	5.02 MT	57797	290140.94	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
13	18.10.2022	TMT steel 32 mm	7214	9.94 MT	58559	582076.46	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
14	18.10.2022	TMT steel 8 mm	7214	12.14 MT	59831	726348.34	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
14	18.10.2022	TMT steel 10 mm	7214	11.98 MT	58644	702555.12	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
14	18.10.2022	TMT steel 12 mm	7214	12.09 MT	57797	698765.73	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
22	31.10.2022	TMT steel 8 mm	7214	8.09 MT	59576.27	481972.02	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
22	31.10.2022	TMT steel 10 mm	7214	14.13 MT	58389.83	825048.3	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
22	31.10.2022	TMT steel 12 mm	7214	18.06 MT	57542.37	1039215.202	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
23	31.10.2022	TMT steel 16 mm	7214	9.99 MT	57542.37	574848.28	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
23	31.10.2022	TMT steel 20 mm	7214	9.84 MT	57203.39	562881.36	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
23	31.10.2022	TMT steel 25 mm	7214	4.89 MT	57542.37	281382.19	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
23	31.10.2022	TMT steel 32 mm	7214	9.87 MT	58305	575470.35	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
24	31.10.2022	TMT steel 10 mm	7214	5.1 MT	58389.83	297788.13	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
24	31.10.2022	TMT steel 20 mm	7214	14.68 MT	57203.39	839745.77	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
24	31.10.2022	TMT steel 25 mm	7214	4.95 MT	57542.37	284834.73	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
24	31.10.2022	TMT steel 32 mm	7214	10.17 MT	58305	592961.85	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
25	31.10.2022	TMT steel 8 mm	7214	12.16 MT	59576.27	724447.44	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
25	31.10.2022	TMT steel 10 mm	7214	12.28 MT	58389.83	717027.11	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
25	31.10.2022	TMT steel 12 mm	7214	12.07 MT	57542.37	694536.41	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
26	31.10.2022	TMT steel 8 mm	7214	13.1 MT	59576.27	780449.14	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
26	31.10.2022	TMT steel 10 mm	7214	13.12 MT	58389.83	766074.57	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
26	31.10.2022	TMT steel 12 mm	7214	13.01 MT	57542.37	748626.23	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
30	06.11.2022	TMT steel 16 mm	7214	10.01 MT	57542.37	575999.12	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
30	06.11.2022	TMT steel 25 mm	7214	25.04 MT	57542.37	1440860.95	Savvy ATS Reality LLP	Savvy ATS Reality LLP, Gandhinagar
				TOTAL VALUE		2,37,09,321/-		

5. Since M/s. Savvy ATS Reality LLP, have not discharged the duty liability the same is calculated as under:

Duty liability Calculation (TABLE-B)

Details of Value of Goods & Duty Liability (Amt. in Rs.)	
HSN of Supplied Goods	7214

Total Value of Supplied Goods	Rs. 2,37,09,321/-
Export Duty @15%	Rs. 35,56,398/-

6. Thus, it appears that M/s. Savvy ATS Reality LLP, had supplied goods without payment of export duty amounting to Rs. 35,56,398/- and have thereby contravened the provisions under the Customs Notifications 28/2022-Cus dated 21.05.2022 & 29/2022-Cus dated 21.05.2022, suo-motu, which is required to be recovered from them under Section 28(l)(a) of the Customs Act, 1962, along with interest under Section 28AA of the Customs Act, 1962.

7. Further as there is a non-levy and thereafter non-payment of export duty, M/s. Savvy ATS Reality LLP, is also liable for penalty under Section 114A of the Customs Act, 1962.

8. Now, therefore, M/s. Savvy ATS Reality LLP, GSTIN:- 24AE0FS2885K1ZC and registered address at B 900, Shapath IV, Opp. Karnavati Club, S. G. Highway, Ahmeabad, Gujarat, 380015, are hereby called upon to show cause to the Additional Commissioner, Customs, Ahmedabad, having his office at Custom House, Nr. All India Radio, Income Tax Circle, Navrangpura, Ahmedabad within 30 days of the receipt of this Show Cause Notice as to why:

- a) Export Duty of Rs. 35,56,398/- [Rupees Thirty Five Lakhs Fifty Six Thousand and Three Hundred and Ninety Eight Only], as detailed in Table B of this notice, for the duty free procurement of TMT during the period between 22.05.2022 and 18.11.2022 should not be demanded and recovered from them under Section 28(l)(a) of the Customs Act, 1962.
- b) Interest at applicable rates should not be demanded and recovered from them under Section 28AA of the Customs Act, 1962 on the duty liability mentioned at Sr. No. (a) above.
- c) Penalty under Section 114 A should not be imposed and recovered from them.

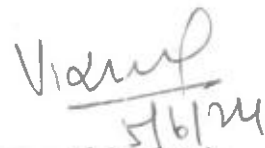
9. The Noticee is hereby directed to produce all evidences upon which they intend to rely in support of their defence at the time of showing cause. If no mention is made about the same in their written explanation, it will be presumed that they do not desire a personal hearing and the case will be

decided on the basis of the evidences and records available on file.

10. If no cause is shown by them against the action proposed to be taken within 30 days of receipt of this notice or if they do not appear before the adjudication authority when the case is posted for hearing, the case would be decided on merits, on the basis of evidence available on records, without any further reference to them.

11. This notice is issued without prejudice to any other action(s) that may be taken against them or against any person(s), under the provision of the Customs Act, 1962 and/or the Rules framed there under or under any other law for the time being in force.

12. The department reserves the right to add, amend, modify, delete any part or portion of this notice and any such addendum, amendment, modification, deletion, if made, shall be deemed to be part and parcel of this notice.



(Vishal Malani)
Additional Commissioner

F. No.: VIII/10-71/Gift City/O&A/HQ/2024-25
DIN: 20240671MN000000FCDF

Date: 05.05.2024

By Speed Post/ By Email/ By Hand Delivery/Through Notice Board:

To,

M/s. Savvy ATS Reality LLP, B 900, Shapath IV, Opp. Karnavati Club, S. G. Highway, Ahmedabad, Gujarat, 380015

Copy to:

1. The Development Commissioner, GIFT-SEZ, Gandhinagar.
2. The Specified Officer, GIFT SEZ, Gandhinagar
3. The Superintendent (Systems) for uploading on website of Customs Ahmedabad <https://www.ahmedabadcustoms.gov.in>
- ✓ 4. Guard File.