

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACH

File No. DG (V)/Val.Rev/14/2018

28th September, 2018

Order in Revision No. 36 /2018 under Section 25-D of the Customs Act, 1969
against Valuation Ruling No. 1266/2018 dated 02-03-2018

- 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 Nice Traders & Others

..... PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

31-07-2018, 16-08-2018 and 13-09-2018

For the Petitioners

Mr. Adnan Asad (M/s Venus Pakistan Pvt. Ltd.)
Mr. Rizwan Ahsan (M/s Venus Pakistan Pvt. Ltd.)
Mr. Abdul Basit (M/s Venus Pakistan Pvt. Ltd.)
Mr. M. Haroon (M/s Famy Industries)
Mr. Rafique Khan (M/s Pacific Distributors)
Mr. Javed (M/s Hana Dairies)
Mr. Abeer Mirza Advocate for M/s Nice Traders
Mr. Imran Gandhi

For the Respondent

Mr. Muhammad Umar, Principal Appraiser
Mr. Irfan Masih Valuation Officer

These revision petitions were filed under Section 25-D of the Customs Act, 1969 against Customs values determined vide Valuation Ruling No. 1266/2018, dated 02-03-2018 issued under Section 25-A of the Customs Act, 1969, inter alia, mainly on the following grounds:

1. M/s Hana Dairies

That Valuation Ruling No. 1266/2018 dated 02-03-2018 issued under Section 25A the Directorate General Customs Valuation through letter No. Misc/13/2015-1/281, dated 02-03-2018. The Directorate has issued the subject valuation ruling of Non Dairy Topping / Whipping Cream under H.S. Code 2106.9090 from Vietnam, USA, EU Malaysia and all other origins (subject to importability conditions as IPO) origin nullity to the provision read with Chapter IV of Customs

Rules, 2001 and without evaluation the nature of the products in question and the dictum laid down by Higher Courts.

We wish to bring in your kind notice towards the facts and figure of this ITP Valuation matter before the Review Committee for a favorable decision on grounds of the following facts:

1. We Hanna Dairies are commercial importer of Non Dairy Topping / Whipping Cream from Vietnam. We are importer / distributor of Silver Whip Non Dairy Topping / Whipping Cream in Pakistan.
2. That the principal of the above product M/s. Tan Nhat Huong Co Ltd. Vietnam was in search of a sole importer / distributor in Pakistan. We have attended various meetings with the same supplier and also surveyed the local markets to launch their product in Pakistan markets. We have presented a market based forecast for minimum three years and on the basis of our market survey they agreed to give us exclusive distribution of their product in Pakistan. We never charged them a single penny for the cost involved for market survey, marketing activities and other over heads. They M/s. Tan Nhat Huong Co Ltd. Vietnam very kindly agreed to give us much competitive rates to survive in the competitive markets of Pakistan.
3. The supplier from Vietnam is exporting the same product to other countries i.e. Brazil / Hong Kong on the same transaction value as exported to Pakistan. The trade mission of Vietnam in Pakistan also submitted evidence of Vietnam Customs Declaration Goods copies of Brazil / Hong Kong / Pakistan as well as attested copies of Vietnam Chamber of Commerce for commercial invoices of Pakistan / Brazil / Hong Kong.
4. We had submitted sufficient evidences from time to time e.g. copies of Sales Tax Returns with bank payments, Work Back Sheet, Commercial Invoices, Copies of Contracts with the supplier and swift copies from the bank from where Custom may analyze our margin after paying various over storages / management fees / marketing and selling costs / losses during transportation of the product from Karachi Port to up countries in Pakistan.

Our above all evidences in vain because of a false complaint by the local manufacturer. In other hand the local manufacturer is continuously arguing but unable to submit any evidences to prove their claim yet.

It is therefore, requested kindly look into the pros and cons of ITP Valuation and Review our petition on the light of facts and figures and set aside the subject ruling and fix the ITP at transaction value of US\$ 0.90/Kg for "Silver Whip" Non Dairy Topping / Whipping Cream of Vietnam origin.

2. **M/s Venus Pakistan Pvt. Ltd.**

- a) That the impugned Valuation Ruling No. 1266/2018 dated 02-03-2018 has various anomalies therein due to which the value determined therein in VR No. 1266/2018 is very much questionable: especially in regards to the assess value of Non Dairy Whip Topping Crème of All other Brands excluding RICH's Brand. It is pertinent to mention here that Venus Pakistan (Pvt) Ltd has in the past submitted evidences and letters with all supporting evidences to prove the suspicion that the



