

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACH

File No. DG (V) Val.Rev/05/2021

Dated: 23<sup>rd</sup> September, 2021

**Order in Revision No. 29 /2021 under Section 25-D of the Customs Act, 1969  
against Valuation Ruling No. 1505/2020 Dated: 30-12-2020**

- 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 Global Royal Trading  
M/s Shinwari Traders

VERSUS

PETITIONERS

Director, Customs Valuation, Karachi

RESPONDENT

Date(s) of hearing

09-09-2021

For the Petitioners

Mr. Junaid Shinwari for M/s Shinwari Traders

For the Respondent

Mr. Umar Baloch Principal Appraiser  
Mr Altaf Hussain Mangi, Valuation Officer

This revision petition was filed under Section 25-D of the Customs Act, 1969, against customs values determined vide Valuation Ruling No. 1505/2020, dated 30-12-2020, issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

**M/s Global Royal Trading**

"Being highly aggrieved by and dissatisfied with the above mentioned Valuation Rulings issued by the Respondent, the Appellant above named file this review application with the submissions that the Respondent has issued the subject Valuation Ruling for INSTANT DRINK POWDER and mostly importing from all over the world etc (subject to importability conditions as per IPO) to the provision of Section 25 of the Customs Act, 1969 read with Chapter IX of Customs Rules, 2001 and without evaluating the nature of the goods in question and the dictum laid down by Superior Courts of Pakistan, hence this review before the Honourable Review Authority for decision after consideration of the facts and grounds enumerated herein below.

**FACTS**

1. That the Appellant is a commercial Importer of INSTANT DRINK POWDER and importing from all over the World.

2. Previously the concern Group assessing these items in accordance of the DATA/EVIDENCES
3. Now the Valuation Department issued a Fresh Valuation Ruling No. 1505/2020 DATED 30.12.2020 in which they have mentioned the Unit prices of our above mentioned imported items with too much higher values than compared to the data
4. In this connection we hereby to say that as you are well aware that due to the COVID-19 the prices of all the imported items are reduced in International Market and we are not in a position to compete in local/international Market
5. We further to say that in all over the world the FUEL/PETROLEUM PRICES are also going downward due to the PANDEMIC situation the World

#### **GROUND**

1. That the Valuation Rulings as referred above does not cover the present fluctuation of prices of International Market which have been reduce to about half of the prices and the product of the applicant completely based on International Prices.
2. That we hereby to inform you that in the International Market the prices of all the items are going donated due to PANDEMIC DISEASES COVID-19 and so that we are unable to sale the imported goods in local Market due to higher assessment.
3. We are an Importer and regularly importing the consignment from all over the world and now we are submitting our REVIEW APPLICATION U/S 25-D of C.A. 1969 and we request your kind honour to please review our case and re-issue the fresh Valuation with correct and actual value to enable us to further Imports the consignments from abroad and to get clearance of the consignments from Customs.

#### **PRAYER**

It is therefore, humbly prayed that this Revisional authority may be pleased to allow the review application by declaring order that:

1. The Valuation Ruling No. 1505/2020 DATED 30.12.2020 have been issued on forced construction of Section 25 of the Customs Act, 1969, hence ab-initio, null and void and is liable to be withdrawn forthwith
2. The Transactional/declared value of the applicant to the sported goods is deemed to be fair and answer to the expressions of Section 25(1) of the Customs Act, 1969, in Rule 113 of Chapter of the Customs Rules 2001.
3. Any other reliefs) which this Honourable Revisional Authority may deem fit and proper in the circumstances of the case may also be granted."

#### **M/s Shinwari Traders**

"We are the regular Importer of Instant Drinking Powder and regularly importing from abroad Directorate of valuation issued Valuation Ruling No. 1505/20220 dated 31.12.2020. The Valuation Department issued the Meeting Notice to all the stake holders but due to COVID-19 our office remained closed and we did not receive any letter from the Customs.



It is also to state that Valuation Ruling issued with too much higher Unit Price and we are not in a position to accept such higher assessment as International Market the prices of each items going downward.

We are submitting our REVIEW APPLICATION and we request your kind honour to please allow for issuance of fresh Valuation Ruling / Order-In-Revision against the above mentioned Valuation Ruling U/S 25-D of CA, 1969 and fix the actual value of our imported item. Please accept our review application as due to wide spread Covid-19, we could not file review application within time limit so it is humbly requested to condone this delay and accept our review application.

2. 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:-

#### **BREIF FACTS OF THECASE**

After conducting detailed analysis of Pakistan's import for the year 2019-2020, the Directorate General of Customs Valuation, Karachi, was tasked by FBR to identify the items/goods where variation w.r.t. values in exporting countries viz-a-viz import values in Pakistan were observed. Accordingly, a special team was constituted in Directorate General of Customs Valuation, Karachi which identified the subject items as prone to under-invoicing as vast variations in declarations were observed. Accordingly, an exercise was initiated to determine the customs values of **Instant Drinking Powder** under Section 25-A of the Customs Act, 1969 value of **Instant Drinking Powder** and valuation Ruling No.1505/2020 issued on 31-12-2020 as per law.

#### **REPLY OBJECTIONS / COMMENTS FACTS**

In reply to the contents of the above referred review petition the, para-wise comments on behalf of the Respondent are submitted as under:-



- Para (1): Need no comments being related to introduction of the importer.
- Para (2): Need no Comments relate to importer previous import and its assessment.
- Para (3): In line with the statutory sequential order of section 25, this office then conducted a market enquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act 1969. All the information was analyzed and evaluated and Sub-Section (7) of Section 25 of the Customs Act, 1969, was applied to arrive at assessable Customs Values of Instant Drink Powder. The impugned Valuation Ruling has been issued by the competent authority as per the law laid down in Section 25 (7) of the Customs Act, 1969.
- Para (4): Valuation Ruling was issued after gathered all information local/international for the purpose of determination of customs values under Section 25(7) of the Customs Act, 1969.
- Para (5): In order to ensure proper assessment of goods, the values of Instant Drink Powder was determined in accordance with law, after taking all the stakeholders on board. The values so determined were notified under Section 25A of the Customs Act, 1969 for uniform implementation across the country and is applicable unless revised or rescinded in terms of 25A(4) of Customs Act, 1969. The Director valuation has to perform his duty within his jurisdiction to determined Customs Values on Genuine ground to save the national exchequer.

### GROUND

- Para.1 *Denied and vehemently contested. This is merely a false statement, based on ignorance of law and procedure. The learned Director Customs Valuation has acted within his powers conferred under Customs Act, 1969. The Valuation Ruling No.1505/2020 issued on 31-12-2020 was determined as per law in accordance of the provisions of Section 25A read with Section 25 of the Customs Act, 1969. Meeting fixed on 09-11-2020 and 17-11-2020 with stakeholders but no one appeared on meetings. Market enquiry conducted under sub section (7) of 25 of the Act ibid and Customs Values of Instant Drinking Powder determined under Section (7) of Section 25 of the Customs Act, 1969 as per law.*
- Para 2. *Denied. Valuation Ruling itself a speaking one clearly reveals that section 25 of the Customs Act, 1969 for the purpose of determination of customs values have been exhausted in accordance with it spirits for determination of Customs value under Section 25A of the Customs Act, 1969.*
- Para 3 *The Valuation Ruling No. 1505/2020 dated 20-12-2020 of imported of Instant Drinking Powder issued under Section 25-A of the Customs Act, 1969 is as per law. In presence of valid Valuation Ruling issued by the competent authority for uniform application, there exists no justification to accept the transaction value for assessment.*

### PRAYER

- a) *It is respectfully prayed that the impugned Ruling was issued after exercising all existing methods of valuation and consequently customs values were determined under section 25 (7) of the Customs Act, 1969. On other side the petitioners have not furnished any requisite documents/evidences in support of petitioners transaction value, the petition has no merit for consideration and is liable to be rejected.*
- b) *The values determined are not contradictory, unreflective, illegal and unlawful. The Valuation Ruling No. 1472/2020 dated 16-09-2020 of imported of Instant Drinking Powder issued under Section 25-A of the Customs Act, 1969 is as per law. In presence of valid Valuation Ruling issued by the competent authority for uniform application, there exists no justification to accept the transaction value for assessment.*
- c) *It is therefore prayed in the light of above explained position that the ruling may be allowed to hold in field in the interest of justice and to safeguard the Government exchequer.*

### ORDER

3. The case was heard on 09-09-2021. The petitioner (M/s Shinwari Traders) reiterated the arguments, submitted earlier, in writing. They contended that the notified prices are very much on the higher side basing their arguments on the grounds that their item is a low end brand. In addition, the petitioners were of the view that the Valuation Department did not follow the valuation methods properly as well as contesting the market inquiry, conducted by the department, as the same did not objectively reflect the prevalent market prices. The petitioner was asked during the hearing proceedings to provide documentary proof of supply/sale of goods in support of their Customs values, which could be cross verified by the department. However, they could only provide two simple cash memos and not sales invoice. On the other hand, the departmental representative (D.R.) explained in detail the valuation methodologies in terms of Section 25 of the Customs Act, 1969 adopted by them to arrive at the Customs values determined under Section 25-A of the ibid Act (vide impugned valuation ruling). In support of department's contention, the DR presented various details of the valuation exercise/ working

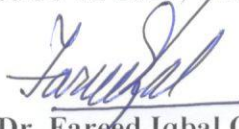




and details of comprehensive market inquiry reports as available on record to support the values determined vide impugned VR.

4. After listening to the detailed discussions/ arguments of petitioner and department and perusal of the case record, it is evident that the Valuation Department had duly taken the stakeholders on board while issuing the impugned valuation ruling. They were given sufficient opportunity to give their inputs including documentary proof/evidence to substantiate their transaction value but they failed to provide any such proof or fact in support of their low declared values. Moreover, except the petitioner, it was observed that imports of instant drinking powder are regularly being cleared on the customs values determined vide impugned VR.

5. I, therefore, do not see any reason to interfere with the values determined under Section 25A of the Customs Act, 1969, through Valuation Ruling No.1505/2020 dated 30-12-2020, which accordingly, is upheld.

  
(Dr. Fared Iqbal Qureshi)  
Director General

Registered copy to:

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02	M/s Global Royal Trading Office No.3, 3 <sup>rd</sup> floor, New Yusuf Plaza, Old Quetta Wala Market, Bolton Market, M. A. Jinnah Road, Karachi Tel: 021-32473261

Copy to:

1. The Member (Customs Policy/Operations), FBR, Islamabad.
2. The Chief Collectors Customs Appraisalment (South)/Enforcement, Karachi/ (North) Islamabad / (Central) Lahore/ Quetta.
3. The Collector, MCC Appraisalment and Facilitation (East/West ) /Port M. Bin Qasim/ Enforcement & Compliance, JIAP, Karachi.
4. The Collector, MCC Appraisalment & Facilitation/Enforcement & Compliance, AIIA, Lahore/Quetta/Peshawar/Faisalabad/Sambrial/Multan/Hyderabad/Islamabad/Gilgit-Baltistan/Gawadar.
5. The Directorate General of Intelligence & Investigation (Customs), Islamabad /Lahore /Peshawar / Multan / Hyderabad / Gawadar / Quetta.
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.