



- (d) Another manufacturer-exporter from USA had supplied 800 Kgs 'X1' goods to an importer in India @ 14 US \$ per Kg in February 2008. The 'X1' are alike 'X' and can be used instead of 'X'. Both manufacturers-exporters from USA are well reputed.
- (e) Similar goods produced in India are available in India at equivalent dollar price of 12 US \$ per Kg.

Show cause notice was issued to importer. The importer replied that he has been able to negotiate the lower price as a special introductory price. He also produced a copy of invoice from manufacturer in Germany, who had supplied the 900 Kgs of 'X2' goods @ 10.50 US dollars per Kg in February, 2008. The 'X2' goods are equivalent to 'X' and can be used instead of 'X'.

Prepare an Order finalising the 'Customs Value' for purpose of assessment.

**Answer :**

Office of Assistant Commissioner of Customs, Mumbai

Order No. 34/02 dated 16th May, 2008

**Note :** (1) This copy is granted free of charge for the private use of the persons to whom it is issued.

(2) Any person aggrieved by this order may appeal against this order to Commissioner (Appeals), Mumbai, within sixty days from date of communication of this order. Appeal should be accompanied by this copy of order or another certified copy of this order.

**Order**

- (1) M/s WR Importers Ltd., Mumbai filed Bill of Entry No. 2587 dated 14th April, 2008 for 1,000 Kgs of 'X' for 10,000 US \$ CIF in respect of goods imported from USA. It was observed that similar goods were imported at higher rates than the rates declared by Assessee.
- (2) A show cause notice dated 21st April, 2008 was served on the assessee. The assessee submitted their reply dated 26th April, 2008. A personal hearing was granted on 8th May, 2008. Representative of WR Importers Ltd., Mr. A M Majumdar attended the personal hearing. He reiterated the submissions made in their reply dated 26th April, 2008 and stated that the price as shown by them in Bill of Entry is the correct Customs Value for purpose of assessment.
- (3) I find that the same exporter i.e. AB Inc, USA had supplied 150 Kgs of 'X' to another importer in India @ 16 \$ CIF per Kg in March 2008. Assessee raised contention that quantity of imports in March 2008 is much less and hence the price cannot be considered, as per provisions of rule 4(1)(b) of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The assessee contended that the department has not produced any evidence regarding discount structure offered by the foreign supplier depending on the quantity purchased. Hence, this price cannot be considered for valuation. I agree with these contentions of assessee.