

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS (VALUATION)  
CUSTOM HOUSE, KARACHI

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File No. DG(V)Val.Rev/10/2022/9916

Dated 29<sup>th</sup> September, 2022

**Order in Revision No. 80 /2022 under Section 25D of the Customs Act, 1969,  
against Valuation Ruling No. 1599/2022 Dated 15-02-2022**

- 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. Raza Enterprises & Others

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PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

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RESPONDENT

Date(s) of hearing

20-09-2022 and 28-09-2022

For the Petitioners

None

For the Respondent

Mr. Iqbal Ali, Principal Appraiser

This revision petition was filed under Section 25-D of the Customs Act, 1969, against Customs values determined vide Valuation Ruling No. 1599/2022, dated 15.02.2022, issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

*"That we disagreed with issued Valuation Ruling No. 1599/2022, dated 15.02.2022 and requesting to review values under Section 25D of the Custom Act, 1969, as per current International prevailing market prices.*

*That in this connection it is regretted to inform that we do not agree with the aforesaid Fresh Valuation Ruling because the same was issued without justification of International markets prices / criteria where the prices of said commodity have witnessed a rapid downfall trend and currently the goods are being sold at much lower prices than the assessed value proposed in foresaid fresh valuation ruling.*

*That the enhancement of assessed value will stop importation of goods and the same will promote smuggling which will result into revenue losses to the state ex-chequer whereas on the other hand the legal importers will not be in such a position to compose in the market viz-a-viz smuggled goods.*




*In view of the above submissions, you kind honor is requested to please consider above circumstances and revise aforesaid fresh valuation ruling in the light of current International markets prices / criteria as soon as possible so that the legal Importers may survive and legal Importers may continued through smooth assessment to secure legitimate revenue earning for the state exchequer, on easily action shall be highly regarded.*

2. The respondents were asked to furnish comments to the arguments submitted by the petitioner in the case. Para-wise comments on the petition are given as under:-

**"BRIEF OF THE CASE"**

*Brief of the case that the values of Wheel Rim (Alloy/ other than Alloy) of vehicles was issued under Section 25A of the Customs Act, 1969, vide Valuation Ruling No. 1528/2021 dated 02-04-2021. Being aggrieved by this Valuation Ruling, revision petitions was filed by some importers/traders under Section 25D of the Customs Act, 1969 before the Director General of Customs Valuation, Karachi. The competent authority vide Order-in-Revision No.36/2021 dated 21-10-2021 set aside the valuation ruling and the Director (Customs Valuation) , Karachi is ordered to undertake fresh exercise to determine the values of Wheel Rim (Alloy/Other than Alloy) through issuance of new Valuation Ruling under Section 25 of the Customs Act, 1969 on merits and in accordance with law after giving a fair opportunity of hearing to the petitioners(s)/stakeholders, therefore, an exercise was initiated in this Directorate General for the determination of customs values.*

*Meetings were scheduled and held on 15-11-2021 & 29-11-2021 and which was attended by different stakeholders. The participants were requested to submit following documents before or during the course of meeting so that customs values could be determined: -*

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- i. *Invoices of import during last three months showing factual values*
  - ii. *Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.*
  - iii. *Copies of Contracts made / LCs opened during the last three months showing the value of item in question.*
  - iv. *Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.*

*The importers during the meeting were of the view of that the prices of the subject commodity have not increased in the international market. However, importers did not submit import invoices/sales tax invoices, representative samples, evidences and other relevant requisite import documents in support of their contentions. They requested that they may be allowed some time to furnish evidences and other documents in support of their contentions but later abstained from submitting any such documents. However, M/s. Baluchistan Wheels Limited submitted relevant documents in respect Non-Alloy wheel rims which were examined in the light of prevailing trend in the local market. They also stated that steel rim is made of HRC and its LME price has been increased from last VR date, hence value of non alloy wheel rims should be increased on the basis of LME. The representative from Indus Motors stated that they are importing alloy rims for three sizes i.e. 15, 16, 17 from China which is higher customs value than the determined customs values of previous valuation ruling and also shared import values. As regards, other than alloy rims, they purchasing the same from local industry. They also mentioned that the prices have been increased in the international market of the subject commodity.*

*Valuation methods provided in Section 25 of the Customs Act, 1969, were duly applied in their regular sequential order to arrive at Customs values of subject goods. The transaction value method as provided in sub-Section (1) of Section 25 of the Customs Act, 1969, was found inapplicable due to wide variation of values displayed in the import data. Moreover, no importer submitted any document in this regard. Hence, the requisite information required under law was not available to arrive at the correct*



transaction value. Therefore, identical / similar goods value method as provided in sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case. The same provided some reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted a number of inquiries under Sub-section (7) of Section 25 of the Customs Act, 1969, however, this method could not be exclusively relied upon. Therefore, valuation method vide Section 25 (8) was examined which yielded some useful information regarding export prices of some origins, but the same showed variation. The relevant LME prices of the raw materials used like aluminum, aluminum alloys, iron and steel etc were also checked as provided in Section 25A of the Customs Act, 1969. Finally, information so gathered was utilized and analyzed for determination of customs values of the subject goods under Section (9) of Section 25 of the Customs Act, 1969, vide Valuation Ruling No.1599/2022 dated 15-02-2022.

### **PARAWISE COMMENTS**

1. Denied. The impugned Valuation Ruling was issued on basis of a review petition under Section 25D of the Customs Act, 1969 by the importers. A local manufacturer M/s. Baluchistan Wheels were of the view that prices of HRC and its LME had been increased from the last customs values of Valuation Ruling. Hence, the customs values were determined under Section 25 (9) of the Customs Act, 1969, after following the all primary methods of Valuation in sequential order.

2. Denied. It is submitted that all the stakeholders were afforded opportunities of meetings on 15-11-2021 & 29-11-2021, wherein importers were requested to attend the meetings and furnished some requisite documents, particularly, copies of sales tax invoices issued during last four months showing difference in prices (excluding duty & taxes) to substantiate that the benefit of difference in prices is passed to the local buyer were furnished by importers. Moreover, no body appeared from the importers side. However, a local manufacturer M/s. Baluchistan Wheels appeared and submitted that steel rims is made of HRC and its LME prices have been increased due to which value of non-alloy wheel rims should be increased as per evidence of LME.

3. Denied. During the course of meetings importers submitted that other than alloy item, they are purchasing the same from local industry, they also mentioned that the prices have been increased in the international market of the subject commodity.

4. Denied. In view of the Customs Rule-109 of SRO450(I)/2000, the burden of proof to justify their transaction value goes to the importers. In this case, the importer neither attended the meetings nor submitted any requisite documents. Accordingly, on the basis of negative response by the importer, a final decision was made after adopting all primary methods of valuation and finally, the customs values were determined under Section 25 (9) of the Customs Act, 1969.

### **M/s. Al-Asar Traders & M/s. Irfan Wheels Collection.**

1. Denied. It is submitted that before issuance of valuation ruling all stakeholders including M/s. Pakistan Auto Spare Parts Importers & Dealers Association (PASPIDA), Karachi who represent the importers, FPCC&I, Standing Committee on Valuation, Federation House, KCC&I, Karachi/Lahore were issued notices for meeting and submission of requisite documents. But no one appeared nor any documents received in this Directorate. However, a local manufacturer namely M/s. Baluchistan Wheels Limited attended the meetings, it was observed that the subject commodity prices depends upon steel rims made of HRC and its LME prices has been increased. Considering and applying valuation methods provided in Section 25 of the Customs Act, 1969, all primary methods of valuation and finally the customs values were determined in a flexible manner under Section 25 (9) of the Customs Act, 1969.

2. Denied. It is submitted that market surveys under Section 25 (7) of the Customs Act, 1969, was also taken into account which represents upward trend in the local market. The prices of the subject goods does not decrease day by day as informed by the importer.





3. Denied. During the course of meetings importers submitted that other than alloy item, they are purchasing the same from local industry, they also mentioned that the prices have been increased in the international market of the subject commodity.

4. Denied. It is submitted that fifty four importers of the subject goods were issued for a meeting and submission of some requisite documents but nobody appeared nor any one submitted requisite documents or proposals. Since, as per Rule-109, Chapter-IX of valuation vided SRO450(I)/2000, the burden of proof to justify their transaction value goes to the importers. In this case, the importer neither attended the meetings nor submitted any requisite documents. Accordingly, on the basis of negative response by the importer, a final decision was made after adopting all primary methods of valuation and finally, the customs values were

**PRAYER**

It is respectfully prayed that only four (04) petitioners have filed the review application under Section 25D of the Customs Act, 1969, while fifty four importers / stakeholders did not file any review petition which proves their acceptance of impugned valuation ruling. Moreover, these petitioners have not furnished any corroboratory documents with this petition regarding truthfulness of their transaction value under Rule-109. Accordingly, without evidential documents, the petitions have no merits for consideration and liable to be rejected."

**ORDER**

3. Hearings in this case were scheduled on 20-09-2022 and 28-09-2022. The petitioners did not attend the hearings, so fixed, which shows that they are not interested in proceeding further with their revision petitions. Accordingly, the same are rejected for non-prosecution.



**(Gul Rehman)**  
**Director General**

Registered copy to:

M/s. Raza Enterprises,  
Shop No. 18, Roomi Centre, Mohan Road, Bahadurshah Market, Karachi.

M/s. Al-Asar Traders,  
Room No. 323, 3<sup>rd</sup> Floor, Ashraf Plaza, 17-Mecleod Road, Lahore.

M/s. Faisal Hayat Traders,  
United Market, Block-B, 1<sup>st</sup> Floor, Office No.37, Karkhano Market, Jamrod Road, Peshawar.

M/s. Irfan Wheels Collection,  
Shop No. 1-2, Tehkal Payan, University Road, District, Peshawar.

Copy to:

- 1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Intelligence and Investigation (Customs)-FBR, Islamabad.
- 3) The Director General (Reforms & Automation), Customs, Islamabad.
- 4) The Director General, PCA & Internal Audit, Custom House, Karachi.
- 5) The Director General, IOCO, Custom House, Karachi.
- 6) The Director General, Transit Trade, Custom House, Karachi.

- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs Enforcement (Central), Custom House, Lahore.
- 9) The Chief Collector of Customs Appraisalment, (Central), Custom House, Lahore.
- 10) The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
- 11) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 12) The Chief Collector of Customs, Appraisalment (South), Custom House, Karachi.
- 13) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
- 15) The Director, Directorate of Customs Valuation, Lahore.
- 16) The Collector of Customs, Collectorate of Customs, (Appraisalment - West / Appraisalment - East / Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisalment / Enforcement), Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore / Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit -Baltistan / (Appraisalment / Enforcement), Peshawar / Enforcement, Dera Ismail Khan/ Exports (Port Muhammad Bin Qasim / Custom House), Karachi.
- 17) The Secretary (Valuation & Audit), Federal Board of Revenue, Islamabad.
- 18) All Additional Directors / Deputy Directors / Assistant Directors, Customs Valuation, Karachi
- 19) Assistant Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC Database System.
- 20) Guard File.

