



प्रधान आयुक्त का कार्यालय, सीमा शुल्क, अहमदाबाद
सीमा शुल्क भवन, "पहली मंजिल, पुराने हाईकोर्ट के सामने, नवरंगपुरा, अहमदाबाद – 380 009.
दूरभाष : (079) 2754 4630 E-mail: cus-ahmd-adj@gov.in फैक्स : (079) 2754 2343

SHOW CAUSE NOTICE

Whereas, M/s. Shree Infracon Private Limited, (hereinafter referred to as "the said Noticee"), is a Private Limited Company having GSTIN:- 24AAKCS3508C1ZP and registered address at 602, Parshwanath E Square, Corporate Road, Nr. AUDA Garden, Prahladnagar, Satellite, Ahmedabad, Gujarat, 380015. M/s. Shree Infracon Private Limited, 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:

Notification No. 28/2022-Customs

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 2nd 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,

- i. S. No. 20A and the entries relating thereto shall be omitted;
- ii. against S. No. 23, in column (4), for the entry, the entry "45%" shall be substituted;
- iii. against S. No. 48, in column (4), for the entry, the entry "15%" shall be substituted;
- iv. 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	7212	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. Further, 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(E), dated the 1st 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: -*

(1)	(2)	(3)	(4)
"20A.	2601 11 21, 260111 22, 260111 41, 260111 42	All Goods	Nil

20C	2601 11	All Goods, other than goods mentioned in S.No. 20A	30%
20D	2601 12	All Goods, other than iron ore pellets	30%

- ii. against S. No. 23, in column (4), for the entry "45%", the entry "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. It is thus 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. Shree Infracon Private Limited, 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
80	27.05.2022	Structural Steel	7208	1.41 MT	83.000	117030	Shree Infracon Private Limited	GIFT SEZ LTD
79	27.05.2022	MS TMT 16 MM	7214	14.235 MT	55.000	782925	Shree Infracon Private Limited	GIFT SEZ LTD
79	27.05.2022	MS TMT 12 MM	7214	2.965	55.000	163075	Shree Infracon Private Limited	GIFT SEZ LTD
79	27.05.2022	MS TMT 10MM	7214	5.265	55.847	294034.46	Shree Infracon Private Limited	GIFT SEZ LTD
79	27.05.2022	MS TMT 8 MM	7214	2.28	57.034	130037.52	Shree Infracon Private Limited	GIFT SEZ LTD
76	24.06.2022	TMT Bar FE 500 16 MM	7214	10.975	55.00	603625.0	Shree Infracon Private Limited	GIFT SEZ LTD
76	24.06.2022	TMT Bar FE 500 12 MM	7214	0.510	55.00	28050.0	Shree Infracon Private Limited	GIFT SEZ LTD
76	24.06.2022	TMT Bar FE 500 10 MM	7214	2.020	55.847	112810.94	Shree Infracon Private Limited	GIFT SEZ LTD
76	24.06.2022	TMT Bar FE 500 8 MM	7214	0.485	57.034	27661.49	Shree Infracon Private Limited	GIFT SEZ LTD
78	03.07.2022	Structural Steel	7208	3.875	76000	294500.00	Shree Infracon Private Limited	GIFT SEZ LTD
79	07.07.2022	Structural Steel	7208	0.096	76000	7296	Shree Infracon Private Limited	GIFT SEZ LTD
81	21.07.2022	TMT 16 MM	7214	8.82	56.186	495560.52	Shree Infracon Private Limited	GIFT SEZ LTD
81	21.07.2022	TMT 12 MM	7214	2.29	56.186	128665.94	Shree Infracon Private Limited	GIFT SEZ LTD
81	21.07.2022	TMT 10 MM	7214	4.25	57.034	242394.50	Shree Infracon Private Limited	GIFT SEZ LTD
85	09.09.2022	TMT 25 MM	7214	4.025	56.271	226490.78	Shree Infracon Private Limited	GIFT SEZ LTD
85	09.09.2022	TMT 20 MM	7214	5.045	55.932	282176.94	Shree Infracon Private Limited	GIFT SEZ LTD
85	09.09.2022	TMT 16 MM	7214	4.96	56.271	279104.16	Shree Infracon Private Limited	GIFT SEZ LTD
85	09.09.2022	TMT 12 MM	7214	2.005	56.271	112823.36	Shree Infracon Private Limited	GIFT SEZ LTD
85	09.09.2022	TMT 10 MM	7214	1.845	57.119	105384.55	Shree Infracon Private Limited	GIFT SEZ LTD
85	09.09.2022	TMT 8 MM	7214	0.960	58.305	55972.80	Shree Infracon Private Limited	GIFT SEZ LTD
88	13.10.2022	TMT 20 MM	7214	1.640	57.203	93812.92	Shree Infracon Private Limited	GIFT SEZ LTD
88	13.10.2022	TMT 18 MM	7214	11.315	57.542	651087.73	Shree Infracon Private Limited	GIFT SEZ LTD
88	13.10.2022	TMT 10 MM	7214	5.355	58.390	312678.45	Shree Infracon Private Limited	GIFT SEZ LTD
88	13.10.2022	TMT 8 MM	7214	140	59.576	83406.4	Shree Infracon Private Limited	GIFT SEZ LTD
91	06.11.2022	TMT 25 MM	7214	610.00	55.000	33550.00	Shree Infracon Private Limited	GIFT SEZ LTD
91	06.11.2022	TMT 20 MM	7214	3200.00	54.661	174915.20	Shree Infracon Private Limited	GIFT SEZ LTD
91	06.11.2022	TMT 16 MM	7214	7360.00	55.000	404800.00	Shree Infracon Private Limited	GIFT SEZ LTD
91	06.11.2022	TMT 12 MM	7214	3720.00	55.000	204600.00	Shree Infracon Private Limited	GIFT SEZ LTD
91	06.11.2022	TMT 10 MM	7214	3160.00	55.847	176476.52	Shree Infracon Private Limited	GIFT SEZ LTD
91	06.11.2022	TMT 8 MM	7214	540.00	57.034	30798.36	Shree Infracon Private Limited	GIFT SEZ LTD
TOTAL VALUE						6655745/-		

5. Since M/s. Shree Infracon Private Limited 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	7208/7214
Total Value of Supplied Goods	Rs. 66,55,745/-
Export Duty @15%	Rs. 9,98,362/-

6. Thus, it appears that M/s. Shree Infracon Private Limited, had supplied goods without payment of export duty amounting to Rs. 9,98,362/- 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. Shree Infracon Private Limited, is also liable for penalty under Section 114A of the Customs Act, 1962.

8. Now, therefore, M/s. Shree Infracon Private Limited, (GSTIN:- 24AAKCS3508C1ZP), having registered address as 602, Parshwanath E Square, Corporate Road, Nr. AUDA Garden, Prahladnagar, Satellite, Ahmedabad, 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:

- Export Duty of Rs. 9,98,362/- [Rupees Nine Lakhs Ninty Eight Thousand and Three Hundred and Sixty Two 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.
- 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. (i) above.
- 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
17/5/24

(Vishal Malani)
Additional Commissioner

F. No.: VIII/10-70/Gift City/O&A/HQ/2024-25
DIN: 20240571MN0000218098

Date: 17.05.2024

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

To,

✓ M/s. Shree Infracon Pvt. Ltd. 602, Parshwanath E Square, Corporate Road,
Nr. AUDA Garden, Prahladnagar, Satellite, Ahmedabad, Gujarat, 380015

Copy to:

1. The Development Commissioner, GIFT-SEZ, Gandhinagar.
2. The Specified Officer, GIFT SEZ, Gandhinagar
3. Guard File.
4. Supdt. Systems to upload it on website of Customs Ahmedabad.