

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/05/2017

Dated: 8<sup>th</sup> February, 2017

**Order in Revision No. 303/2017 under section 25-D of the Customs Act, 1969  
against Valuation Ruling No. 990/2016 dated 13-12-2016**

- 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. Zhob Chamber of Commerce & Industry & Others..... PETITIONERS

VERSUS

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

Date(s) of hearing 23-01-2016, 26-01-2016

For the Petitioners

For the Respondent Mr. Abdul Majeed, Assistant Director.  
Mr. Safdar Abbas, Principal Appraiser,

This revision petition was filed under section 25-D of the Customs Act, 1969 against customs value determined vide Valuation Ruling No.990/2016 dated 13-12-2016 issued under section 25-A of the Customs Act, 1969, inter alia, on the following grounds as reproduced below:

2. The above ruling for valuation of goods which has been fixed on a very high side. Neither notices nor a meeting with a main importer of the subject goods was called for the revision in the existing Valuation Ruling 318/2011.

3. It is further added that due to shortage of water in Baluchistan the subject goods have a maximum sale and usage in the province of Baluchistan and KPK. These goods are used for promotion of agriculture and domestic use. A market enquiry should have been conducted accordingly to assess the value of goods.



4. You are therefore requested to kindly review the determined values under section 25D of the Custom Act, 1969. Please provide an opportunity to submit our view points for maintaining the existing fair values available in international market. We are looking forward for hearing in the subject matter at an earliest & oblige.

5. 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:

PARA WISE COMMENTS

6. The Valuation Ruling No.990/2016 dated 13-12-2016 has been issued in place of Valuation Ruling No.318/2011 dated 17-05-2011 being very old more than 90 days after consultation with stakeholders including Federation of Pakistan Chamber of Commerce and Industry who is representing the whole chamber of commerce and industry of the four provinces. As far as concern methodology adopted it is stated that "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. For the purpose, different markets were surveyed repeatedly. Consequently, the customs values of Submersible motors have been determined under Section 25(7) of the Customs Act, 1969.

Facts

Para 1 Being old more than 90 days Valuation Ruling No.318/2011 dated 17-05-2011 has been revised and issued new one Valuation Ruling 990/2016 dated 13-12-2016 because previous one is not reflect current international price trend. All the stakeholders i.e. importers, Federation of Chamber of Commerce & Industry, and Karachi Chamber of Commerce & Industry were invited to attend the scheduled meeting on 03-08-2016 who are main representing bodies of trade.

Para 2 No comments being related to accept review petition before the Director General Customs Valuation, Karachi. They are also desired to submit their view points for maintaining the previous determined customs values of Submersible Motor vide Valuation Ruling No.318/2011 dated 17-05-2011.



Prayer

7. It is respectfully prayed that the customs values were determined vide Valuation Ruling 990/2016 dated 13-12-2016 strictly in accordance with Valuation methods given in Section 25 of the Act, 1969. Moreover the Appeal has no merit for consideration and is liable to be rejected.

ORDER

8. Representations were filed by M/s. Chamber of Small Traders & Small Industry, M/s Zhob Chamber of Commerce of Industry, M/s. Juma Khan, Quetta and others against under Section 25-D



for revision of values notified vide the Valuation Ruling No.990/2016, dated 13-12-2016 regarding the import of "Cast Iron Submersible Motors".

9. Hearing was fixed on 06-02-2017. All the petitioners contended that Customs values of the subject item given at S.No. 1 & 4 of goods. China origin have been increased on much higher side from the previous Valuation Ruling No.318/2011, dated 17-05-2011 and requested for re-consideration as per previous ruling's values. It was also pointed out that PCT heading for Cast Iron Submersible Motor was mentioned as 8501.5210 instead of PCT heading 8501.5290. However as per para 06 of the valuation ruling, PCT heading mentioned in the ruling is only for reference purpose and not binding.

10. Matter has been examined in detail. The fresh inquiry by the office suggested that raise in values at S.No. 01 & 04 of table at para No. 06 of the Valuation Ruling No. 990/2016 dated 13-12-2016 is more than adequate. Resultantly the values at S.No. 01 & 04 of Submersible Motors is revised at US\$ 12.50/KW and US\$ 11.75 /KW respectively.

10. It is directed the PCT heading for Submersible Motors (Cast Iron) from S.No. 01 to 06 of Valuation Ruling may be entered as 8501.5290 in the system as this heading attracts 20% duty whereas the heading mentioned in Valuation Ruling is 8501.5210 which attracts 5% duty. The correct PCT is 8501.5290 attracting 20% duty. The values of stainless steel submersible motor shall remain the same and petition is rejected to this extent.

(Syed Tanvir Ahmad)  
Director General

Registered copy to:

M/s. Zhob Chamber of Commerce & Industry,  
Near Doctor Abdul Ghaffar Hospital, Jail Muhalla Shaikhhan Zhob.

M/s. Chamber of Small Traders & Small Industry,  
Banglo No. 382-BA, Near UBL Complex, Hali Road, Quetta Cantt. P.O. Box: 503.

M/s. Juma Khan,  
Suraj Ganj Bazar, Quetta.

Copy to:

1. Member (Customs), FBR, Islamabad.
2. Chief Collectors Customs Appraisalment (South)/Enforcement, Karachi/  
(North) Islamabad/ (Central) Lahore.
3. Collector, MCC Appraisalment (East)/ Appraisalment (West)/Port M. Bin Qasim/  
Preventive, Karachi.
4. Collector, MCC, Appraisalment/Preventive, Lahore/Quetta/Peshawar/Faisalabad/  
Sambrial/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.