

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/30/2018

15<sup>th</sup> August, 2018

**Order in Revision No. 27/2018 under Section 25-D of the Customs Act, 1969**  
**against Valuation Ruling No. 1298/2018 dated 25-04-2018**  
**in compliance of the Order dated 23-07-2018 passed in WP No.226604/2018**  
**by the Honourable Lahore High Court, Lahore**

- 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 Isuzu Motors, Lahore,  
M/s PASPIDA & Others

..... PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

26-07-2018 and 15-08-2018

For the Petitioners

Mr. Abdul Wahab, M/s HMC Hafeez Motors  
and M/s Isuzu Motors, Lahore  
Mr. Abdul Rahim, M/s Prime Enterprises  
Mr. Mushtaq Ahmed, M/s Al-Rehman Ent.  
Mr. Ahmed Waqar, M/s Tariq Waqar Autos  
Mr. Emran Tahir, M/s Buksh Industries  
Sh. Usman M/s Naeem International  
Mr. Raza Noman, M/s Universal Auto Engg.  
Mr. Adnan Moton, Advocate

For the Respondent

Mr. Muhammad Tahir, Additional Director  
Dr. Abdul Qudoos Sheikh, Deputy Director  
Mr. Iqbal Hussain, Principal Appraiser

Brief facts of the case are that values of 'Brake Lining and Friction Material (Clutch Facing)' were earlier determined vide Valuation Ruling No.426/2012 dated 08.02.2012. Being more than six years old, the afore-mentioned values were re-examined to streamline the same according to the current market prices. For this purpose exhaustive enquiries were made and meetings were conducted with relevant stakeholders including trade bodies and importers. Consequently, values of afore-mentioned item were determined afresh vide Valuation Ruling No.1298/2018 dated 25-04-



2018. However, M/s Isuzu Motors and ten other commercial importers filed revision petitions under Section 25-D of the Customs Act, 1969 through their Counsel Mr. Adnan Moton, Advocate against Customs values determined vide Valuation Ruling (VR) No.1298/2018 dated 25-04-2018 issued under Section 25-A of the Customs Act, 1969.

2. Meanwhile, a Writ Petition No.226604 of 2018 was also filed by M/s Isuzu Motors, Lahore before the Honorable Lahore High Court, Lahore against the impugned VR # 1298/2018 dated 25-04-2018 on the following grounds:

*"That the petitioner imported a consignment of Brake Lining etc from Thailand declaring the total C & F value of USS 28552 and filed G.D. No. LAPR-HC-938, dated 17-07-2018 (copy of the G.D along with copy of invoice, packing list, examination report & bill of lading at Annex-A, B, C, D & E respectively) with respondent No.1 for Custom clearance. After detailed examination, declaration of the petitioner regarding description and quantity was found correct. Instead of assessing the imported goods according to the customs value (transaction value) in terms of Section 25(1) of the Customs Act, 1969, respondent No. 1 enhanced the value of the said consignment by following the Valuation Ruling No. 1298/2017 dated 25-04-2018 (Annex-F). The petitioner filed a review petition dated 25-05-2018 (Annex-G) against the said valuation ruling dated 25-04-2018 before the respondent No. 2. Earlier, the petitioner along with others have filed a Constitutional petition bearing No. 4348/ 2018 before the Hon'ble Sindh High Court, Karachi challenging therein the said valuation ruling dated 25-04-2018. The Hon'ble Sindh High Court vide its orders dated 31-05-2018 (Annex-H) was pleased to provisionally release the consignments of brake lining. In the presence of a valid order of the Hon'ble Sindh High Court, Karachi, respondent No. 1 illegally enhanced the value of the petitioner's consignment and is not releasing provisionally."*

*That the aforementioned unlawful action of respondent No. 1 resulted in heavy increase in the form of duty and taxes, rendering the petitioner unable to clear his imported goods. The consignments in question are still lying at the customs port and is under heavy demurrage, thus causing the petitioner irreparable loss, and since no efficacious remedy is available, the constitutional jurisdiction of this Hon'ble Court is being invoked through the instant writ for immediate relief. The petitioner is aggrieved on the following.*

#### **GROUND**

A. *That in terms of Section 25(4) of Customs Act, 1969, respondent No. 1 was required to intimate the petitioner 'of his reservations in writing' if the declared transaction value was not acceptable and to give the petitioner "an opportunity to justify the price difference...". The compliance-of the provisions of sub-Section (4) of Section 25 ibid read with Chapter IX (Valuation) of the Customs Rules is mandatory and the same has not been complied with by the respondent No.1. Therefore, the impugned assessment is not sustainable under law.*



