

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACH

File No. DG (V)/Val.Rev/26/2018

Dated 26th September, 2018

Order in Revision No. 33 /2018 under Section 25-D of the Customs Act, 1969
against Valuation Ruling No. 1302/2018 dated 10-05-2018

- 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 appellants should state whether he desires to be heard in person or through an advocate.*



M/s. A.R. Traders & Others

..... PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

19-07-18

For the Petitioners

Mr. Zohaib
Mr. Asif Malik
Mr. Abdul Razzak

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. 1302/2018 dated 10-05-2018 issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. That we are importing Iron and Steel and Stainless Steel Kitchenware from several years from worldwide at serial No. 1 & 2 of the Valuation Ruling which is now @ 2.60 and 3.75/Kg. Which is very higher side than the actual purchase? Previously there was no valuation ruling in the field and goods were assessed range @ US\$ 1.00 to 1.60/Kg and there was no dispute regarding assessment of the product. Suddenly the Directorate issued the impugned valuation ruling without giving proper hearing to the stake holders. The said Ruling is very discriminatory and not sustainable

in the eyes of law therefore you are requested to consider our humble request to reduce the same on the basis of Raw Material of the product which is imported @ US\$ 0.80 US\$ 1.10/Kg.

3. That the consignment for which we were contracted to our suppliers in the month of February and March are now arrived on the Port. The Directorate without considering our view point issued the impugned valuation ruling which may kindly be set-aside and Directorate may be ordered to re-issue the said Ruling on the basis of physical ground and physical evidences in their hand.

4. The method adopted by the Department as explain in the above Valuation Ruling is as under:

Method adopted to determine Customs values: Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction value method under sub-Section (1) of Section 25 of the Act ibid was found inapplicable because required information under the law was not available. Identical / Similar Goods Valuation methods provided in sub-Section 9%) and (6) of Section 25 of the Custom Act, 1969 were examined for applicability to the valuation issue in the instant case but the same could not be exclusively relied on due to wide variations in the declared values of the subject goods. Thereafter market enquiries as envisaged under Section 25(7) of the Customs Act, 1969 were conducted. On line prices were also obtained to corroborate the findings of the market survey. Consequently the Customs values of Iron and Steel and Stainless Steel Kitchenware (Utensils) have been determined under Section 25(7) of the Customs Act, 1969.

The method adopted deductive value is not justified and no working of the same is shown to the stake holders. The Department mentioned in para 3 of the Valuation Ruling that they have No of meetings with different stake holders but they have not mentioned even a single name of the importer are manufacturer in the said valuation ruling. The raw material which is used for the manufacturer said items is imported very cheaper side from the values determine by the Directorate. You are humbly requested the values may kindly be reduce so that stake holder can continue their business.

5. All evidences and arguments will be submitted at the time of hearing.

6. 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)&(2): 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, proforma 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. It is submitted that due to the reasons above, 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,



