

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACH

File No. DG (V) Val.Rev/41/2020

17th March, 2021

**Order in Revision No. 11 /2021 under Section 25-D of the Customs Act, 1969,
against Valuation Ruling No. 1489/2020 Dated: 19-11-2020**

- 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. Kokab Enterprises & Others

.....

PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

....

RESPONDENT

Date(s) of hearing

17-02-2021 & 25-02-2021

For the Petitioners

Mr. Agha Shahid Majeed Khan, Advocate

For the Respondent

Mr. M. Sohail Ismail, Principal Appraiser

This revision petition was filed under Section 25-D of the Customs Act, 1969, against Customs values determined vide Valuation Ruling No.1489/2020, dated 19.11.2020, issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

1. The applicants are leading importers of ladies undergarments in the country and enjoy high esteem amongst the trade bodies, government departments and business circles of the country owing to their honest and law compliant business transactions. The applicants import undergarments from China at the transactional values.
2. That importers have not been called for the meeting while determining customs values whereas it is mandatory to listen to the stakeholders before determining values under Section 25-A.

3. The impugned Valuation Ruling No.1489/2020 dated 19-11-2020 issued by the Director Customs Valuation did not comply with the basic parameters set by the superior courts for issuance of such Valuation Rulings nor did it was issued after bringing the stakeholders / importers on board. Therefore, the said Valuation Ruling / prices are legally not sustainable in the eyes of law. The learned Director Customs Valuation has attributed the reasons for issuances of the Ruling vide para-2 thereof which reads as under:

“Background of the valuation issue: The Customs values of (low brands) Ladies undergarments of Poly-Cotton Blended were earlier determined under Section 25-A of the Customs Act, 1969, vide Valuation Ruling No. 1122/2017 dated 10-04-2017. The said Valuation Ruling was more than three years old and values of subject goods both in the international and local market have shown varying trends. Moreover the EDE data of Chinese exports to Pakistan also indicated variation in value of Chinese exports values viz-a-viz Pakistani import values of the said garments. Therefore, an exercise was undertaken by this Directorate General to determine the same accordingly as per trends in the current international/local market.”

4. The learned Director also mentioned the methodology for arriving at the values fixed in Valuation Ruling 1119/2017 as under:-

“Method adopted to determine Customs values: Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequentially order to arrive at the customs valuation of the subject goods. Transaction value method provided in Section 25(1) of the Customs Act, 1969 was found inapplicable because no documents were provided by the stakeholders to prove that the declared values were true transactional values. Moreover, different values were declared by different importers for same products. Identical / similar goods valuation methods provided in Section 25(5) & (6) ibid were examined for applicability to determine customs values of the subject good. The data provided some references; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available hence was found inappropriate. In line with the statutory sequential order of section 25, this office conducted market inquiries under sub-section (7) of Section 25 of the Customs Act, 1969. As the prices of Ladies under garments of Poly-Cotton Blended in the market varied significantly and were heavily dependent on quality of goods and the location of selling points or shop in the city, therefore, a number of surveys were conducted to arrive at the customs values. PRAL import data base, market inquiries and international prices through web were also examined thoroughly. Consequently Deductive Valuation method as provided under section 25(7) of the Customs Act, 1969 was applied to arrive at the assessable customs values of Ladies under garments of Poly-Cotton Blended.”



5. That instead of depending on the factual customs values of transaction based upon the market dynamics, the learned Director has based the impugned customs valuation on hypothetical data and arbitrary values.
6. Therefore, being aggrieved with non-adherence to legal provisions while issuing the Valuation Ruling No.1489/2020 dated 19.11.2020 coupled with superior court's rulings by the learned Director the Honorable Director General, Directorate General of Customs Valuation, Karachi, is requested to consider revision of the Customs Valuation Ruling No.1489/2020 dated 19.11.2020, on the following grounds.

GROUND

- 1) That the impugned Valuation Ruling issued by learned Respondent is illegal, void and without any lawful authority as defiant the law, procedure and principle of quasi judicial proceedings.
- 2) That various stakeholders including applicants were not informed about the exercise of issuing impugned Valuation Ruling. This fact is evident from the circulation list of the impugned Ruling, which includes only the Chamber of Commerce and Industry, Karachi, and the FPCCI, Karachi. The majorities of the importers/stakeholders are based in Lahore and had no clue about this exercise and did not have any opportunity of being heard before the issuance of impugned Valuation Ruling. It has been laid down by the superior judiciary that any order passed against the aggrieved person on his back has no legal value and is void ab-initio.
- 3) That in the background for the issuance of impugned Valuation Ruling the Learned Director has indicated that values of subject goods both in international and local markets have shown varying trends. No such evidence of this varying trend has been provided to the stakeholders at any stage of the process of fixation of the values notified through impugned Ruling. In fact the beauty of the Valuation Agreement under GATT 1994 is that various qualities of identical goods will fetch different transactional values based on the quality, quantity, time frame, the origin and also the destination of the consignment. Hence the learned Director instead of relying on the factual transactional values resorted to arbitrary fixation of values through impugned Ruling.
- 4) That the learned Director Valuation has also referred to the EDE data of Chinese export to Pakistan and Pakistani import values of the Ladies under garments but no evidence of such data was provided to the stakeholders for rebuttal or comments. That makes reliance on such data against the established law laid down by the superior judiciary that anything relied for any decision at the back of aggrieved person has no legal standing.
- 5) That the learned Director Valuation has admittedly applied various valuation methods laid down under Section 25 in sequential order. In his wisdom the transactional value method prescribed under Section 25(1) "was found as inapplicable because no documents were provided by the stakeholders to prove that declared values were true transactional



values” by the learned Director. However, the litmus test for non-determination of the Customs Value under Section 25(1) of the Customs Act, 1969, is given under Section 25(4) *ibid*. The reason of declaring the Section 25(1) inapplicable by the learned Director at paragraph 4 of the impugned Valuation Ruling is not covered under Section 25(4) *ibid* and hence jumping to any other method is contrary to the admitted law position by the respondent renders the values fixed through impugned Ruling as void *ab-initio*.

- 6) That methods as provided under Section 25(5) and 25(6) of the Customs Act, 1969, have been found inapplicable vide paragraph 04 of the impugned Valuation Ruling by the learned Director Valuation “due to absence of demonstrable evidence of qualities and quantities of commercial level.” If the same logic is applied on the deductive method [Section 25(7)] followed by the learned Director, the values fixed in the impugned Valuation Ruling are also based on the market values of Ladies undergarments for which no demonstrable evidence of qualities and quantities of commercial level is/was available to him. Hence as per the admitted logic of the learned Director the method followed by him in fixing the values in the impugned Valuation Ruling is also inapplicable, hence the same is void.
- 7) The Deductive Method applied by the Learned Director Valuation for the fixation of through the impugned Valuation Ruling requires under Section 25(7) of the Customs Act, 1969, to apply the “Unit Price at which the goods are sold in the greatest aggregate quantity”. This term has been defined under Rule 119 of the Customs Rules, 2001, as “the price at which the greatest number of units is sold in the sales to the persons who are not related to the person from whom they buy such goods at the first commercial level after importation at which such sale takes place”. The value at the greatest aggregate quantity was not taken into the consideration while calculating the price fixed through the impugned Valuation Ruling. This fact is confirmed as the impugned Valuation Ruling is silent as to how the price of the greatest aggregate quantity was calculated?
- 8) That it may be appreciated that an item which is imported by different importers from different exporters in quantities having different qualities in different time frames cannot have a single value. Factually it is not possible that a manufacturer located 1000 kilometer away from the port city of the country of export will pay the same local freight as a manufacturer located in the port city. Hence both these suppliers will have different FOB for the same item. Fixing of a single price is therefore contrary to the factual position. Hence the impugned Ruling needs revision.
- 9) That the learned Director Valuation has discarded the import data of many GDs of various importers who imported from the same country at the same commercial level and in same importing period. The matter becomes more serious when viewed from the fact that in presence of correct, verifiable and legal evidence of transactional value, the Customs value for the Ladies Undergarments were not determined correctly under Section 25(A) of the Customs Act, 1969, by the learned Director Valuation.



- 10) That bare perusal of contents of para 5 of the impugned Valuation Ruling categorically & clearly reveal that in the absence of necessary information/valid evidence of contemporaneous import of similar or identical goods, the Directorate resorted to determine customs values of under reference goods under sub section (7) of section 25 of the Customs Act 1969 i.e. Deductive Value Method. However, it is not clearly mentioned therein as to whether the ruling has been issued under clause (a) (b) or (c) thereof.
- 11) That the learned Director Valuation at paragraph 4 of the impugned Ruling has categorically indicated that international prices from website were also thoroughly relied upon to determine the value. This methodology is neither supported by any provision of law contained in section 25 nor article VII of WTO Agreement. By no stretch of imagination, international trade prices can be relied upon to determine customs value for the purpose of import into Pakistan. The referred web does not provide values for export to Pakistan. Legally speaking in order to substantiate the impugned values, data pertaining to transactional value of the goods under question is required and not the prices quoted on the web site of any seller, which has no relevance with imports to Pakistan. Hence impugned Valuation Ruling relying on the illegal source is void ab-initio.
- 12) Prime facie, values fixed through the impugned Ruling have been arrived at by taking into consideration highest available market prices, which is not a legally applicable method under any of the provisions of section 25 of the Customs Act, 1969. Moreover, while conducting market inquiries the Directorate was bound to involve the stakeholders as per Standing Order No. 03/2010 (Valuation) dated 08.03.2010. However, it was not done. Hence the whole process of fixing the values through impugned Ruling is illegal and devoid of legal backing.
- 13) That Honorable Sindh High Court in case of Sadia Jabbar vs. Federation of Pakistan [PTCL 2014 CL 537] laid down the following parameters to be kept in view while issuing any ruling under Section 25A of the Customs Act, 1969:-

(a) On arbitrary fixation of customs values the Honorable Court order that:

"The exercise carried out under Section 25A is a "determination" and not a mere "fixation" (as was the case, e.g., under section 25B, or subsection (14) of Section 25, both omitted from the act in 2004 and 2005 respectively). The "determination" is a multi-step exercise, at each stage of which there has to be a proper application of mind by the concerned officer. It is therefore appropriate that the ruling should contain sufficient details to show that section 25A has been properly applied. Furthermore, the fact that the determination is subject to revision by the Director General Valuation under Section 25D and the latter's decision is now appealable to the Appellate Tribunal (see section 194A(1)(c), also make it necessary that the valuation ruling should be a speaking order".

(b) In fact the impugned Ruling is defective for its contents and mode of formulation, as neither has it taken into consideration the relevant data of falling prices of raw



materials used for manufacturing of this item from China Origin due to Covid-19 nor it abides by the parameters for issuance of Customs Valuation Ruling deliberated and issued by superior court.

(c) As submitted in the earlier paragraphs of this application, the principal method of valuation is Section 25, which the learned customs authorities, abandoned without any legally sustainable reason by rejecting the verifiable data of imports and the true values. The Honorable Court has given its verdict vide para (g) of their order in Sadia Jabbar vs. Federation of Pakistan [PTCL 2014 CL 537] to elaborate that Section 25A is not a substitute of Section 25 as follows:-

“Before concluding section 25A, one general observation must also be made, section 25A is only an enabling section. It permits, but does not mandatorily require, a predetermination of customs value in terms as explained above. The principle method of determining customs value is, and must remain, section 25, section 25A is not intended to be a substitute for section 25, nor can it be resorted to in such manner and with such frequency that it marginalizes the later provisions. It is merely an adjunct to section 25, to be resorted to in appropriate circumstances and for an appropriated period”.

- 14) That unfortunately the learned Respondent did not keep in view the above guiding principles laid down for issuance of Customs Valuation Ruling while issuing impugned Valuation Ruling No. 1489/2020 dated 19.11.2020 and the concept of “transaction value” which is the basic cornerstone of customs valuation has been ignored altogether by the Respondent.
- 15) That the impugned goods are sold in the market in pieces whereas valuation ruling has been determined on Kilogram basis. No criteria have been explained as to how many pieces of under garments of which quality, brand and yarn Count /Denier will make one kilogram of undergarments.
- 16) The prices “fixed” by the Respondent are not the “price determined” as per parameters laid down by the Honorable Sindh High Court in Sadia Jabbar vs. Federation of Pakistan [PTCL 2014 CL 537] case. It goes without saying that any procedure prescribed by the superior court in connection with administering any provision of law is mandatory to be complied with in the same fashion in which it has been prescribed by the law or case law (issued by the superior courts). However, unfortunately, none of the parameters laid down by Honorable Sindh High Court in Sadia Jabbar vs. Federation of Pakistan [PTCL 2014 CL 537] has been adhered to while formulating and issuing Valuation Ruling No. 1489/2020 dated 19.11.2020.
- 17) That non-adherence to dictates of superior court in Sadia Jabbar vs. Federation of Pakistan [PTCL 2014 CL 537] case for following a specific procedure in issuance of Valuation Ruling No.1489/2020 dated 19.11.2020 under Section 25A of the Customs Act, 1969, also attracts violation of dictates of Honorable Supreme Court of Pakistan in



case of [Shahzad Ahmed Corporation vs. Federation of Pakistan (2005 PTD 23)] wherein it has been ordered to do a thing in the manner prescribed by the law.

“If any procedure has been prescribed for any legal business, then that legal business will only be transacted under the prescribed procedure only. The clear and plain meaning of law will always prevail over the implied meaning”.

- 18) That as the impugned Valuation Ruling No. 1489/2020 dated 19.11.2020 does not take into the account the basic data of reduction in prices and resulting from value turmoil in market, besides ignoring the parameters for issuance of Valuation Ruling under Section 25A of the Customs Act, 1969. Therefore, the impugned Valuation Ruling No.1489/2020 is void ab-initio and without legal force and need immediate revision by your kind-self.

PRAYER

Keeping in view of above it is prayed that:

- (i) The values fixed through impugned Valuation Ruling No.1489/2020 dated 19.11.2020 may kindly be set aside being contrary to laid down law/procedure and uphold values determined vide previous Valuation Ruling No 1122/2017.
- (ii) The falling price of this item around the World may be factored in determination of values of this item.
- (iii) Till the finalization of revision application the concerned Collectorates may be directed to release the consignments as per previous Valuation Ruling.
- (iv) Grant any other relief deemed appropriate keeping in view the facts and circumstances of the case and the legal position explained above.

3. The respondents were asked to furnish comments to the arguments submitted by the petitioners in the case. Para-wise comments on the petition are given as under:-

4. COMMENTS BY THE RESPONDENT DEPARTMENT

Para-(1): Requires no comments.

Para-(2): Denied. All stakeholders having record of imports in the last six months were called through meeting notice and the copy of the impugned notice is attached in main case file. However none of them appeared before the worthy Director to discuss the matter.

Para-(3-6): It is submitted that the customs values of under reference goods had been determined strictly in accordance with the provisions of Section 25 of the Customs Act, 1969.

GROUNDS

- Para-(1-4): Denied. It is respectfully submitted that the said Valuation Ruling No.1489/2020 dated 19-11-2020, was issued within the four corners of law. Moreover, all the relevant stakeholders having share in imports during the last six months were called twice for the meeting but no one appeared.
- Para-(5-12): Denied. Provisions of Section 25(1) to 25(7) were duly exhausted while issuing the said Valuation Ruling. Import data of previous 90 days was analyzed and evaluated and after gathering all information, the customs values have been determined in terms of Section 25(7) of the Customs Act, 1969, vide above referred Valuation Ruling. Moreover, after thorough investigation and consideration of all aspects, this Directorate General has determined the minimum customs values vide Valuation Ruling No.1489 / 2020, dated 19-11-2020 for level playing field and for uniform assessment all over the Customs Stations of the country.
- Para-(13): Denied. It is submitted that as per the amendment in the Customs Act, 1969, and inclusion of Sub section (4) of Section (25A) of the Customs Act, 1969, the customs value determine under Sub Section (1) of Section 25A, shall be applicable until and unless revised or rescinded by the competent authority.
- Para-(14-17): Not Agreed. However, it is submitted that it is not mandatory for Customs to accept each and every transactional value in terms of Section 25(1) of the Customs Act, 1969. During determination of Customs values in the said Valuation Ruling, all Sub-Sections of Section 25 were duly exhausted sequentially and values were determined in terms of Sub-Section (7) of Section 25 by giving reasons for rejecting previous Sub-Sections of the Act *ibid*. As such the same has lawfully and justifiably been issued in terms of Section 25(7) of the Customs Act, 1969, for uniform assessment all over the country. Moreover, It is submitted that the Petitioners have simply claimed for the acceptance of their declaration but did not submit any tangible documents in support to justify their declarations disclosing full and accurate details relating to the value of the imported goods as per Para-108 of Customs Rules, 2001. As such the transaction value cannot be accepted in absence of any relevant import evidences and documents etc.



P R A Y E R

It is respectfully prayed that the customs values of the subject goods were determined after exhausting all primacy methods of valuation as well as by associating of all importers/stakeholders.

ORDER

5. Hearings were scheduled on 17-02-2021 and 25-02-2021. Mr. Agha Shahid Majeed Khan Advocate represented M/s. Kokab Enterprises, M/s. Ayaan Enterprises, M/s. Moeed Enterprises, M/s. Rios Enterprises and M/s. IBR Enterprises. No other petitioner appeared for hearing.

6. The counsel of the above petitioners stated that importers were not called for the meetings while determining Customs values whereas it is mandatory to listen to the stakeholders before determining the Customs values under Section 25-A of the Customs Act, 1969. The counsel contested that the impugned Valuation Ruling No.1489/2020 dated 19-11-2020 issued by the Director Customs Valuation did not comply with the basic parameters set by the superior courts for issuance of such Valuation Rulings nor was it issued after taking the stakeholders / importers on board. Therefore, the said Valuation Ruling / prices are legally not sustainable in the eyes of law. The counsel further added that, instead of depending on the factual Customs values of transaction based upon the market dynamics, the Director has based the impugned Customs valuation on-hypothetical data and arbitrary values. The Counsel agitated that being aggrieved with non-adherence to legal provisions while issuing the impugned Valuation Ruling No.1489/2020 dated 19.11.2020 coupled with superior court's rulings by the Director, the valuation ruling is liable to be set-aside.

7. The counsel further submitted that in the background for the issuance of impugned Valuation Ruling the Director has indicated that values of subject goods both in international and local markets have shown varying trends. No such evidence of this varying trend has, however, been provided to the stakeholders at any stage of the process of fixation of the values notified through impugned Ruling. The Counsel added that it is in fact the beauty of the Valuation Agreement under GATT 1994 that various qualities of identical goods will fetch different transactional values based on the quality, quantity, time frame, the origin and also the destination of the consignment. However, the Director instead of relying on the factual transactional values resorted to arbitrary fixation of values through impugned Ruling. The counsel pleaded that the Director Valuation has also referred to the EDE data of Chinese export to Pakistan and Pakistani import values of the Ladies under garments but EDE data cannot be made a basis of calculation of values as no such provision is given in Customs Act, 1969.

8. The counsel in addition to that submitted that the department has admittedly applied various valuation methods laid down under Section 25 in sequential order. The transactional value method prescribed under Section 25(1) "was found as inapplicable because no documents were provided by the stakeholders to prove that declared values were true transactional values" by the learned Director. However, the litmus test for non-determination of the Customs value under Section 25(1) of the Customs Act, 1969 is given under Section 25(4) *ibid*. The reason of declaring the Section 25(1) inapplicable by the learned Director at paragraph 4 of the impugned

Valuation Ruling is not covered under Section 25(4) *ibid* and hence jumping to any other method is contrary to the admitted law position by the respondent renders the values fixed through impugned Ruling as void *ab-initio*. The methods as provided under Section 25(5) and 25(6) of the Customs Act, 1969 have been found inapplicable vide paragraph 04 of the impugned Valuation Ruling by the learned Director Valuation “due to absence of demonstrable evidence of qualities and quantities of commercial level.” If the same logic is applied on the deductive method [Section 25(7)] followed by the learned Director, the values fixed in the impugned Valuation Ruling are also based on the market values of Ladies Undergarments for which no demonstrable evidence of qualities and quantities of commercial level is/was available to him. Hence as per the admitted logic of the learned Director the method followed by him in fixing the values in the impugned Valuation Ruling is also inapplicable, hence the same is void.

9. The counsel stressed that the Deductive Method applied by the Director Valuation for the fixation of through the impugned Valuation Ruling requires under Section 25(7) of the Customs Act, 1969, to apply the “Unit Price at which the goods are sold in the greatest aggregate quantity”. This term has been defined under Rule 119 of the Customs Rules, 2001, as “the price at which the greatest number of units is sold in the sales to the persons who are not related to the person from whom they buy such goods at the first commercial level after importation at which such sale takes place”. The value at the greatest aggregate quantity was not taken into the consideration while calculating the price fixed through the impugned Valuation Ruling. This fact is confirmed as the impugned Valuation Ruling is silent as to how the price of the greatest aggregate quantity was calculated.

10. The counsel further stated that bare perusal of contents of para-5 of the impugned Valuation Ruling categorically & clearly reveals that in the absence of necessary information/valid evidence of contemporaneous import of similar or identical goods, the Directorate resorted to determine customs values of under reference goods under sub-Section (7) of Section 25 of the Customs Act, 1969 i.e. Deductive Value Method. However, it is not clearly mentioned therein as to whether the ruling has been issued under clause (a) (b) or (c) thereof.

11. On the other hand, the departmental representative (DR) explained that more than fifty importers/ traders/stakeholders were called for the meeting vide letter dated 22-11-2019 and meeting conducted on 12-12-2019 wherein four importers appeared for meeting including Mr. Shehzad Anjum who represented M/s Kokab Enterprises (the petitioner) and all the participants were requested to submit supporting documents etc. After that, two more meetings were scheduled for 04-11-2020 and 16-11-2020 and all the participants were requested through these letters/ meeting notices to submit supporting documents etc. vide Directorate’s letters dated 26-10-2020 and 05-11-2020 but neither had they submitted any requested documents nor they attended the meetings. Thus, the point of view of the counsel that the petitioners were not given any opportunity is totally wrong and baseless.

12. The DR further explained that the counsel agitated that no stakeholder were called for meetings under Section 25-A *ibid*. The DR, in support of their claim, showed the mailing list of impugned VR which was sent to FBR, all clearance Collectorates/Directorates and trade bodies/FPCCI/Chambers of Commerce. In fact, notices for meetings under Section 25-A *ibid* for determination of Customs values of subject goods were sent thrice to all the stakeholders/importers/ trade bodies/FPCCI/Chambers of Commerce including the Petitioners represented by the above counsel. The DR, in support of his stance, presented the copies of meeting notices under Section 25-A *ibid*, issued to the stakeholders by the respondent department and the representative of the petitioner i.e. M/s Kokab Enterprises had in fact attended the meeting.

13. The DR further stated that since the VR No.1122/2017 dated 10-04-2017 was quite old and values of subject goods both in international and local markets had shown varying trends and EDE data of Chinese Export to Pakistan also indicated variations in value of Chinese Export values vis-à-vis Pakistani import values of subject goods. The DR stated that the section 25 AA of the Customs Act, 1969, gives powers to customs to use data exchange information for determination of customs values. Therefore, the argument of counsel that Chinese EDE data cannot be used for assessment including valuation purpose is void. Moreover, no trader/importer/ stakeholder submitted any requested / required documents to this Directorate even after called thrice. The DR further added that the para-3&4 of the impugned VR clearly shows that importers/ stakeholders were associated while determination of customs values under Section 25A of the Customs Act, 1969. Moreover, valuation methods provided in Section 25 of the Customs Act, 1969, were duly exhausted in their regular sequential order to arrive at customs values of the subject goods. Consequently, the customs values of the subject goods were determined under Section 25(7) of the Customs Act, 1969. The DR submitted that the market inquiries were carried out from a number of different markets including the wholesale markets and the customs values were calculated accordingly. The DR further stated that since the unit of measurement of the instant goods is in Kg. Thus, the values in the valuation ruling were determined accordingly.

14. After listening to the discussion/arguments of the counsel of the petitioners and respondent and perusal of the case record, the undersigned is of the view that the Valuation Department has quite effectively rebutted the contentions of the petitions. They had duly taken the stakeholders on board while issuing the impugned valuation ruling and valuation methods were properly followed. The petitioners were given ample opportunity to substantiate their contentions but they failed to provide any proof in support of their claims. During the course of revision proceedings, the Chinese Export Data (EDE) vis-à-vis Pakistan imports data was also scrutinized which showed massive under-invoicing in the import values of impugned goods as

there is huge difference in value of export figures given by Chinese authorities when compared with declarations made by the importers in Pakistan regarding import of the same goods. Moreover, the section 25 AA of the Customs Act, 1969, gives powers to customs to use data exchange information for determination of customs values. Therefore, the petitioners have failed to prove their case since the EDE Data provided by the Chinese Government under bilateral agreement in accordance with Section 25AA of the Customs Act, 1969, effectively nullifies their stance. It was also cross checked from the attendance register and representative of petitioners Mr. Shehzad Anjum had in fact attended the preliminary hearings before issuance of the impugned ruling and given an opportunity to give their point of view. Therefore, it is concluded that the valuation ruling has been issued in accordance with provisions of law and does not suffer from any legal or procedural infirmities. In view of the foregoing, the valuation ruling is upheld and the revision petitions are hereby rejected accordingly.

15. Being identical on facts and law points, this order shall apply mutatis mutandis to following (07) petitions.

M/s. Asif Brothers, M/s. Abdul Wahab Abdul Razzaque, M/s Abdullah & Co. M/s Moeed Enterprises, M/s Ayaan Enterprises, M/s Rios Enterprises and M/s IBR Enterprises


(Zulfikar Ali Chaudhary) 9.3.2021
Director General

Registered copy to:

M/s. Asif Brothers,
A-316 Block-5 Karachi.

M/s. Abdul Wahab Abdul Razzaque,
Office No: F-347, S.I.T.E, Rasheedabad, Near National Food Ltd, Karachi West SITE

M/s Abdullah & Co.
Office No: 612, S.J Masood Chamber Building,
6th Floor, Opp New Challi Trade Centre, Karachi.

M/s Kokab Enterprises,
M/s Ayaan Enterprises,
M/s Rios Enterprises,
M/s Moeed Enterprises,
M/s IBR Enterprises
C/O Mr. Agha Shahid Majeed Khan Advocate,
Office No.7, Mitha Court, Plot No.BC-07, Block-09, Clifton, Karachi

Copy to:

1. The Member (Customs Policy/Operations), FBR, Islamabad.
2. The Chief Collectors Customs, Appraisement (South)/Enforcement, Karachi/ (Central) Lahore/ (North) Islamabad / Quetta.
3. The Director General of Intelligence & Investigation-FBR, Islamabad.
4. The Collector, MCC Appraisement and Facilitation (East/West) /Port M. Bin Qasim/ Enforcement & Compliance, JIAP, Karachi.
5. The Collector, MCC Appraisement & Facilitation, Lahore / Hyderabad/Faisalabad/Sambrial (Sialkot)/ Multan/ Islamabad/ Peshawar/ Gilgit-Baltistan/ Quetta /Gawadar/ Enforcement & Compliance, Allama Iqbal Int. Airport, Lahore.
6. The Director, Customs Valuation, Karachi/Lahore.
7. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for Uploading in One Customs and WeBOC Database.
8. Deputy Director (Revision), Directorate General of Customs Valuation, Karachi.
9. All Deputy/Assistant Directors (Valuation).
10. Guard File.