

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/152/2017

Dated 22<sup>nd</sup> June, 2018

**Order in Revision No. 17 /2018 Under Section 25-D of the Customs Act, 1969  
against Valuation Ruling No. 1212/2017 dated 22-09-2017**

- 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. Standard Enterprises

..... PETITIONER

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

30-11-2017 and 22-03-2018

For the Petitioners

Mr. Farukh Saleem Consultant

For the Respondent

Mr. Abdul Majeed, Deputy Director

This revision petition was filed under Section 25-D of the Customs Act, 1969 against Customs value determined vide Valuation Ruling No. 1212/2017, dated 22-09-2017 issued under Section 25-A of the Customs Act, 1969. The petitioner's major arguments against the impugned valuation ruling 1212/2017 dated 22-09-2017 are reproduced below:

- The applicant is one of the largest importers of Master Batches in the country and enjoys high esteem amongst the trade bodies, government departments and business circles of the country owing to his honest and law compliant business transactions. The applicant imported different grade of Master Batches from Cabot Dubai, Switzerland, Belgium, France, Canada etc.
- The learned Director also mentioned the methodology for arriving at the values depicted in Valuation Ruling 1212/2017 dated 22.09.2017 as follows:-

“Method adopted to determine Customs Values: Valuation methods given in Section 25 of the Customs Act, 1969, were followed to arrive at fair value of Master Batches. Transaction Value Method provided in Section 25(1) was found inapplicable owing to wide variation in the values being declared to the Customs. Identical / similar goods value Method 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 upon due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. For the purpose, different markets were surveyed repeatedly. The computer value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of Customs values. Consequently, the Customs values of Master Batches have been determined under Section 25(9) of the Customs Act, 1969”.

- However, the applicant feels that the parameters of revisions of Valuation Ruling as agreed by the department in the Honorable High Court of Sindh at Karachi were not adopted accordingly. Therefore, being aggrieved with non-adherence to legal provisions for revision of Ruling and ignoring the legal provisions of law coupled with superior court's rulings by the learned Director request the Honorable Director General Customs Valuation, Directorate General of Customs Valuation, Karachi to review the Customs Valuation Ruling 1212/2017 dated 22.09.2017 on the following grounds:

#### GROUNDS

- A. That while formulation of Customs Valuation Ruling 1212/2017 dated 22.09.2017, the learned Director did not consider the reasons for revision of Valuation as mentioned in Para 2 of the Ruling.
- B. That without any proper alignment with prices of Master Batches in International market for (Export to Pakistan), the values were determined under Section 25(9) of the Customs Act, 1969, and without any plausible reason for rejecting the values under Section 25(1) of the Customs Act, 1969.
- C. That impugned Ruling is based on the premise that value could not be determined under Section 25(1) of the Customs Act, 1969, whereas, the Applicant provided the Export GDs of Exporting country of the Master Batches imported by the applicant.
- D. That when the relevant GDs of exporting countries are available then ignoring the transaction value is contrary to basic principles of Customs valuation incorporated in Section 25 of the Customs Act, 1969, and Customs Valuation Rules.
- E. That Customs Valuation Ruling has been issued without considering the prices of crude, prices of polymers, and prices of pigments. Further, no regard has been shown for the very



