

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACH

File No. DG (V)/Val.Rev/06/2018

11th May, 2018

**Order in Revision No. 13 /2018 under Section 25-D of the Customs Act, 1969 against
Valuation Ruling No. 1238/2018 dated 03-01-2018**

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



M/s. Mehran Traders

..... PETITIONER

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

19-04-18

For the Petitioners

Mr. Deepak

For the Respondent

Mr Iqbal Ali, Principal Appraiser

This revision petition was filed under Section 25-D of the Customs Act, 1969 against Customs value determined vide Valuation Ruling No. 1238/2018, dated 03-01-2018 issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. That the C&F value of Metronidazole (infusion) Injection is determined US\$ 0.85/Kg China origin but in actual China market exporting price is US\$ 0.1425/vial bottle box, 80 bottle boxes/carton net weight of carton is 16Kg according to that C&F value should be around US\$ 0.7111/Kg.
3. Price Certificate legalized by Pakistan Embassy Beijing are attached
 - i) Exporter Price Certificate (legalized by Pakistan Embassy Beijing.
 - ii) Performa Invoice
 - iii) LC Bank Document
 - iv) CCPIT Attestation
4. That it is requested to review China market price regarding this product Metronidazole Injection 500Mg /100ml vial glass bottle box and determine its actual value.

5. The respondent department was asked to furnish comments to the arguments submitted by the petitioner in the case. Para-wise comments on the petition are given as under:-

PARAWISE COMMENTS

Para 1 Brief facts of the case are that the Customs values of the Medicines / Medicaments of various types including Metronidazole injection were determined vide Valuation Ruling No. 1094/2017 dated 18.03.2017. Subsequently, several representations were received from commercial importers to determine the applicable customs values afresh in accordance with the trend of values in the international market and to include some more Medicines / Medicaments being regularly imported at value with vast variations. Keeping in view the prevailing prices of the subject items, this Directorate General re-determined the Customs values and the Customs values of subject items i.e. Metronidazole infusion was rationalized from US\$ 1.00/Kg (in previous VR) to US\$ 0.85/Kg. There was no unilateral discussion. Meetings with all the stakeholders including importers and representatives from clearance Collectorate was held on 07-12-2017 to discuss the current international prices of the subject items. They supported their submission with documentary evidences. The viewpoint of all participants was heard in detail and considered to arrive at Customs values of medicines and injections of aforementioned types. 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 provided in Sub-Section (1) of Section 25, was found inapplicable because there were wide differences in the declarations. Identical/Similar Goods Value Methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market enquiries as envisaged under section 25(7) of the Customs Act, 1969, were conducted. All the information so gathered was evaluated and analyzed for the purpose of determination of Customs values. Consequently, the Customs values of medicines / Medicaments of given types including weight of retail packing were determined vide Valuation Ruling No. 1238/2018 dated 03-01-2018.



Para 2 Needs no comments being details of the documents submitted by the petitioner.

Para 3 The Customs value of Metronidazole was determined on the basis of market inquiry of aggregate quantity being sold in the local market and physical imports data of the relevant period at or about the same time was taken into account at the time of determination of Customs value.

PRAYER

It is respectfully prayed that the existing valuation ruling No.1238/2018 dated 03-01-2018 was issued in the light of current price trend. Section 25 (1), (4), (5), (6) & (7) were exhausted and finally section 25 (7) was found applicable for determination of Customs value of Metronidazole Injection. Accordingly, Honorable Director General may graciously be pleased to reject the petition

and maintain the valuation ruling No. 1238/2018 dated 03-01-2018 issued under section 25A of the Customs Act. 1969.

ORDER

6. Hearing in this case was held on 19-04-2018 which was attended by the petitioner. The main thrust of petitioners' argument was that the Customs value determined vide impugned Valuation Ruling No.1238/18 dated 03-01-18 of Metronidazole Injection is on higher side. The Departmental Representative on the other hand defended the values notified vide the impugned Valuation Ruling and stressed the fact that while determining Customs values of subject items detailed meetings were held with all the petitioners as well as representatives of the clearance Collectorates. The DR stated that the value has rationalized vide the impugned Valuation Ruling to align the same with prevalent international market trends. The DR also highlighted the fact that the importers of Metronidazole Injection are regularly clearing their consignments on the Customs value determined vide Valuation Ruling No.1238/2018 dated 03-01-2018 and produced clearance data to substantiate their stance.

7. In view of above I conclude that the Customs value for Metronidazole Injection notified vide Valuation Ruling No.1238/18 dated 03-01-18 was determined in accordance with law after taking into account the prevailing market realities; hence the ruling is upheld. The petition is rejected and disposed of accordingly.


(Suraiya Ahmed Butt)
Director General

Registered copy to:

M/s. Mehran Traders,
Medicine Street No.2, Marriot Road, Karachi-74000.

Copy to:

1. Member (Customs), FBR, Islamabad.
2. Chief Collectors Customs Appraisement (South)/Enforcement, Karachi/ (North) Islamabad / (Central) Lahore.
3. Collector, MCC Appraisement (East) / Appraisement (West) /Port M. Bin Qasim/ Preventive, Karachi.
4. Collector, MCC, Appraisement/Preventive, Lahore/Quetta/Peshawar/Faisalabad/ Sambrial/Multan/Hyderabad/Islamabad/Gilgit-Baltistan/Gawadar.
5. Director, Customs Valuation, Karachi/Lahore.
6. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for Uploading in One Customs and WeBOC Database.
7. Deputy Director (Review), Karachi.
8. All Deputy/Assistant Directors (Valuation).
9. Guard File.