

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/771/2016

Dated: 19 August, 2016

**Order in Revision No. 238 /2016 under section 25-D of the Customs Act, 1969
against Valuation Ruling No.848/2016 dated 06-05-2016**

- 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. A.R.G. Enterprises..... PETITIONER

VERSUS

Director, Customs Valuation, Karachi..... RESPONDENT

Date(s) of hearing..... 13-07-2016 & 25-07-2016

For the Petitioners..... None

For the Respondent..... Mr. Abdul Majeed, Assistant Director
Mr. Safdar Abbas, Principal Appraiser



These revision petitions were filed under section 25-D of the Customs Act, 1969 against Customs value determined vide Valuation Ruling No.848/2016 dated 06-05-2016 issued under section 25-A of the Customs Act, 1969, inter alia, on the following same facts and grounds:

2. That the Applicant is a sole proprietor of M/s. A.R.G. Enterprises and is engaged in the business of import of merchandise of varied nature and their onward marketing in the local market for the past several years. The Applicant is an income tax payee and enjoys credibility in the commercial circle in general and in the circle of importers in particular.
3. That the Applicant being active importer has been importing Toothpaste and Shaving Foam/Gel of various brands from China, UAE and other countries continuously without and hindrance and or any allegation of under invoicing and mis-declaration.
4. That the Director Valuation has issued valuation ruling 848/2016 dated 06.05.2016, superseding Valuation Ruling No.813/2016, ostensibly under Section 25A of the Customs Act,

1969, illegally and in violation of Section 25A and superior Courts Judgments pronounced in a number of cases.

5. That the impugned valuation Ruling has enhanced the values of Toothpaste and Shaving Foam/Gel unilaterally and illegally. To the dismay of the Applicant, the impugned Valuation Ruling has fixed the customs values at US\$ 1.50 and US\$ 2.10 respectively per KG illegally and unilaterally. It is pertinent to mention here that as per the superseded Valuation Ruling No.813/2016, the value of the Toothpaste and Shaving Foam/Gel imported by the applicant was determined at US\$ 1.00 and 1.339 per KG respectively and the determination of the value was made after giving hearing to all the stakeholders and the same was accepted to all stakeholders including the local manufacturers. However, the impugned valuation ruling 848/2016 dated 06.05.2016 has been issued in violation of Section 25A of the 1969 Act and it was issued unilaterally and without hearing the stakeholders. The Method adopted in determining the impugned V.R is in utter violation of under Sees. 25 and 25A of the Customs Act, 1969, and as interpreted in Sadia Jabar case as well as in Goodwill Traders case reported in 2014 PTD 176.

ORDER

6. In compliance of the Honorable High Court of Sindh at Karachi orders dated 26.07.2016 in C.P No. D-3895/2016; the case record and written as well as verbal submissions of the petitioners were examined in detail. The petitioner in their review application dated 02.06.2016 under Section 25-D of the Customs Act, 1969, stated that they are aggrieved with the customs value determined for tooth paste and Shaving Foam/Gel at US\$ 1.50/Kg and US\$ 2.10/Kg respectively, under C-Category Brands vide Valuation Ruling 848/2016, dated 06.05.2016. They also objected the revision of previous Valuation Ruling 813/2016 and termed the act of revision of the valuation ruling as illegal and in violation of provisions of section 25-A of the Customs Act, 1969.

7. As regards the legality of the process of revision of valuation ruling 813/2016 is concerned, it is noted that there were number of review petitions filed by the importers against the said valuation ruling. Moreover, the Honorable High Court of Sindh at Karachi vide orders dated 10.11.2015 in constitutional petition No. D-6918/2015 directed that in cases where the valuation ruling is more than 90 days old and an importer has approached Director Valuation in terms of Para 21 of the Judgment in the case of Sadia Jabbar supra fresh consignments of such importers shall be allowed provisional release in terms of Section 81 of the Customs Act, 1969. Since 90 days were passed to valuation ruling 813/2016 and a number of representations were received from commercial importers and multi-national companies regarding values determined in the valuation ruling, hence an exercise was initiated to re-determine the customs value of the items under reference. Hence question of illegality or violation of law does not arise at all.

8. With reference to their grievance for customs value determined for tooth paste and Shaving Foam/Gel at US\$ 1.50/Kg and US\$ 2.10/Kg respectively, under C-Category Brands vide valuation ruling 848/2016, dated 06.05.2016, perusal fo the said ruling reflects that custom value of the items were determined in three categories i.e. High price brands in A-Category, Medium price brands in B-Category and low end brands in C-Category. The petitioner's brands

are already placed in low end brands. The applications of customs values so determined are not restricted to the petitioner only but are applicable to all imports throughout Pakistan without any exception.

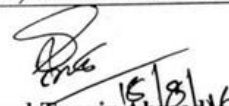
9. I have deliberated on the case record as well as verbal and written arguments put forth by the petitioners and the respondent department. The respondent department submitted that the valuation ruling was correctly and lawfully revised after giving hearing opportunity to all Stakeholders / Importers. The inputs during meeting from the participants to determine the customs value and place the goods/brands in accordance to their value i.e. high value, medium value and low end brands were taken into consideration. The department further stated that all valuation methods from sub-Section (1) to (8) were properly exhausted sequentially to address the valuation issue in hand and reasons for rejection of the same have also been clearly mentioned in the ruling. Consequently, the impugned valuation ruling was issued under Section 25(9) of the Customs Act, 1969 after examining the import data, online prices from international websites and by analyzing all the gathered information.

10. In view of above, I have inferred that customs values have been determined on reasonable and sound basis after giving fair opportunity to the stake holders, in accordance with the law. The valuation ruling 848/2016, dated 06.05.2016, is therefore upheld and revision petition is rejected.

11. Being identical on facts and law point, this order shall apply mutatis mutandis to the following (03) petitions.



S No.	Petitioner's Name	File No.
1	M/s Hansika Enterprises	DG(V)Val.Rev/559/2016
2	M/s New Devine Enterprise	DG(V)Val.Rev/551/2016
3	M/s Shah Brothers	DG(V)Val.Rev/523/2016


(Syed Tanvir Ahmadi) 6
Director General

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