



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

RULING U/S 25-A NO. 318

No.Misc/53/2010-VI

Dated 17-05-2011

Note :

- i) The customs value determined under this Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.
- ii) Review application against this valuation ruling may be filed before the Director-General of Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling.

The Collectors of Customs, Model Customs Collectorates, Appraisement/ PaCCS/ Port Muhammad Bin Qasim/ Preventive), Karachi/ Lahore/Sambrial (Sialkot)/ Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar.

Subject : Determination of Customs Value of Submersible Motors under Section 25A of the Customs Act, 1969.

Federal Board of Revenue, vide letter C.No.3(91)S(Val.&Audit)/2010, dated 28-07-2010, forwarded complaint of M/s.HMA Pumps (Pvt) Limited, Karachi regarding under invoicing by the trade community in import of Submersible Pumps & Motors including Centrifugal Pumps creating unfair competition against the local industry.

2. A meeting of all stakeholders was held on 25-08-2010, which was further adjourned to 29-09-2010. Due to incomplete information / documents submitted by the complainant and lack of response from the stakeholders, meetings were further adjourned to 06-10-2010, 23-11-2010, 01-12-2010, 08-01-2011 & 10-02-2011. On the above dates only the complainant and Mr.Javed Vohra, Clearing Agent, representing M/s.Juma Khan Machinery Store, Quetta, appeared for hearing. Non of the stakeholders participated or submitted written reply on the subject issue. During meeting the complainant M/s.HMA Pumps (Pvt) Ltd; Karachi, local manufacturers, alleged that due to under invoicing in the import from China, traders are strengthening the undocumented economy causing loss in duty / taxes. Contrary to these allegations, Mr.Javed Vohra, denied the charges stating that they are importing regularly cast-iron Submersible Motors from China which are not being manufactured locally and comparison of cast iron Submersible Motors of China origin with Stainless Steel Submersible Motors of European origin is not fair or valid. In support they submitted clearance data of cast iron Submersible Motors from China. He



alleged that Stainless Steel Submersible Motors imported by M/s.HMA Pumps (Pvt) Ltd; Karachi, are being grossly under invoiced.

3. Chamber of Commerce & Industry, Quetta, vide letter dated 20-01-2011 and 22-01-2011, stated that China Cast Iron Submersible Motors are cheaper than European made Stainless Steel Submersible Motors and local prices of 22 KW, 25 KW, 30 KW and 37 KW are ranging from Rs.20000/= to Rs.28000/=. If the prices are raised then Submersible Motor will be out from regular import and will become an item of smuggling.

4. The meeting was finally fixed for 07-03-2011. M/s.HMA Pumps (Pvt) Ltd; Karachi, sent a request for postponement of meeting till 08-03-2011 but they even did not appear on 08-03-2011. M/s.Juma Khan Machinery Store were represented by Mr.Javed Ahmed Vohra on 08-03-2011, who reiterated previous arguments.

5. Import data of identical and similar goods as envisaged under Section 25(1), 25(5) and 25(6) of the Customs Act, 1969, was analyzed and local market enquiry report of Quetta Chamber of Commerce, under Section 25(7) of the Customs Act, 1969, representations of importers as well as manufacturers were also examined but the information collected under these valuation methods was found insufficient to arrive at customs values. Computed value method as envisaged under Section 25(8) of the Customs Act, 1969, is inapplicable due to unavailable information required under this method. Accordingly, the following customs values have been calculated under fall back method as envisaged under Section 25(9) of the Customs Act, 1969 :-

S.No.	Description of goods	H.S.Code	Origin	Customs Value
(1)	(2)	(3)	(4)	(5)
1.	11 KW Submersible Motor (Cast Iron)	8501.5210	China	US\$ 110/Pc
	11 KW Submersible Motor (Stainless Steel)		Switzerland	US\$ 493/Pc
2.	15 KW Submersible Motor (Cast Iron)	8501.5210	China	US\$ 125/Pc
	15 KW Submersible Motor (Stainless Steel)		Switzerland	US\$ 542/Pc
3.	18 & 18.5 KW Submersible Motor (Cast Iron)	8501.5210	China	US\$ 150/Pc
	18 & 18.5 KW Submersible Motor (Stainless Steel)		Switzerland	US\$ 619/Pc



4.	22 KW Submersible Motor (Cast Iron)	8501.5210	China	US\$ 173/Pc
	22 KW Submersible Motor (Stainless Steel)		Switzerland	US\$ 656/Pc
5.	25 & 26 K.W. Submersible Motor (Cast Iron)	8501.5210	China	US\$ 201/Pc
	25 & 26 KW Submersible Motor (Stainless Steel)		Switzerland	US\$ 741/Pc
6.	30 KW Submersible Motor (Cast Iron)	8501.5210	China	US\$ 242/Pc
	30 KW Submersible Motor (Stainless Steel)		Switzerland	US\$ 780/Pc

6. Aforesaid values have been determined under Section 25A of the Customs Act, 1969. All the Clearance Collectorates are advised to assess the goods as per the above Customs Values. However, if the declared / invoice value is higher than values determined above, the same may be accepted in terms of Section 25 of the Customs Act, 1969.


(MUHAMMAD TAHIR)
DIRECTOR

Distribution

1. S.A. to Chairman, Federal Board of Revenue, Islamabad.
2. Member (Customs), Federal Board of Revenue, Islamabad.
3. Chief Collectors of Customs (North/South), Lahore/Karachi.
4. The Director General of Intelligence Investigation-FBR, Islamabad.
5. The Director General of Customs Valuation, Karachi.
6. The Director General of Post Clearance Audit, Karachi.
7. The Directors of Intelligence Investigation-FBR, Karachi/ Lahore/ Islamabad.
8. The Deputy Director (Hqrs.), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & PaCCS database on the date of issue of this ruling.
9. Chairman (Valuation Committee), FPCC&I, Federation House, Karachi.
10. Chairman (Valuation Committee), KCC&I, Aiwana-e-Tijarat Road, Karachi.
11. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi
12. Pakistan Electronics Manufacturers Association, Room No.406, 4th floor, Progressive Plaza, Beaumont Road, Karachi.
13. Guard File.