

**GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACH**

File No. DG (V)/Val.Rev/13/2018

Dated 31st August, 2018

Order in Revision No. 29 /2018 under Section 25-D of the Customs Act, 1969
against Valuation Ruling No. 1268/2018 dated 07-03-2018

- 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. Talha Corporation & Others

..... PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

07-06-2018 and 01-08-2018

For the Petitioners

Mr. M Yousuf
Mr. M Umar Farooq

For the Respondent

Mr. Abdul Hameed, Principal Appraiser

This revision petition was filed under Section 25-D of the Customs Act, 1969 against Customs values determined vide Valuation Ruling No. 1268/2018 dated 07-03-2018 issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. That being aggrieved and highly dissatisfied with the Valuation Ruling No.1268/2018 dated 07-03-2018, on behalf of the appellant above named submits the following for kind consideration:

- i) That the importer M/s Talha Corporation is a regular importer of various types of Roller Chains from several years. Valuation Ruling for Roller Chains No. 641/2014, dated 03-03-2014 was in field @ US\$ 1.00/Kg and it was accepted by importers even it was higher than the actual transaction value. The actual transaction value was @ US\$ 0.80/Kg which is evident from letter of credit, GD No. KAPW-HC-120396, dated 19-01-2018, KAPW-HC-129521, dated 09-02-2018, original invoice No. 1421, dated 21-12-2017.
- ii) That suddenly the Director, Directorate of Customs Valuation issued Valuation Ruling No. 1268/2018 dated 07-03-2018 which is as under:

S.#	Description	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Value in C&F US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Industrial Roller Chains	7315.1190	7315.1190.1000	China	2.15
2			7315.1190.1100	Japan	4.50
3			7315.1190.1200	Korea / Taiwan	3.50
4			7315.1190.1300	European Union	3.90

PRAYER

a. It is therefore, humbly prayed that kindly pass an order to annual the impugned Valuation Ruling and direction may please be passed for re-determination of the Customs values on the basis of values of the raw material. As per transaction values thereof after giving proper and fair opportunity of being heard to all stakeholders on the basis of direct evidence in hand.

b. It is especially requested that our imported goods are finished product made from, Raw Iron and other cheaper materials ready for use made by the suppliers keeping in view financial conditions of Pakistan market and purchasing power of Pakistan citizens. The values of its raw material are having a downward trend. Our transactions values are genuine and the impugned Valuation Ruling No. 1268/2018 cannot be applied to our consignment because we purchase the goods as per declared transaction value with opening letter of credits.

c. On the basis of above submissions you are requested to order for fixing its fair value, meanwhile clearance Collectorate may be directed to release the consignments provisionally till finalize the dispute by securing / deposit of pay order difference between declared values and Valuation Ruling.

d. The prayer is being made in the interest of justice. Details of the product and samples and all types of evidences will be provide at the time of hearing.

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

PARAWISE COMMENTS

Para 1 Denied. It is submitted that the transaction value under Section 25(1) of the Customs Act, 1969, had not been accepted due to the reason that the requisite information with respect to complete description of goods, sizes, contract with the supplier, Performa invoice, L/C and Proof of Payment through normal banking channel etc. had not been provided by the importer at the time of exercising the determination of Customs value under Section 25A of the Customs Act, 1969.

Para 2 Denied. It is submitted that due to the reasons above at Para-(1) next valuation method in terms of Section 25(5) and 25(6) of the Customs Act, 1969, could also not be applied. However, reliance was made upon Deductive Value method as envisaged

under Section 25(7) of the Customs Act, 1969. Accordingly, local market enquiry was conducted and the Customs values of each size having different weight were determined accordingly for uniform assessment purposes.

Para 3 Not agreed. It is submitted that the Customs values of under reference goods had been determined strictly in accordance with the provisions of Section 25 of the Customs Act, 1969. Moreover, the petitioners, on the other hand, did not submit requisite import documents or any evidence to substantiate their cause of grievance and to enable this forum to verify the truth and accuracy of transaction value of the applicant. As per Rule-109 of the Valuation Rules issued under SRO No.450 (I)/2001, dated 18-06-2001 (Chapter-IX), in the absence of valid import documents, the burden to prove correctness of transaction value shifts to the importers / applicants. As such the impugned Valuation Ruling No.1268/2018 is not against the principles of law rather the same is based on factual ground realities.

Para 4 It is submitted that the impugned Valuation Ruling No.1268/2018, dated 07-03-2018 is self explanatory which clearly reveals the whole process of issuance of the same. Further, it is pertinent to mention here that the Customs values in the said ruling were determined after properly holding meetings with stakeholders and after following all the valuation methods sequentially as envisaged under Section 25 of the Customs Act, 1969. As such the same have been determined after extensive exercises. Moreover, it is submitted that the petitioner has simply claimed for the acceptance of their declaration but did not submit any tangible documents in support to justify their declarations disclosing full and accurate details relating to the value of the imported goods as per Para-108 of Customs Rules, 2001. As such the transaction value cannot be accepted in absence of any relevant import evidences and corroboratory documents i.e. copies of Sales Tax Paid Invoices etc.



Para 5 Same as para 4. It is submitted that the petitioner has simply claimed for the acceptance of their declaration but did not submit any tangible documents in support to justify their declarations disclosing full and accurate details relating to the value of the imported goods as per Para-108 of Customs Rules, 2001. As such the transaction value cannot be accepted in absence of any relevant import evidences and documents etc. However, it is submitted that in presence of a clear Valuation Ruling for the goods being valued, provisional assessment is not warranted to be made in terms of Section 81 of the Customs Act, 1969.

P R A Y E R

In view of above, it is prayed that the said Valuation Ruling may be allowed to hold field for assessment being lawful and valid. Further, transaction value cannot be accepted in absence of any tangible import documents. Further, in presence of a clear Valuation Ruling, provisional assessment is not warranted. As such under reference petition is not maintainable and liable to be rejected accordingly.

ORDER

4. Hearings in the subject cases were fixed for 07-06-2018 and 01-08-2018. The petitioners appeared for hearing and reiterated the same arguments as already given in their petitions. The main thrust of their arguments was that the Valuation Department did not follow the valuation methods

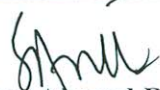
properly and also objected to the market inquiry conducted by the department and stated that the values determined vide impugned Valuation Ruling in respect of Roller Chains do not reflect the prevalent market prices. They insisted on accepting their declared values as correct transaction value; however, the documentary evidence produced by them failed to substantiate their contention. On the other hand, the departmental representative explained in detail the valuation methodologies adopted by them to arrive at the Customs values determined vide the impugned Valuation Ruling. In support of department's contention, the DR presented various details of the valuation exercise/ working.

5. After listening to the detailed discussions/ arguments of respondents and perusal of the case record; it is evident that the department had duly taken the stakeholders on board while issuing the impugned Valuation Ruling. They were given sufficient time and opportunity to give their inputs including documentary proof/evidence to substantiate their transaction value but the documentary evidence produced by them was not sufficient to defend their claim. On the other hand, the DR presented details of comprehensive market inquiry reports as available on record to support the values determined by them.

6. In view of aforesaid, the revision petitions merit no consideration and are accordingly rejected.

7. Being identical on facts and law point, this order shall apply mutatis mutandis to following (03) petitions.

S. No.	Petitioner Name	File No
1	M/s. Chain Channel Inc.	DG(V) Val. Rev/13/2018
2	M/s. AB Traders	DG(V) Val. Rev/13/2018
3	M/s. Al- Sheikh Associates	DG(V) Val. Rev/13/2018


(Suraiya Ahmed Butt)
Director General

Registered copy to:

M/s. Talha Corporation,
1st Iqbal Centre, Rahman Gali No.5, Nishter Road, Lahore-54000.

M/s. Al-Sheikh Associates,
Shop No. 10, Jumbo Centre, Opp. Custom House, Karachi.

M/s. Chain Channel Inc,
M/s. A.B Traders,
64, Al-Noor Auto Market, Plaza Square Preedy Street, Karachi.

Copy to:

1. Member (Customs), FBR, Islamabad.
2. Chief Collectors Customs Appraisement (South)/Enforcement, Karachi/

(North) Islamabad / (Central) Lahore.

3. Collector, MCC Appraisement (East) / Appraisement (West) /Port M. Bin Qasim/
Preventive, Karachi.
4. Collector, MCC, Appraisement/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. Deputy Director (Review), Karachi.
8. All Deputy/Assistant Directors (Valuation).
9. Guard File.