

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/88/2017

Dated: 22nd June 2018

**Order in Revision No. 20 /2018 under section 25-D of the Customs Act, 1969
against Valuation Ruling No. 1076/2017 dated 09-03-2017**

- 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. Golden Fuji Traders & Others

..... PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

24-05-2017 and 22-11-2017

For the Petitioners

Shaikh Farukh Saleem Consultant
Mr. Rafiq Shaikh
Mr. Adnan

For the Respondent

Mr. Sohail Ismail, Principal Appraiser
Mr. Nasir Mahmood Valuation Officer

This revision petition was filed under section 25-D of the Customs Act, 1969 against customs value determined vide Valuation Ruling No.1076/ 2017 dated 09-03-2017 issued under section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

FACTS

2. (i) That this appeal is directed against Valuation Ruling No.1076/2017 issued vide No.Misc/43/2017-VII/672 dated 09.03.2017.
- (ii) That vide the said ruling, values of Electric Water Heaters and Gas Water Heaters have been determined.

- (iii) That the appellant is an importer of Gas Water Heaters importing the same from M/s.Zhongshan Inse Group Co., Ltd, No.59 Jianye Road, Nantou Town, Zhongshan City, Gaungdong, China.
- (iv) That these heaters are being imported at transactional value of US\$ 1/Ltr which were being assessed to duty by Customs @ US\$ I .25/Liters to US\$ 1.50/Liters.
- (v) That the said suppliers cannot be considered to have mis-declared/under-declared their export prices. Similarly, no under-declaration is made by the appellant.
- (vi) That the values being declared by the appellant are the correct transactional values.
- (vii) That the value fixed vide the impugned Valuation Ruling No. 1076/2017 dated 09.03.2017 does not reflect the true Customs value on the following grounds that:

GROUND:

3. (i) The evidential value of US\$ 46 for 15 liters being relied upon by the Directorate General vide their letter No.DG/VDP/REF/79/ 2016/19897 dated 18.11.2016 relates to an isolated import of small quantity of the electric heaters. Hence, it is not a representative value to form the basis for fixing the Customs value of this item under section 25(9) of the Customs Act, 1969 and Rule 121 of Sub-Chapter IV of chapter IX of the Customs Rules, 2001 issued vide SRO 450(I)/2001 dated 18.06.2001.
- (ii) The stated market inquiry was conducted in the Karachi market which is not related to this item. In fact, these Gas Water Heaters are traded and used in the upcountry. Hence the report ascertained from the said market is flawed and not representative.
- (iii) That the appellants were also not associated during market inquiry. The market inquiry is, therefore, one sided and ex-parte. This Ruling, therefore, has been issued without affording us an opportunity of being heard being the real stakeholders.
- (iv) Gas and electric water heaters are generally invoiced on per Liter basis but the impugned Ruling gives value per kg basis which is against the business practice and, therefore, suffers factual infirmity rendering it liable to revision.
- (v) That the impugned value determination dated 09.03.2017 is, therefore, incorrect, invalid & unsubstantiated and needs to be immediately revised under section 25D of the Customs Act, 1969.

PRAYER:

4. That Valuation Ruling No. 1076/2017 may kindly be revised under section 25D of the Customs Act, 1969 and correct assessable prices may kindly be worked out which are at present around US\$ 1 per Liter.
5. That pending consideration of this appeal, the operation of the impugned Valuation Ruling may kindly be suspended.

