

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/147/2017

Dt: 11th May, 2018

**Order in Revision No. 14 /2018 under Section 25-D of the Customs Act, 1969
against Valuation Ruling No. 1206/2017 dated 29-08-2017**

- 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. J.K. Enterprises & Others

..... PETITIONER

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

05-12-2017, 28-03-18 & 18-04-2018

For the Petitioners

M. Ismail
Mr.Ameer Mohd
Mr. Imran Khan
Mr. Tariq Hassan
Mr. Zain Sajjad
Mr. Gulzak Bilal
Mr. Zeeshan Gohar
Mr. Zohaib
Mr. Tahir Mumtaz

For the Respondent

Mr. Abdul Hameed, Principal Appraiser

This revision petition was filed under Section 25-D of the Customs Act, 1969 against Customs value determined vide Valuation Ruling No.1206/2017 dated 29-08-2017 issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. That the appellant above named file this review application with the submission that the respondent has issued the subject Valuation Ruling of "Knob & Handle Door Locks" and mostly importing from China (subject to importability conditions as per IPO), etc origin nullity to the provision of Section 25 of the Custom Act, 1969 read with Chapter IX of Custom Rules, 2001 and without evaluating the nature of the goods in question and the dictum laid down by Superior

Courts of Pakistan, hence this review before the Honorable review authority for the decision after consideration of the facts and grounds enumerated herein below:

3. **FACTS**

- 1) That the appellant is a commercial importer of Knob & Handle Door Locks and mostly importing from China etc.
- 2) That the applicant desires to import the said product from different countries and when the respondent was determining the value, the applicant attended different meetings with the suppliers and local buyers and the suppliers have agreed to supply the product at different values very less than the value as determined in the Valuation Ruling referred above.
- 3) That the respondent have bluntly refused to accept the Transaction value other than the above referred valuation Ruling despite of the fact that there are substantiate evidences of value of the goods which act on the part of the respondent is absolutely against the norms of natural justice and so also against the true spirit of provision Section 25(1) of the Custom Act, 1969 and Rule 13 of the Custom Rule, 2001.
- 4) That the Transaction Values of the applicant are absolutely in accordance with law, fair, just, proper and covering the all aspects of the goods and even the same cannot affect the Government Revenues.
- 5) That the Honorable Custom Appellate Tribunal Special Bench, Jamil Chambers, Saddar, Karachi issued their Judgment in Custom Appeal No.K-645/2017 in which. they set aside old, Valuation Ruling No, 1075/2017, dated 09-03-2017 and they also stated for re issuance of the fresh Valuation Ruling and accordingly your kind honor issued the 'Fresh Valuation Ruling No 1206/2017 Dated 29 08 2017 which is also on higher side and are not in a position to accept the revised Valuation Ruling.
- 6) That it is pertinent to mention here that the Valuation Rulings as referred above have been determined without consideration of present market situation and without giving any opportunity of meeting of stake holders and as such the same have been determined on the back of the importers and the same are liable to be reviewed forthwith in. the great interest of justice and particularly keeping in view the legitimate revenue of National Exchequers, hence this review application. Interlay on the following grounds:

4. **GROUND**

- A. That the Valuation Rulings as referred above does not cover the present fluctuation of prices or international Market which have been reduce to about half of the prices and the product of the applicant completely based on International Prices.
- B. That in support of this stance, it is appropriate of the applicant to add further that the provision of Section 25 of the Custom Act, 1969 are to be followed in sequential manner baring certain exceptional cases which massive group under invoices is rampant.

It is not possible without exhausting and unfettered indicated in Section 25(13) (a) does not give unbridled and unfettered authority to Customs administration to play havoc with redundant. Discretions has to be exercised within limits based on reason, rationale and fair play which is specifically provided by the legislature in sub-Section (10) of Section 25 of the Custom Act, 1969, sub-Section (1) (5) (6) (8) at the importers request if so agreed by the Collector of Customs as held in Judgments.

C. That the shipping freight also decreases accordingly, which directly impact on the product price.

D. That for the sake of arguments without conceding that the determination made in the ruling is legal, the applicant state that is nullity to the fact and expression and procedure given in the relevant provisions of the Custom Act, 1969 and this validated from the working of valuation for determination of applicant to import the Knob & Handle Door Locks by deducting the different margins of respective heads which the applicant has to bear prior to selling the goods rendering the contracted price as transactional value within the meaning of Section 25(1) of the Custom Act, 1969.

E. That the applicant sells the entire goods prior to clearance and at many times the prices of the goods has been increased prior to clearance and the importer has to bear the different of prices from his own.

F. That the applicant craves to leave further grounds at the time of hearing besides placing valid incriminating evidences / documents with the permission of your good forum.

5. **PRAYER**

It is therefore, humbly prayed that this Revision Authority may be pleased to allow the review application by declaring/ order that:

- a. The Valuation Ruling No. 1206/2017, dated 29-08-2017 have been issued on forced construction of Section 25 of the Custom Act, 1969, hence ab-initio, null and void and is liable to be withdrawn forthwith.
- b. The transaction declared value of the applicant to the imported goods is deemed to be fair and answer to the expression of Section 25(1) of the Custom Act, 1969, in Rule 113 of Chapter of the Custom Rules, 2001.
- c. Any other relief(s) which this Honorable Revisional Authority may deem fit and proper in the circumstances of the case may also be granted.

6. We are enclosing herewith the copy of order issued by the Custom Appellate Tribunal Karachi in which their kind honor set aside the previous valuation ruling No. 1075/2017, dated 09-03-2017 and then your kind honor also issued revised Valuation Ruling No. 1206/2017, dated 29-08-2017 which is on too much higher side and we are not in a position to accept such higher



