

**JUDGMENT SHEET**  
**IN THE ISLAMABAD HIGH COURT, ISLAMABAD**  
**JUDICIAL DEPARTMENT**

Custom Reference No.18 of 2008  
M/s United Enterprises  
**Versus**  
Customs Appellate Tribunal etc

**Date of Hearing:** 14.01.2020  
**Applicant by:** Mr. Sikandar Naeem Qazi, Advocate,  
**Respondents by:** Mr. Adnan Haider Randhawa, Advocate,  
Mr. Fateen Younis, Apprising Officer,  
Customs.

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**MIANGUL HASSAN AURANGZEB, J:-** The questions of law arising from the judgment dated 29.04.2008 passed by the Customs Appellate Tribunal, Islamabad were framed by this Court vide order dated 13.01.2009. The only question agitated by the learned counsel for the applicant was that the order-in-original dated 13.09.2006 could not have been passed by the Deputy Director, Directorate General of Customs Valuation & PCA, since it was beyond the pecuniary jurisdiction of the Deputy Director under Section 179(1) of the Customs Act, 1969 (“the 1969 Act”). No other question of law was agitated by the learned counsel for the applicant.

2. The record shows that on 12.06.2006, the Deputy Director, Directorate General of Customs Valuation & PCA, issued a show cause notice to the applicant under Section 32 of the 1969 Act wherein it was alleged that the applicant had evaded custom duties etc. amounting to Rs.4,55,620/-. The proceedings pursuant to the said show cause notice culminated in the order-in-original dated 13.09.2006 passed by the said Deputy Director. The applicant’s appeal against the said order was dismissed vide order-in-appeal dated 22.03.2007 by the Collector (Appeals), Collectorate of Customs. The applicant further appeal before the Customs, Federal Excise and Sales Tax Appellate Tribunal was dismissed vide judgment dated 29.04.2008. The instant customs reference arises from the said judgment dated 29.04.2008.

3. The sole question that needs to be determined is whether the Deputy Director had the jurisdiction to issue the show cause notice dated 12.06.2006 and pass the order-in-original dated 13.09.2006 given the fact that the amount of custom duties alleged to have been evaded by the applicant and sought to be recovered from it was more than Rs.4,00,000/-.

4. Learned counsel for the applicant drew the attention of the Court to the amendment made in Section 179(1) of the 1969 Act by the Finance Ordinance, 2002 and submitted that the Deputy Collector did not have the pecuniary jurisdiction to adjudicate upon a matter where the amount involved exceeded Rs.4,00,000/-. Since the amount sought to be recovered from the applicant through the said order-in-original passed by the Deputy Director was more than Rs.4,00,000/-, the applicant's stance was that the said order was without jurisdiction and so were the subsequent orders passed in the hierarchy of the Customs Department.

5. Learned counsel for the department produced a copy of the Finance Act, 2006 (which was enacted on 01.07.2006). Through the said Act, an amendment was made in Section 179 of the 1969 Act whereby the jurisdiction of the Deputy Collector was enhanced to matters where the amount of custom duties involved did not exceed Rs.5,00,000/-. He also produced a copy of notification (S.R.O. 917(I)/2004) dated 11.11.2004) according to which the Deputy Director of Customs Evaluation could exercise jurisdiction under *inter-alia* Section 179 of the 1969 Act.

6. The order-in-original dated 13.09.2006 was passed by the Deputy Director, Directorate General of Customs Valuation & PCA on 13.09.2006 i.e. after the enactment of the Finance Act, 2006, which, as mentioned above, was enacted on 01.07.2006. By virtue of the said enactment, Section 179 of the 1969 Act was amended so as to enhance the pecuniary jurisdiction of the Deputy Collector to Rs.5,00,000/-. Since the amount sought to be recovered from the applicant by virtue of the said order-in-original does not exceed Rs.5,00,000/-, we are of the view that the Deputy Director (who could exercise powers under Section 179 of the 1969 Act under

notification dated 11.11.2004) did have the pecuniary jurisdiction to pass the order-in-original against the applicant.

7. Consequently, the question agitated by the learned counsel for the applicant is answered in the negative.

**(MIANGUL HASSAN AURANGZEB)  
JUDGE**

**(FIAZ AHMAD ANJUM JANDRAN)  
JUDGE**

**ANNOUNCED IN OPEN COURT ON \_\_\_\_\_/2020**

**(JUDGE)**

**(JUDGE)**

Qamar Khan\*

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