

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACH

File No. DG (V)/Val.Rev/33/2019/3085.

29<sup>th</sup> April, 2020

Order in Revision No. 16 /2020 Under Section 25-D of the Customs Act, 1969, against  
Valuation Ruling No. 1422/2019 dated 02-11-2019

- 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. N.J. Auto Industries (Pvt) Ltd & Others

..... PETITIONER

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

18-03-2020,

For the Petitioners

Mr. Liaqat Ali Shaikh, Mr. Sohail Usman,  
Mr. Khurram Riaz,

For the Respondent

Mr. Anees-ur-Rehman, Valuation Officer,  
Mr. Tauseef Ahmad, Valuation Officer,

This revision petition was filed under Section 25-D of the Customs Act, 1969, against customs value determined vide Valuation Ruling No. 1422/2019, dated 02-11-2019 issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. Being aggrieved by and dissatisfied with the Valuation Ruling No. 1422/2019 issued vide No. C.No.Reg.misc/31/2007-VII/2547 dated 02.11.2019 respectively by the respondent (hereinafter referred to as the impugned ruling), the applicant begs to prefer this petition inter-alia on the following facts and grounds:-

3. FACTS

1. That the applicant is a manufacturer/assembler of "Motorcycles" and for that purpose imports Motorcycle Parts on regular basis. The applicant/manufacturer-cum-importer is aggrieved of the Valuation Ruling, bearing No.1422/2019 dated November 02, 2019 (hereinafter referred as "impugned ruling").



2. That in the impugned ruling, the respondent had determined the custom value of China origin assorted "motorcycle parts" at different whimsically determined customs values for different items. From the outset, it has been gathered that no "evidence" valid within the meaning of Section 25 of the Customs Act, 1969, or even no corroborative document has been provided to substantiate the assumption of "increased price trend" has been provided by the respondent. This fact is quite obvious from the contents of paragraph 5 of the impugned ruling.
3. That the impugned ruling is even totally against the previous valuation rulings. It is pertinent to mention here that the previous rulings were issued after arriving at a consensus between all the stakeholders, including local manufacturers, commercial importers, trade bodies, etc., which covers all the major motorcycle parts and the said valuation ruling was smoothly applied by the assessing officers all over Pakistan and there was no complaint from any side. If comparison is made with the previous rulings, the customs values are not practicable / applicable due to arbitrary enhancement and disparity for levy of duties & taxes on OEM importers and the commercial importers. According to the impugned ruling, the commercial importers are very much at advantageous position.
4. The impugned ruling has been issued against the provisions of Section 25 i.e. without exhausting the sequential order as required as per law.
5. The values determined in challenged valuation ruling are arbitrary values which are prohibited under clause (iii) of rule 110 of Custom Rules, 2001, and basis of which has not been produced in the impugned ruling.
6. The respondent has not considered the transactional values at which the goods are being imported in the market under Section 25(1) of the Customs Act, 1969, and has determined the value of the goods as per valuation ruling.
7. The valuation ruling must reflect the reasons why the particular chosen method was applied under Section 25 of the Customs Act, 1969, and why the preceding applicable method was discarded.
8. That the respondent has totally ignored the sequential order prescribed in section 25 of the Customs Act, 1969, and acted in excess of jurisdiction vested in them and overstepped the power conferred upon by law. The methods of valuation to be applied in sequential manner and parameters have not been applied as required in FBR letter No C No 4/9/ VAL & Audit/2008 dated 29-01-2009.
9. That it has been mentioned in the impugned ruling that market enquiry was carried out but it was neither shown or discussed in our meetings nor produced in the impugned ruling.
10. A meeting was called with reference to CGO 17 to convert the weights into unit of measurement; we offered our cooperation and sent the list of required items in the CGO 17 to the department which were never considered and 30% addition made on the said list which is unjustified and without any reason and calculation.
11. As mentioned in the ruling that stakeholders suggested that there is no change or increase in prices in China because our importers gave the reason that RMB or Chinese Yuan declined in the value for last one year which can easily be checked with the record of Bank of China Website.



