

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACH

File No. DG (V)/Val.Rev/18/2018

31st August, 2018

Order in Revision No. 28/2018 under Section 25-D of the Customs Act, 1969
against Valuation Ruling No. 639/2014 dated 21-02-2014 in compliance of the
Order dated 12-04-2018 passed in WP No.70331/2017
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. M.N. Traders, Lahore

..... PETITIONER

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

15-05-2018 and 02-08-2018

For the Petitioners

Ch. Saeed Ashraf Advocate

For the Respondent

Mr. Umar Baloch, Principal Appraiser

This revision petition was filed in compliance of Honorable Lahore High Court Order dated 12-04-18 against Valuation Ruling No. 639/2014, dated 21-02-2014 issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. That the Valuation Ruling No.639/2014 was issued by the Respondent No.1, while determining the Customs values of Canned Mushrooms. Significant to mention here that another Valuation Ruling No. 956/2016 dated 26-10-2016 was issued pertaining to the similar / identical items i.e. Olives wherein it was clearly mentioned that the goods shall be considered for Customs value instead of net weight. Baise reason for such clarification was that the Olives are packed in bottles or cans which contain a fixed quantity of salted water which is included just to preserve the Olives and to enhance it shelf life. It is made clear that said salted water is not an edible stuff that is why according the Valuation Ruling 956/2016 dated 26-10-2016 the salted water is excluded from the weight and goods are considered for Customs Valuation, on drained weight.

3. That for the reasons narrated above petitioner filed an application pertaining to Valuation Ruling No. 639/2014 dated 21-02-2014 before the respondent No.2 to clarify the ambiguity related to net or drained weight as said Valuation Ruling is also for identical / similar items i.e. Canned Mushrooms and salted water in its packing is also not an edible stuff. Worthwhile to mention here that said application for clarification was filed due to the reason that the description related to net or drained weight was not given in Valuation Ruling 639/2014.

4. That the application dated 20-04-2017 filed for certification was decided by the respondent No.2 with the clarification that said description be considered as the goods will be assessed on net weight instead of drained weight. Being aggrieved with the order passed by the respondent No.2 the petitioner filed a writ-petition No. 70331/2017 before Honorable High Court Lahore while challenging the impugned order dated 05-09-2017 passed by the respondent No.2. That said petition was disposed of vide order dated 12-04-2017 by the Honorable Lahore High Court with direction to the petitioner to file revision petition before the competent authority within seven days. Hence the revision petition is being filed against the Valuation Ruling No. 639/2014.

5. That the main issue for filing this revision is that Valuation Ruling No. 639/2014 may be revised on the ground that the Valuation Ruling No. 956/2016 was issued for identical items therefore; same formula for determining the weight of the goods may also be mentioned to be adopt in the Valuation Ruling No. 639/2014.

6. That the impugned VR and the VR no 956/2016 are issued for similar / identical goods i.e. canned/ bottled Olives and Mushrooms which are packed and preserved in salted water which is not an edible stuff that is why the VR No 956/2014 was clarified pertaining to the determination of weight of the goods that weight of salted water will be excluded and goods will be determined on drained weight instead of net weight.

7. That the sole grievance of the petitioner is that the impugned Valuation Ruling may also be revised as per the Valuation Ruling No. 956/2016 as both are issued for identical / similar goods. Moreover, while revising the impugned Valuation Ruling the determination of weight of goods may also be clarified that the goods will be determined on drained weight instead of net weight.

8. PRAYER

Keeping in view the facts and circumstances of the case it is requested that the revision petition may kindly be accepted and impugned Valuation Ruling No. 639/2014 dated 21-02-2014 may kindly be revised as per Valuation Ruling No. 956/2016 dated 26-10-2016 to the extent of determination of weight of the goods that the goods to be assessed on drained weight instead of net weight being similar goods to the Valuation Ruling dated 26-10-2016.

9. The respondent department was asked to furnish comments to the arguments submitted by the petitioner in the case. Para-wise comments on the petition are given as under:-

PARAWISE COMMENTS

Analysis of import data indicated that Canned Mushroom imported from different origins were being cleared at different Customs stations at very low values, causing loss of revenue

