

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/635/2016

Dated: 8/15 August 2016

Order in Revision No. 227/2016 under section 25-D of the Customs Act, 1969  
against Valuation Ruling No.869/2016 dated 10-06-2016

- i. This copy is granted free of charge for the private use of the person to whom it is issued.
- ii. An appeal against this Order-in-Revision lies to the Appellate Tribunal, Customs having jurisdiction, under section 194-A of the Customs Act, 1969, within stipulated period as prescribed under the law. An appeal should bear a court fee stamp of Rs.1000/- (Rupees one thousand) only as prescribed under schedule-II item 22 of the Court Fee Act, 1870 and must be accompanied by a copy of this Order.
- iii. An extra copy of appeal, if filed, should simultaneously be sent to this office for information and record.
- iv. If an appeal is filed, the appellant should state whether he desires to be heard in person or through an advocate.

M/s Ashfaq Brothers and Others ..... PETITIONERS

VERSUS

Director, Customs Valuation, Karachi..... RESPONDENT

Date(s) of hearing ..... 04-07-2016 and 21-07-2016.

For the Petitioners

Mr. Amin ur Rashid  
Mr Pervez Ejaz  
Mr. Qamaruddin  
Mr Hassan Tariq  
Mr Asif Nisar Vohra  
Mr Khurram  
Mr Babar  
Mr Subhan Jahangir  
Mr Riaz Ahmed



For the Respondent

Mr. Safdar Abbas, Principal Appraiser

This revision petitions was filed under section 25-D of the Customs Act, 1969 against customs value determined vide Valuation Ruling No.869/2016 dated 10-06-2016 issued under section 25-A of the Customs Act, 1969. They challenged the value of Generators, inter alia, on the following facts and grounds:

2. Being aggrieved and dissatisfied by the impugned Valuation Ruling No. 869 of 2016 dated 10.06.16 issued by the Respondent Director, the Petitioner prefers this Review Petition under Section 25-D of the Customs Act, 1969 before this Hon'ble Authority, inter alia, on the following facts and grounds:

### Facts

1. That the Petitioner is engaged in the regular import of gasoline (petrol) generators of various brands, including 'Loncin', from China. The Petitioner enjoys an impeccable reputation in the trade, and is renowned for the scrupulous discharge of its obligations under the various laws of Pakistan, including all revenue laws. The Petitioner contributes substantial amount of revenue to the national exchequer on a regular basis.
2. That the Respondent Director has been entrusted by the Legislature, through the enactment of section 25A of the Customs Act, 1969, to diligently, efficiently and properly exercise the powers contained therein for the lawful determination of customs values of goods imported into Pakistan. The Petitioner is seriously aggrieved by the acts of the Respondent Director, whereby it has unlawfully, arbitrarily, and in contradiction with the dictates of Sections 25 and 25A of the Customs Act, 1969, determined the value of generators of China origin vide Valuation Ruling No. 869 of 2016. The Respondent Director has acted in grave violation and excess of the powers conferred thereupon and, through its actions, is causing serious harm and loss to the Petitioner.
3. That through the impugned Valuation Ruling, the Respondent Director has, in purported exercise of the powers under Section 25A of the Act, 1969, 'determined' values of the generators of China origin as at Table-A of the impugned Valuation Ruling. In the impugned Valuation Ruling, the Respondent Director has created three categories of brands of generators of, inter alia, Chinese origin (namely Categories (A), (B), and (C)) and has specifically identified the brands that constitute such categories. In addition to segregation by brand, the Respondent Director has then purportedly determined the values of generators on the basis of capacity / power generation which is measured in Watts / KVA. As such, the gasoline (petrol) generators imported by the Petitioner of 'Loncin' brand, have been placed in category B, whereas the values of Chinese origin generator sets, including 'Loncin' brand, are even lower than those values affixed at Category C. The values have been 'determined' / fixed in the following terms,

**TABLE-A**

(as amended vide Amendment u/s 206 of the Customs Act, 1969, dated 15.06.2016)

S. No.	Description	PCT	Proposed PCT for WeBOC	Origin	Customs value US\$/per set (B)
	<b>PETROL GENERATORS (PER SET)</b>				
1	650 Watts	8502.2000	8502.2000.1000	CHINA	69
2	651 Watts TO 1 KVA	8502.2000	8502.2000.1100	CHINA	100
3	1.1 TO 2 KVA	8502.2000	8502.2000.1200	CHINA	175
4	2.1 TO 3 KVA	8502.2000	8502.2000.1300	CHINA	263
5	3.1 TO 4 KVA	8502.2000	8502.2000.1400	CHINA	350
6	4.1 TO 5 KVA	8502.2000	8502.2000.1500	CHINA	438
7	5.1 TO 6 KVA	8502.2000	8502.2000.1600	CHINA	604
8	6.1 TO 8.5 KVA	8502.2000	8502.2000.1700	CHINA	848
9	8.6 TO 10 KVA	8502.2000	8502.2000.1800	CHINA	1006



Table-A of Valuation Ruling No. 869/2016 dated 10-06-2016 read with Amendment dated 15-06-2016

Customs Value in US\$ per KVA							
S.No.	Description	PCT	Proposed PCT for WeBOC	Origin	Customs Value in US\$ per KVA		
					Category-A	Category-B	Category-C
Petrol Generators							
1	650 Watts	8502.2000	8502.2000.1000	China	126	106	90
2	1 KVA	8502.2000	8502.2000.1100	China	119	100	85
3	1.1 TO 2 KVA	8502.2000	8502.2000.1200	China	105	89	75
4	2.1 TO 3 KVA	8502.2000	8502.2000.1300	China	105	89	75
5	3.1 TO 4 KVA	8502.2000	8502.2000.1400	China	109	91	77
6	4.1 TO 5 KVA	8502.2000	8502.2000.1500	China	110	92	77
7	5.1 TO 7 KVA	8502.2000	8502.2000.1600	China	110	92	77
8	7.1 TO 9 KVA	8502.2000	8502.2000.1700	China	112	93	78
9	9.1 TO 10 KVA	8502.2000	8502.2000.1800	China	114	94.4	80
Diesel Generators							
S.No.	Description	PCT	Proposed PCT for WeBOC	Origin	Category-A	Category-B	Category-C
1	01 TO 15 KVA	8502.1120	8502.1120.2300	China	194	151	139
2	16 TO 20 KVA	8502.1120	8502.1120.2400	China	194	151	139
3	21 TO 35 KVA	8502.1130	8502.1130.1800	China	140	128	125
4	36 TO 50 KVA	8502.1130	8502.1130.1900	China	140	128	125
5	51 TO 75 KVA	8502.1190	8502.1190.1300	China	140	126	125
6	76 TO 350 KVA	8502.1200	8502.1200.1800	China	110	100	98
7	351 TO 375 KVA	8502.1200	8502.1200.1900	China	85	82	76
8	376 TO 500 KVA	8502.1310	8502.1310.1000	China	85	82	76
9	ABOVE 500 KVA	8502.1310	8502.1310.1100	China	90	85	80
Category-A: Honda/Yamaha/Suzuki/Kawasaki							
Category-B: Robin/Briggs & Stratton/Kohler/Generac/Elemex/FG Willson/							
Category-C: (Other's Chinese Origin Brand's) Lianlong/Jasco/Rockmen/Green Max/Euro Power/Loncin/Lifan/Firman/Olympic/Rato/Tiger							
Powermac/Green Power/Olympia/Angel/Magma/Magma Max/Kensei/Energen/Parco/Powertec							
Dyanamac/Empower/Green Power/Swan/Toyo/Powermac Advanced/Santaru Plus/i-Gen Eco/Pollo/Fast/Mark Power							
Seaman/Hi Tech/Hi Tech Gold/Powermac Advanced/Santaru Plus/i-Gen Eco/Pollo/Fast/Mark Power							
Fast Gold/Fast Deluxe/Sanso/Sanso Premium/King Power/Kp Gold/Slong/Samco/Jiang Dong/Oukama/Woxen/Gasco/Ancor							
Senci/Kipor/Pioneer/QMB/Kami/Sanding/Grannitto/Midas/Dawam/All Power/Dong Fong/Sun Dynamac							
/Centurion/Homage/Gentron/Euro Power/Zongshen/Angel Plus/Feilo/ 4G Generators/Delux Star/							
Sunshine/Airmac/Global plus/Sansui/ Rayco/Star Gen/Grannitto Plus/Force/1 Gen/United Power							
Slona/Hiight Ech/Fuji Max/1 Tech/Voice Master/Marquis/Champion/Genlite/General/Shanghai/Zanco/Desire/Sanco							



Director. Origin-wise details of the actual transaction value of gasoline (petrol) generator sets, as imported, are catalogued below,

**TABLE I**

Brand	Capacity (KW/KVA)	Value (per unit/piece)	Customs Reference Number	Date
Swan	1.5 KW/KVA	US\$ 150/unit	KAPW-HC-217523	12.05.2016
Loncin	0.80 KW/KVA	US\$ 64/unit	KAPW-HC-217511	12.05.2016
Loncin	2.3 KW/KVA	US\$ 161/unit	KAPW-HC-217511	12.05.2016
Loncin	2.8 KW/KVA	US\$ 196/unit	KAPW-HC-217511	12.05.2016
Loncin	0.80 KW/KVA	US\$ 64/unit	KAPW-HC-217517	12.05.2016
Loncin	2.3 KW/KVA	US\$ 161/unit	KAPW-HC-217517	12.05.2016
Loncin	2.8 KW/KVA	US\$ 196/unit	KAPW-HC-217517	12.05.2016
Loncin	6.0 KW/KVA	US\$ 420/unit	KAPW-HC-217517	12.05.2016
Loncin	2.8 KW/KVA	US\$ 196/unit	KAPW-HC-211738	5.05.2016
Loncin	8.5 KW/KVA	US\$ 595/unit	KAPW-HC-211738	5.05.2016
Loncin	2.3 KW/KVA	US\$ 161/unit	KAPW-HC-211735	5.05.2016



10. That, in addition to the foregoing, the Petitioner has purchased and imported gasoline (petrol) generator sets from China more recently, which are presently lying at the Port as a result of huge demands of duties and taxes as a result of the application of the impugned Valuation Ruling. These demands are despite the fact that the consignment having generator sets has been purchased at a significantly lower value than what has been unlawfully 'determined' / fixed by the Respondent Director, and that the same are duly supported by Commercial Invoices and payment has been made through bank settled instruments in the form of a Letter of Credit. Copies of Goods Declaration, Commercial Invoice, Packing List and Letter of Credit are attached.
11. That the foregoing lends credence to the fact that the Respondent Director has failed to apply the provisions of Sections 25 and 25A of the Act, 1969, while purportedly 'determining' the values of the various types of 'Loncin' brand gasoline (petrol) generator sets. It is submitted that had the Respondent Director properly applied the provisions of Sections 25 and 25A of the Act, 1969, it would have made a lawful determination at or about the values stated hereinabove at Table I.
12. That the Respondent Director has also erred in both choosing Section 25(9) of the Act, 1969, as the applicable method of valuation as well as in applying the provisions thereof while issuing the impugned Valuation Ruling. The Respondent Director has failed to provide lawful reasons to justify rejection of the methods of valuation contained in sub-sections (1), (5), (6), and (7) of Section 25 of the Act, 1969. As apparent from a reading of the said sub-sections, the Respondent Director was under an obligation to apply the said valuation methods in a sequential manner as they appear in Section 25. However, the Respondent Director has made vague statements to reject the actual transaction values of generator sets, such as those imported by the Petitioner, as well as the values of identical goods. In fact, the Respondent Director has not even bothered to give any reasons for not applying the method of valuation contained in Section 25(7) of the Act, 1969, and has casually adopted Section 25(9) for its purposes.
13. That, even otherwise, the Respondent Director has misread and misapplied the provisions of Section 25(9) of the Act, 1969, which has seemingly been used to justify the imposition /



fixation of arbitrary values, instead of making a proper determination as envisaged in Section 25A of the Act, 1969.

14. That, without prejudice to the preceding, the Respondent Director has issued the impugned Valuation Ruling in pursuance of a supposed market survey. Without prejudice to the fact that no proof for the purported market survey has been placed on record, even otherwise, such a market survey has no legal value and has been conducted, if at all, in violation of the Act, 1969, and the Customs Rules, 2001, framed there under.
15. That, as stated above, the Petitioner has consignments presently lying at as well as en route to the Port. In respect thereof, the Petitioner has serious apprehensions that the respective Clearance Collectorates will raise demands in accordance with the impugned Valuation Ruling, which is otherwise not sustainable under the law. Imposition of such high values as fixed under the impugned Valuation Ruling will be destructive of the lawful business being operated by the Petitioner, and will be in utter violation of the fundamental rights of the Petitioner, including but not limited to those enshrined in Articles 4, 10A, 18, 24 and 25 of the Constitution of Pakistan, 1973.
16. That, in light of the foregoing factual narration, the Petitioner proffers the following grounds, namely:
17. Grounds
  - a) That the Respondent Director has issued the impugned Valuation Ruling without any independent application of it's mind to the price paid / payable for gasoline (petrol) generator sets of Chinese origin, including 'Loncin' brand generator sets, at the time of import into Pakistan.
  - b) That the Respondent Director, in purported 'determination' of the values of the generator sets imported by the Petitioner, unlawfully and without any cogent or lawful reason, has increased the value.
  - c) That the unlawful increase in the value of the gasoline (petrol) generator sets imported by the Petitioner is despite the fact that the value of such generator sets is considerably lower in the international market.
  - d) That the Respondent Director has failed to provide any justification, lawful or otherwise, to substantiate its actions of creating categories of brands of generator sets of Chinese origin. In fact, Section 25 and 25A of the Act, 1969, do not cater for or otherwise recognize such categorization, therefore, making the impugned Valuation Ruling liable to set aside.
  - e) That, without prejudice to the preceding, the Respondent Director, by fixing / 'determining' the values of identical quality generator sets in Category C, has appreciated that the values of 'Loncin' brand gasoline (petrol) generator sets is lower than that listed at Category B. In contradiction to its own findings, the Respondent Director has failed to make proper determination in that regard.
  - f) That, even otherwise, the values of the generator sets imported by the Petitioner are easily verifiable through a perusal of the import data submitted by the Petitioner in support of its contention that the value thereof is assessable at a much lower rate.



- g) That, further, the Respondent Director has failed to elucidate or otherwise justify its actions vis-à-vis creation of and categorization in three categories for the imported generator sets of Chinese origins. Such action of the Respondent Director is in direct contradiction to the provisions of Article 25 of the Constitution of Pakistan, 1973.
- h) That the Respondent Director, even otherwise, has issued the impugned Valuation Ruling in violation of the spirit of the provisions of Section 25 and 25A of the Act, 1969.
- i) That the impugned Valuation Ruling has been issued in complete ignorance of the methods of valuation contained in section 25 of the Act, 1969. Section 25 of the Act, 1969, provides a set of comprehensive and sequential methods of determining customs values. These methods are to be strictly followed/ utilized for the purposes of determining values under section 25A of the Act, 1969, as has also been held in the landmark judgment of the Hon'ble Sindh High Court in the case of *Sadia Jabbar v/s Federation of Pakistan*. The impugned Valuation Ruling, not having been issued in accordance with the law, is liable to be immediately set aside and vacated.
- j) That it is pertinent to draw the attention of this Hon'ble Authority to paragraph 6 of the impugned Valuation Ruling, whereby the Respondent Director has attempted to direct the field formations to apply the transaction value under sub-section (1) of section 25 of the Act, 1969, wherever the said value is higher than the value fixed in the impugned Valuation Ruling. It is submitted that the inclusion of such a paragraph in a Valuation Ruling is ultra vires of the provisions of section 25 and 25A of the Act, 1969. This has also been held by the Hon'ble Sindh High Court in the case of *Sadia Jabbar* (supra), at paragraph 25, as follows,
- "25. [...] Finally, it also purports to apply the "invoice value" (i.e. the transaction value) if it is "higher" than the value determined in the ruling. This ruling is therefore, also *ultra vires* section 25A."
- k) That the Petitioner craves leave of this Hon'ble Authority to prefer further grounds at the time of arguments.



18. Prayer

It is, therefore, prayed of this Hon'ble Authority that this petition may be allowed: and,

- i. Declare that the impugned Valuation Ruling 869 of 2016 dated 10.06.2016, as amended vide Amendment dated 15.06.2016, issued by the Respondent Director is ultra vires of the Constitution of Pakistan, 1973 and the same is arbitrary and illegal.
- ii. Set aside the impugned Valuation Ruling 869 of 2016 dated 10.06.2016, as amended vide Amendment dated 15.06.2016, being violative of the methods set out in Section 25 of the Customs Act, 1969 and Rules made there-under.
- iii. Direct that the imports of gasoline (petrol) generator sets of China Origin by the Petitioner be assessed as per the actual transaction value.

In the alternative, direct that the imports of gasoline (petrol) generator sets of 'Loncin' brand, China Origin, made by the Petitioner be assessed as per the actual transaction value.



- iv. Restrain the officers of the Respondent and all the clearance Collectorate of the goods from applying the impugned Valuation Ruling 869 of 2016 dated 10.06.2016, as amended vide Amendment dated 15.06.2016, till the final disposal of this review petition.
- v. That, in the meanwhile, the pending and impending imports of the Petitioner be allowed to be provisionally released in terms of Section 81 of the Customs Act, 1969.
- vi. Grant any other relief deemed just and appropriate in the circumstances of the case.

19. The respondent department was asked to furnish comments to the arguments submitted by the petitioner in the case. Para wise comments on the petition are given as under:

20. The Customs values of Generators were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No.356/2011 dated 19-07-2011 and its Amendment dated 29-08-2011 allowing therein a discount of 20% from the values of Denyo brand Generating Sets (serial No. 39 to 46 of VR No. 356/2011 dated 19-07-2011), if imported from other than Japan origin. A number of representations were received to determine the customs values afresh in the light of existing international market prices. Accordingly, customs values of Gasoline (Petrol) Generators (unknown brand) of China origin were determined by issuing Valuation Ruling No. 569/2013 dated 12-07-2013. A number of representations have again been received from the importers of Generators wherein they have agitated that values in the international market have considerably gone down and that existing valuation rulings does not reflect correct international prices. Therefore an exercise to determine customs values of Generators afresh in terms of Section 25-A of the Customs Act, 1969 was initiated. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Generators were determined under Section 25(9) of the Customs Act, 1969 vide Valuation Ruling No. 869/2016 dated 10-06-2016.

21. Parawise Comments

Para (1): Need no comments being related to filing of revision application against the Table-A of Valuation Ruling No. 869/2016 dated 10-06-2016 in respect of various brands including "Loncin" brand Petrol Generator of China origin.

Para (2): Denied. Para (6) of the Valuation Ruling clearly reveals that the Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of Generators. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Generators have been determined under Section 25(9) of the Customs Act, 1969.

Para (3&4): Denied. It is submitted that during the market survey it has been observed that the



Chinese origin Petrol Generators are being sold in different prices and prices depending upon their brands. The Customs values have been determined under section 25 (9) of the Customs Act, 1969 which covers the primary method of valuation i.e. 25(1) to 25(8) in a flexible manner.

Para (5&6): Denied. Valuation Ruling was determined strictly keeping in view the method laid down in Section 25 of Customs Act, 1969, association of all stakeholders by convening meeting, by conducting local market enquiries as well as information gathered from the different suppliers of China.

Para (7&8): It is submitted that meeting notices to issue all stakeholders who have imported subject goods during the period of last three months. Moreover, meeting notices were also issued to FPCC&I and KCC&I, who represent the importers of the subject goods.

Para (9): It is submitted that in this para applicant quoted capacity of Generators of different brands showing KW and KVA are same, which is totally wrong. The Capacity of 1 KW is equal to 1.25 KVA.

Para (10 to 14): Denied. The Valuation Ruling clearly reveals that the Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of Generators. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Generators have been determined under Section 25(9) of the Customs Act, 1969.



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22. Grounds

Para(a,b,c): Denied. The Valuation Ruling clearly reveals that the Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of Generators. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated



and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Generators have been determined under Section 25(9) of the Customs Act, 1969.

- Para (d): Denied. It is submitted that during the market survey it has been observed that the Chinese origin Petrol Generators are being sold in different prices and prices depending upon their brands. The Customs values have been determined under section 25 (9) of the Customs Act, 1969 which covers the primary method of valuation i.e. 25(1) to 25(8) in a flexible manner.
- Para (e): Denied. Maximum origins and brands have been covered by mentioning in the valuation ruling depending upon prices in the local market including Loncin brand vide Table-A, B, C & D.
- Para (f): Denied. Para (6) of the Valuation Ruling clearly reveals that the Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of Generators. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods.
- Para (g&h): Denied. It is submitted that the customs values are being determined under section 25 read with Section 25A of the Customs Act, 1969, for uniform assessment of imported goods at all customs stations within the limitation of Customs rules 2001. The basic objection of the learned counsel for the petitioner against higher assessment inter alia is that under the provisions of section 25 of the Customs Act, 1969, a procedure having been laid down for purposes of valuation.
- Para (i&j): Denied. The existing valuation ruling a speaking one clearly reveals that all valuation methods as described in Section 25 of the Customs Act, 1969 were exhausted and finally Customs values were determined under section 25 (9) of the Customs Act, 1969. As regards, petitioners referred judgment dated 28-02-2011 in CP No.D-2673/2009, it is submitted that this Directorate General had already filed CPLA before the Honourable Supreme Court of Pakistan and they have granted leave to appeal.



23. Prayers

It is respectfully prayed that this Directorate General have determined customs values of maximum available brands and its KVA strictly in the light of valuation method laid down section 25 of the Customs Act, 1969 and finally customs values were determined under section 25(9) of the Customs Act, 1969, which described the determination of customs values in flexible manner. Under the circumstances mentioned above, the petition does not merits for consideration and liable to be rejected accordingly.

ORDER

24. I have gone through the arguments of the importers given during the course of hearing and documents submitted by them in respect of description of different generators having various

capacities / KVAs. The importers are of the view that Table-A of the impugned valuation ruling No. 869/2016 dated 10-06-2016 read with its Amendment dated 15-06-2016 does not reflect the fair customs values in respect of given description. They further explained that in the valuation ruling values have been fixed for various description/ranges e.g. value for 1.1 to 2 KVA is \$ 224/set (piece) for category-A. For next range of 2.1 to 3 KVA value is \$ 336/set (piece). Their contention is that for 2 KVA set the value is \$ 224/pc and for 2.1 KVA it jumps to \$ 336/set (by increasing 0.1 KVA), as it goes in next range. They requested to fix value on the basis of KVA so that importers may pay duty according to capacity of the generator. The contention of the importers is genuine. The importers also expressed its reservations against the categories (A, B & C) given in column (6) of the Table-A of the impugned valuation ruling whereby a limited number of brands are mentioned. Moreover low end Chinese brands are mentioned in category-B instead of category-C.

25. The departmental representative was of the view that the generator of different KVA were basically categorized in order to address the under invoicing and mis-declaration. In terms of section 25 of the Customs Act, 1969, all valuation method were followed sequentially and all the information so gathered was evaluated and the customs values were determined under section 25(9) of the Customs Act, 1969. Therefore, the ranges given in column (2) of Table-A for Chinese origin Generators reflect the fair customs values of different categories. However, the department also agreed that values should be fixed on KVA basis and Chinese brands should be placed in Category-C (low end).

26. After examining the record of the case and arguments put forward by the petitioners and respondent during hearing and it was observed that the customs values determined on the basis of "set" Or piece instead of KVA has created vast variation in prices / customs values, therefore, the customs values of petrol/diesel generators of Chinese origin enumerated in Table-A of impugned valuation ruling No. 869/2016 dated June 10, 2016 read with its Amendment dated 15-06-2016 are hereby determined on the basis of 'KVA' instead of 'Set' or piece in order to levy the legitimate duty and taxes on the true declaration. The second contention in the review application is regarding categorization of different brands A, B and C i.e. higher to lower brands. After thorough consultation with the stakeholders and the market survey a number of missing brands have been incorporated and categorized accordingly.



27. Keeping in view above, market inquiry and workback method the values are fixed and Table-A in the impugned valuation ruling No. 869/2016 dated June 10, 2016 read with its amendment dated 15-06-2016 is replaced as the customs values determined under section 25A(3) of the Customs Act, 1969 as Annex-A.

28. The values so determined in this revision petition shall be applicable with immediate effect and on the goods declarations not finalized/out of charged as yet and on all cases provisionally assessed under section 81 of the Customs Act, 1969.

29. Being identical on facts and law points, this order shall apply mutatis & mutandis to the following (30) petitions

(Syed Tanvir Ahmad)  
Director General



S #	Petitioner Name	File No.
1)	M/s I.U. Enterprises	DG(V) Val. Rev /629/2016
2)	M/s Tahir Enterprises	DG(V) Val. Rev /630/2016
3)	M/s Ashfaq Sons	DG(V) Val. Rev /631/2016
4)	M/s Sunshine Engr. Corporation	DG(V) Val. Rev /632/2016
5)	M/s Mukhtar & Sons	DG(V) Val. Rev /633/2016
6)	M/s Amir Ttraders	DG(V) Val. Rev /634/2016
7)	M/s Danial Engr. Corporation	DG(V) Val. Rev /636/2016
8)	M/s National Machinery Corporation	DG(V) Val. Rev /637/2016
9)	M/s Madina Machinery Corporation	DG(V) Val. Rev /638/2016
10)	M/s Excel Ttraders	DG(V) Val. Rev /639/2016
11)	M/s World Trade Corporation	DG(V) Val. Rev /640/2016
12)	M/s Perfect Engr. Corporation	DG(V) Val. Rev /641/2016
13)	M/s Naveed Brothers	DG(V) Val. Rev /642/2016
14)	M/s New Jeddah Trading Corporation	DG(V) Val. Rev /643/2016
15)	M/s Shahid Trading Corporation Lahore	DG(V) Val. Rev /684/2016
16)	M/s S.M. Jaffer & Corporation	DG(V) Val. Rev /689/2016
17)	M/s Base Ten Int.	DG(V) Val. Rev /695/2016
18)	M/s Jahangir Sikandar & Corporation	DG(V) Val. Rev /696/2016
19)	M/s Jahangir & Corporation	DG(V) Val. Rev /697/2016
20)	M/s J.S Enterprises	DG(V) Val. Rev /698/2016
21)	M/s Jasco Power	DG(V) Val. Rev /699/2016
22)	M/s Suleman Traders	DG(V) Val. Rev /710/2016
23)	M/s Sikander & Corporation	DG(V) Val. Rev /711/2016
24)	M/s Vision Int.	DG(V) Val. Rev /712/2016
25)	M/s Pak Machinery Merch. Group	DG(V) Val. Rev /713/2016
26)	M/s R & I Electrical Appliances	DG(V) Val. Rev /734/2016
27)	M/s Kamran Enterprises	DG(V) Val. Rev /735/2016
28)	M/s Amir Brothers	DG(V) Val. Rev /736/2016
29)	M/s Aman Autos	DG(V) Val. Rev /737/2016
30)	M/s Atique Trading Corporation	DG(V) Val. Rev /738/2016



Registered Copy to:

M/s Ashfaq Brothers through G.A.Janahgir & Associates,  
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2. Chief Collectors Customs Appraisement (South)/Enforcement, Karachi/ (North) Islamabad/ (Central) Lahore.
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4. Collector, MCC, Appraisement/Preventive, Lahore/Quetta/Peshawar/Faisalabad/ Smbrial/Multan/Hyderabad/Islamabad/Gilgit-Baltistan/Gawadar.
5. Director, Customs Valuation, Karachi/Lahore.
6. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading in One-Customs and WeBOC database.
7. Asstt. Director (Review), Karachi.
8. All Deputy/Assistant Directors (Valuation)
9. Guard File