

**GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACH**

File No. DG (V)/Val.Rev/42/2019

2615 February, 2020

Order in Revision No. 06 /2020 Under Section 25-D of the Customs Act, 1969 against Valuation Ruling No. 1420/2019 dated 04-11-2019

- 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. Evolve Food & Beverages & Others

..... PETITIONER

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

13-02-2020

For the Petitioners

Mr. Atif Aziz Ahmed, Mr. Zahid Farooq (Advocate)
Mr. Ali Ahmed Pai, Mr. Rehan Ahmed,
Mr. Shahzad Anjum

For the Respondent

Mr. Imtiaz Hussian Khan, Principal Appraiser
Mr. Nadeem Sheikh, Valuation Officer

This revision petition was filed under Section 25-D of the Customs Act, 1969, against Customs Values determined vide Valuation Ruling No. 1420/2019, dated 04-11-2019 issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. Being aggrieved by and dissatisfied with the Valuation Ruling No. 1420 of 2019 dated 04.11.2019(Annex A), the petitioner prefers this Revision Petition under section 25-D of the Customs Act, 1969, before this learned Authority on the following facts and grounds, namely:

3. **FACTS**

1. That the petitioner is a commercial importer and is engaged in the import of shoe polish and shoe brushes from China. The petitioner is duly authorized to conduct his business under valid

National Tax Number 2967993 and Sales Tax Registration No. 3277876132570 and possesses excellent track record of tax compliance. Copy of the NTN/ STRN is attached as Annex-B.

2. That the respondent Director has been entrusted by the legislature through the enactment of section 25A of the Customs Act, 1969, to diligently, efficiently and properly exercise the powers contained therein for the lawful determination of customs values of goods imported into Pakistan. The petitioner is seriously aggrieved by the acts of the respondent Director, whereby it has unlawfully, arbitrarily, without making a determination, fixed the values of cleaning /washing /dusting/ and similar kind of brushes falling under PCT heading 9603.9000 of Chinese/Vietnam origin at the rate of US\$ 0.7/Unit against serial 4 and 5 of the impugned Valuation Ruling No. 1420 of 2019 dated 04.11.2019(hereinafter 'the impugned Valuation Ruling'). The respondent Director has acted in grave violation and excess of the powers conferred thereupon. Such actions are causing serious harm and irreparable loss to the petitioner.

3. That the petitioner is seriously aggrieved and prejudiced by the acts of the respondent, whereby the respondent Director, in spite of its obligations under the law, has unlawfully, arbitrarily, and in dire contradiction and violation of Section 25A of the Customs Act, 1969, and the Customs Rules, 2001, framed there-under, purportedly 'determined' / fixed the values of Cleaning/Washing/Dusting/ and similar kind of Brushes(hereinafter "Shoe Brushes") inter alia, Chinese origin at the rate of US\$ 0.7 per Unit vide the impugned Valuation Ruling. The respondent Director has acted in violation and excess of the powers conferred thereupon under the Customs Act, 1969, and the issuance of the impugned Ruling has resulted in serious harm and loss to the petitioner. The actual price paid / payable for the impugned goods remains significantly lower than the value unlawfully fixed through the impugned Valuation Ruling, however, despite the patent illegalities therein, the respondent Director has deemed the impugned Ruling fit for the purposes of assessment of imported consignments of Shoe Brushes. The petitioner submits a brief background to the issue as follows.

4. That in due course of its business, the petitioner conducts imports of Shoe Brushes manufactured in China which are available for purchase at significantly lower values than those fixed by the respondent Director vide the impugned Valuation Ruling. The petitioner imports wooden shoe brushes of assorted sizes and quality, the value of which range between US\$ 0.16 per unit to US\$ 0.35 per unit. However, the respondent Director has fixed the value of all kinds of brushes of Chinese/Vietnam origin at the rate of 0.70 per unit which is two and three times greater than the value of shoe brushes imported by the petitioner.

5. That, as such, the price paid / payable for Shoe Brushes purchased for import into Pakistan from China by the petitioner at present remains considerable lower than the value assigned thereto vide the impugned Valuation Ruling, which has not been determined in terms of Sections 25A and 25 of the Act, 1969. The price paid / payable for the said shoe brushes at the time of import into Pakistan from China remains significantly lower than the values so assigned through the impugned Valuation Ruling.

6. That, whereas, under the scheme of the Customs Act, 1969 (hereinafter 'the Act, 1969'), the assessment / valuation of imported goods is carried out either under Section 25 of the Act, 1969, or under Section 25A r/w Section 25 of the Act, 1969. Assessment / valuation is carried out under

