

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/05/2018

Dated 22nd June, 2018

**Order in Revision No. 22 /2018 under Section 25-D of the Customs Act, 1969
against Valuation Ruling No. 1241/2018 dated 04-01-2018**

- 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. I-Con Traders & Others

..... PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

05-04-18, 24-04-18, and 22-05-18

For the Petitioners

Mr. Abu Bakar
Mr. Aslam
Mr. Usman
Mr. Suleman

For the Respondent

Mr Shadad Mari, Principal Appraiser,

This revision petition was filed under Section 25-D of the Customs Act, 1969 against Customs values determined vide Valuation Ruling No. 1241/2018, dated 04-01-2018 issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. That the petitioners are sole proprietorship concerns that are engaged in the business of Import of Glassware and Porcelain mainly from China. Our clients are income tax payee and enjoy credibility in the commercial circle in general and in the circle of importers in particular.
3. That the petitioner being active importer have been importing Glassware and Porcelain from various countries including China continuously without any hindrance and or any allegation of under invoicing and mis-declaration.
4. That the Director Valuation has issued Valuation Ruling No. 1241/2018 dated 04-01-2018, 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. It may be highlighted that the Director Valuation had earlier issued Valuation Ruling No. 1088/2017, which was impugned by all the stakeholders include our clients and ultimately the learned Customs Appellate Tribunal vide order dated 21-08-2017, set aside the impugned Valuation Ruling, directing the Director Valuation to issue a proper Valuation Ruling under Section 25(A) as per the guidelines highlighted in Sadia Jabbar Case PTCL 2014 CL 537 and Good Will Traders Case 2014 PTD 176.

6. That brief of the case is that Custom values of Glassware / Porcelain were previously determined under Valuation Ruling No. 788/2016 dated 05-01-2016, whereby the Customs values of Porcelain from China was fixed at US\$ 0.75/Kg and Glassware imported from China was fixed at US\$ 0.89/Kg. The same was challenged by a number of parties on the grounds that the same was illegal and in violation of Section 25A of the Customs Act, 1969.

7. In this background the impugned Valuation Ruling No. 1242/2018 was issued which is issued illegally and in violation of directions given by High Court of Sindh in Sadia Jabbar Case and Good Will Trader Case.

8. In this background a number of representations were made to the Director Valuation to issue a new Valuation Ruling representing the current downwards market value. However, to the utter dismay of our clients and other importers, the Valuation Ruling No. 1088/2017 dated 17-03-2017 was enhancing the value even further, increasing the Custom values of Porcelain from China at US\$ 1.00/Kg from US\$ 0.75/Kg, and of Glassware from China at US\$ 1.20/Kg from US\$ 0.89/Kg. The Valuation Ruling 1088/2017 was set aside by the learned Customs Appellate Tribunal.

9. That the impugned Valuation Ruling has enhanced the values of Porcelain and Glassware unilaterally and illegally, and it is most respectfully submitted that if a proper survey or enquiry is initiated and any of the super markets such as City Shopping Centre behind Gul Plaza, Imtiaz Super Market Karachi, Janna Market Karachi, Khoya Gali Lee Market Karachi, and V. Metro Cash & Carry are surveyed, the prices of the Porcelain and Glassware from China will not be more than US\$ 0.50/Kg and US\$ 0.64/Kg respectively, much lower than the Customs values fixed by the impugned Valuation Ruling No. 1241/2018 dated 04-01-2018.

10. If all the invoices are perused, the average value of Glassware comes around US\$ 0.64/Kg and Porcelain US\$ 0.5/Kg. Such Sale Tax Invoice may further be provided by our clients, if and when the same may be required along with other requisite supporting documents evidencing the genuineness of sale tax invoice.

11. That, it is humbly submitted, even US\$ 0.89/Kg under the previous Valuation Ruling is not acceptable to our client and is ready to offer any person to buy the subject goods at US\$ 0.89/Kg. It is further submitted that if the learned Collector is not satisfied that the declared value is not the actual transactional value, he may entertain any offers at US\$ 0.89/Kg for Glassware and US\$ 0.75/Kg for Porcelain as per the previous Valuation Ruling, and appropriate proceedings in this regard may be initiated under Section 25C of the Customs Act, 1969.

12. To the dismay of the Applicant, the impugned Valuation Ruling has fitted the Customs values that are much higher than the actual values of the items, and the method adopted in determining the impugned Valuation Ruling is in utter violation of under Section 25 and 25-A of the



