

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS (VALUATION)
CUSTOM HOUSE, KARACHI

File No. DG (V) Val.Rev/48/2021/185.

Dated 18th February, 2022

Order in Revision No. 14 /2022 under Section 25D of the Customs Act, 1969,
against Valuation Ruling No. 1571/2021 Dated: 26-11-2021

M/s. Henkel Industrial Adhesives Pakistan (Pvt) Ltd & Others PETITIONERS

Director, Customs Valuation, Karachi RESPONDENT

VERSUS

Date(s) of hearing

29.12.2021 and 27-01-2022

For the Petitioners

Mr. Shahbaz Sair
Mr. Saghir Shah
Mr. Younus Rao Advocate

For the Respondent

Mr. Iqbal Ali, Principal Appraiser

This revision petition was filed under Section 25D of the Customs Act, 1969, against Customs values determined vide Valuation Ruling No. 1571/2021 dated 26.11.2021, issued under Section 25A of the Customs Act, 1969, inter alia, on the following grounds:

"BRIEF FACTS OF THE CASE"

1) The Petitioner, Henkel Pakistan, is the leading supplier of Hot Melt Adhesives which is serving the needs of a wide range of industries including diapers, hygiene, packaging, food & beverage, automotive and other general industries for the last 13 years in Pakistan. Given the increased valuation, this decision is directly disrupting one of the major industries in Pakistan, which is significantly contributing to the needs of the local populace as well as the export-oriented customers. Petitioners bear a good reputation and are a law-abiding multinational company and have never indulged in any kind of violation of law in the past.

2) The Petitioner was aggrieved by the values of Hot Melt Adhesive with the commercial name Techno melt which were earlier determined through Valuation Ruling No. 1027/2017 dated 02.02.2017. Reference was made by the Petitioner before the Respondent for redetermination of the values on the following grounds:-

i) International prices of the aforementioned items had undergone reduction. Evidence thereof was provided with the reference application including prevailing prices of the said item being imported from China, India and Europe.

ii) Values of this item imported from China during the period November 2018 to June 2019 ranged between US\$ from US\$ 1.95/Kg to US\$ 2.49/Kg.

iii) Likewise, prices of the said item imported from India during the period Dec 2018 to June 2019 were in the range of US\$ 1.71/Kg to US\$ 2.00/Kg.



iv) The prices of the identical goods imported from Europe during the period April 2018 to June 2019 were in the range of US\$ 2.47 to US\$ 2.69/Kg. (The copies of relevant invoices were provided which are again attached herewith at Annexure-E to G for China, India and Europe respectively).

3) It was requested that the Customs values notified through the Valuation Ruling 1027/2017 may be revised downwardly keeping in view the latest prices as indicated in the data attached thereto with the request to also consider the import data of the year 2019.

4) The learned Respondent had conducted hearing(s) in the instant case where we had presented our point of view with other pieces of evidence of imports at comparatively lower values. However, to the utter shock and surprise of the Petitioner, the learned Respondent without taking our submissions into consideration, has issued the subject Ruling wherein values of the Techno melt have been determined the at even higher than the ones notified vide the previous Ruling.

GROUND OF PETITION

A. After a series of discussions, the Customs House has arrived at a decision to increase the valuation on the import of Hot Melt Adhesives falling under the heading 3506.9190. This decision is not only unexpected but also astonishing as it is detached from the ground realities. A decision, which totally ignores the actual transaction values and is going to impact economic growth and progress in Pakistan negatively.

B. In the Valuation Ruling at Para-4 the Respondent has mentioned the methods adopted to determine Customs values. The Ruling discards the application of Section-25(1) owing to wide variation in the values being declared to the Customs and also due to non-availability of the requisite data. The subject product is being imported by us as well as other genuine importers for last many years and there is abundant import data of the subject product. Our values are the true transaction values. However, the learned Respondent has not taken into consideration the actual transaction values of the Petitioner, which is against the very spirit of Section-25(1) as well as against provisions of WTO Agreement on Valuation of Goods. It is important to note that we had also supplied copies of load port/export GDs filed in the country of export which otherwise confirm the genuineness of our transaction values.

C. With regard to sub-Sections (5) and (6) of Section-25 of the Customs Act, the Ruling again holds that the prices of identical and similar goods could not be relied upon due to wide variation in the declared values of subject goods. Here we would like to submit that the Valuation Ruling itself concedes that in the market there is wide variation in prices of identical/similar goods. In fact, there is abundant data of identical and similar goods available with the Customs to arrive at fair value of subject goods instead of fixing arbitrary prices as has been done in the impugned Ruling.

D. The Ruling further mentions that a market inquiry was conducted where a number of items sold in the local market were obtained and Customs values were worked out using Deductive Method of Valuation. In this regard it is submitted that the Respondent did not take into account the provisions of sub-Section (7) of Section-25 pertaining to Deductive Value Method which lays down that the Customs value of the imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are so sold in the greatest aggregate quantity, at or about the time of the importation of the goods being valued, to persons who are not related to the person from whom they buy such goods. The Valuation Ruling does not share any such market inquiry that had been conducted prior to issuance of this Ruling.

E. The Respondent has not divulged any correspondence with the foreign exporters carried out by him to fulfill the requirement of Section-25(8) of the Customs Act, 1969.

F. The Ruling has been issued by using Fall Back method under Section-25(9) of the Customs Act, 1969. Sub-Section-(9) of Section-25 of Customs Act, 1969 comprises of following elements in light of the judgment of Hon'ble Sindh High Court in Goodwill Traders case (reported as 2014 PTD 176)

- a) Firstly it is to apply only if it is determined that the valuation methods contained in sub-Sections (1), (5), (6), (7) and (8) cannot be applied;
- b) Secondly, its application is subject to "rules", which at present means the Customs Rules, 2001 ("Rules");
- c) Thirdly the basic framework of how value is to be determined in terms of the sub-Section has also been specified. The value must be determined on a basis that is "derived" from among the valuation methods specified in sub-Sections (1), (5), (6), (7) and (8). However, it is permissible to apply these subsections in a "flexible manner".
- d) This method does not permit a complete abandonment of the valuation methods specified in sub-Sections (1), (5), (6), (7) and (8). These cannot simply be pushed aside and ignored altogether. Rather, what sub-Section (9) envisages is a value derived on the basis of anyone of the other valuation methods, flexibly applied or a suitable blending of elements from two or more of the other valuation methods, again applied flexibly. The fall-back method as contained in sub-Section (9), therefore, envisages the application of a method that could recognizably be referred back to anyone of the other valuation methods or to a combination of the elements of two or more of them.
- e) The second point to be noted with regard to the basic framework of valuation process is that it ties sub-Section (9) much more closely and strictly to the other valuation methods than does Article-7 of the WTO Valuation Agreement. The latter allows the use of "reasonable" means, which are required only to be "consistent" with the "principles" and "general provisions" of the Valuation Agreement and also of Article VII of GATT, 1994. Thus, Article 7 allows far greater latitude and may possibly make permissible a larger departure from the other valuation methods. This, however, is not permissible under sub-Section (9). It is more rigidly structured. Rather than leaving the matter rather open-ended, for the value to be determined by Customs authorities essentially at their discretion under loosely worded guidelines (as would have been the case had the language of Article 7 been used), the legislature has chosen to draw the boundaries more tightly. The requirement is not of reasonableness or of consistency with principles and provisions generally. The procedure or method to be followed is laid down with much greater clarity and specificity and expressly tied to the other valuation methods.
- f) Rules-110 clearly states that if the value cannot be determined in accordance with the valuation methods laid down in sub-Sections (1), (5), (6), (7) and (8) (i.e. resort must be had to the fall-back method under sub-Section (9), then the import data available with the Department must be used).
- g) Sub-rule (1) of Rule-121 requires that "to the maximum extent", values under sub-Section-(9) must be based on "previously determined customs values of identical goods assessed within ninety days".
- h) The manner in which that section interacts with the various subsection of Section 25 means that whenever a valuation ruling is to be issued under Section 25-A with reference to the fall-back method, the concerned authority is duty-bound to keep in mind and take into consideration the relevant Rules. The Valuation Ruling must be issued in a manner that is not inconsistent with the aforesaid Rules.
- i) Section 25-A confers a statutory power on the concerned authority. That power must be lawfully exercised. If it is not, then it is no answer to the importer's case that he brought in his goods by accepting the value given in the ruling. To hold otherwise would, e.g., make it permissible for the concerned authority to issue a valuation ruling on the basis of an understanding or agreement with one or more concerned importers or an association or other trade body. Such a ruling would be unlawful as it would be in negation of the mandate of law.

G. In view of the detailed scrutiny of Section-25(9), the relevant Rules and mandate of Section-25A by the Hon'ble Sindh High Court as above, it is clear that the impugned Valuation Ruling does not match the parameters of the laid down provisions of Section-25 and 25A of the Customs Act, 1969, hence

requires to be set aside. Further, the determined Customs Values for the assessment of Hot Melt Adhesives laid out in the impugned Ruling are completely unrealistic, unfair, and in conflict with actual values paid to the supplier by the Petitioner. The valuation is neither based on factual evidence and data neither presented by the importers nor is it based on the last 90 days' historical import data.

H. Without prejudice to the above, it is submitted that:-

(a) Values determined through earlier Valuation Ruling 1027/2017 were US\$ 3.00/Kg for China, UAE, KSA, Indonesia, Malaysia and Thailand origin Hot Melt Adhesives granules, pellets and chips. We had provided evidence of lower values @ US\$ 2.7/Kg. However, the learned Respondent instead of revising the values downwardly, has chosen to increase the values by 30% approximately @ US\$ 3.5/Kg, which is quite illogical and unjustified.

(b) We had shared all the cost ingredients accounted for in the supplier invoices which were backed by LCs, Bank Contracts, End User Sales Tax invoices etc. However, these have been conveniently ignored while issuing the Ruling. Had the Respondent taken into consideration all these documents, it would have been easier to understand the importer's point of view as it would have reflected the ground realities to the Valuation Department.

(c) We, as the leading Hot Melt Importers in Pakistan, have duly submitted all relevant documents and information. It was requested by the importers that the valuation ruling be issued by taking into account the high-volume items as per the import data. As brought up in one of the meetings, the Valuation department has cherry-picked and provided the evidence of small quantity imports of Hot Melt Adhesives by someone outside of the country. Naturally, the price of one single bag will be high given the high freight costs and other shipping charges. We are confident that this forum is cognizant of the fact that forming the valuation ruling on the basis of this selected example where an online vendor is selling a small quantity at a high value is unrealistic and unfair to the importers.

(d) Majority of the Hot Melt Adhesives importers is registered with Income Tax and Sales Tax department and they are issuing formal invoices to their end customers as well as monthly and annual income tax returns. The market value of the end-product, while accounting for the operating expenses, margins etc., can serve to be a valid indicator of the actual cost of the materials. Further, as emphasized before, we have provided the detailed data including LC, Bank Contract, Fund Transfer Receipt, Sales Tax Invoices etc. which clearly lay out the actual costs to determine the valuation. These documents along with the latest prices of the subject goods (90 days data) are attached herewith for the scrutiny of this forum.

PRAYER

a) In view of the foregoing factual and legal submissions, it is prayed that the impugned Valuation Ruling may be set aside being not maintainable under the facts, law and circumstance of the case.

b) We reserve our right to be heard and make additional submissions before or at the time of hearing."

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:-

"FACTS OF THE CASE"

Earlier Customs values of Hot Melt Adhesive Glue Stick / Granules / Chips / Pellets / Solid / Other Forms were determined under Section 25A of the Customs Act, 1969; vide Valuation Ruling No.1027/2017 dated 02-02-2017. Several representations were received from various importers regarding re-determination of customs values, being old and keeping in view change in market prices including the freight factor. The Director General Customs Valuation, Karachi vide letter No.DG (V)

Misc/05/2021/579 dated 13-08-2021 also directed to re-determine the customs value of Hot Melt Adhesive. In view of the foregoing, a fresh exercise was conducted for determination of customs values of the subject goods in terms of Section 25A of the Customs Act, 1969. Meetings were held on 02-03-2021, 17-03-2021 and 13-09-2021 which were attended by different stakeholders. The participants were requested to submit following documents before or during the course of meetings so that customs values could be determined: -

- i) Invoices of imports made during last three months showing factual value
- ii) Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii) Copies of contracts made/LCs opened during the last three months showing value of item in question and;
- iv) Copies of Sales Tax paid Invoices issued during last four months showing the difference in price to substantiate that the benefit of difference in price was passed on to the local buyers.

During the meetings, stakeholders were of the view that the values of the subject goods in the existing Valuation Ruling are old and needs to be revised. They contended that the values of the goods are on a downward trend and a fresh Valuation Ruling may be issued accordingly. In addition thereto, the importers requested to cover hot melt adhesive in solid form under the scope of VR. The importers were requested to submit the relevant documents in order to substantiate their contentions. Accordingly, after exhausting all valuation methods as envisaged under Section 25 of the Customs Act, 1969, customs values of under reference goods were determined in terms of Section 25(9) of the Customs Act, 1969, for uniform assessment all over the country vide impugned VR.

PARAWISE COMMENTS

In reply to the contents of the instant petition, parawise comments on Valuation Ruling No.1571/2021 dated 26-11-2021 on behalf of Respondent above named are submitted as under : -

Para (1) Need no comments.

Para (2&3) It is submitted that the contents of Para-(2&3) are denied to the extent declared value of the consignment is not reliable and not acceptable in terms of Section 25 (1) of the Customs Act, 1969, in presence of Valuation Ruling available under Section 25-A of the Customs Act, 1969. The Valuation Ruling is exhaustive which is always taken for assessment purpose in cases where the declared value is on lower side. The Valuation Ruling has been issued under Section 25-A of the Customs Act, 1969, which always prevails upon the declared value, which in turn is not proof of exact transactional value. The record of previous Valuation Ruling No.1027/2017 dated 02-02-2017 was duly considered. Moreover, assessments are being made as per said Valuation Rulings all over the country but only the under reference petitioner is aggrieved.

Para (4) Not denied. However, it is submitted that customs values in the impugned Valuation Ruling has been determined sequentially by following all valuation methods as provided in Section 25 of the Customs Act, 1969, and giving reasons for rejection thereof. Submissions made by the petitioners were also duly considered. Online and market prices and freight factors were also taken into consideration while determining the customs values of under reference goods. After exhausting Sub-Sections to (9) of Section 25, the customs values have been determined in terms of sub-Section (9) of Section 25 of the Customs Act, 1969, for uniform assessment all over the country.

GROUND

Para (A&B) Not Agreed. It is submitted that while issuing the Valuation Ruling for any imported commodity under Section 25-A, the Director of Customs Valuation has been empowered to exhaust all the valuation methods i.e. Sub-Sections (1) (5) (6) (7) (8) & (9) of Section 25 of the Customs Act, 1969 sequentially. It is submitted that customs values for issuance of Valuation Rulings are properly determined in terms of sub-Sections to (9) of Section 25 of the Customs Act, 1969, sequentially.



However, the word "whichever is applicable" as used in sub-Section (1) of Section 25A gives discretion to the competent authority to adopt the method as suited to the determination of value under Section 25-A of the Act, which may or may not be applied in a sequential manner. Moreover, it is submitted that it is not necessary that the transaction value of the petitioners must be accepted by the Customs authorities. According to the provisions of Section 25 of the Customs Act, 1969, the burden of proof that the declared transaction values are fair lies upon the importer who may justify their declarations through documentary evidences.

Para (C) Denied. It is respectfully submitted that the customs value of under reference goods had been determined strictly in accordance with the provisions of Section 25 of the Customs Act, 1969. Moreover, the petitioners, on the other hand, did not submit the requisite corroboratory import documents or any evidence to substantiate their cause of grievance and to enable this forum to verify the truth and accuracy of transaction value of the applicant. As per Rule-109 of the Valuation Rules issued under SRO No.450(I)/2001, dated 18-06-2001, (Chapter-IX), in the absence of valid import documents, the burden to prove the of transaction value shifts to the importers/applicants. As such the same is not against the principles of laws rather the same is based on factual ground realities.

Para (D&E) It is respectfully submitted that the impugned Valuation Ruling was issued after thorough investigation and all aspects were considered. In this regard it is submitted that this Directorate General has determined the minimum customs values vide Valuation Ruling No.1571/2021, dated 26-11-2021 for level playing field and for uniform Assessment all over the Customs Stations of the country. Provisions of Section 25(1) to 25(9) were duly exhausted while determining and 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(9) of the Customs Act, 1969, vide above referred Valuation Ruling for uniform assessment all over the country. It is further submitted that the Petitioner has 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 in presence of the clear Valuation Ruling in the field, transaction value cannot be accepted in absence of any relevant import evidences and documents etc.

Para (F&G) Denied. It is submitted that the customs value of under reference goods been determined strictly in accordance with the provisions of Section 25 of the Customs Act, 1969. Moreover, the petitioners, on the other hand, did not submit requisite import documents or any evidence to substantiate their cause of grievance and to enable this forum to verify the truth and accuracy of transaction value of the applicant. As per Rule-109 of the Valuation Rules issued under SRO No.450(I)/2001, dated 18-06-2001 (Chapter-IX), in the absence of valid import documents, the burden to prove the of transaction value shifts to the importers/applicants. As such the same is not against the principles of law rather the same is based on factual ground realities. The said Valuation Ruling No.1571/2021, dated 26-11-2021 has lawfully and justifiably been issued in terms of Section 25A of the Customs Act, 1969, for uniform assessment all over the country.

Para (H) Not Agreed. 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. However, the said Valuation Ruling No.1571/2021, dated 26-11-2021 has lawfully and justifiably been issued in terms of Section 25A of the Customs Act, 1969, for uniform assessment all over the country. It is respectfully submitted that it is not mandatory for Customs to accept each and every transactional value. As such the transaction value cannot be accepted in absence of any relevant import evidences and import documents etc in terms of Para-108 of the Customs Rules, 2001. It is further submitted that the meeting with stakeholders was held on 02-03-2021, 17-03-2021 and 13-09-2021 which were duly attended by the commercial importers as well as official bearers/representatives of the concerned Association. The participants as well as the Association were requested to provide the documents like copies of contracts made/LCs, Sales Tax Paid

Invoices to substantiate their contention of decrease in market prices. Yet they did not provide required documents before meeting. Again during the meeting the participants were requested to submit: -

- i) *Invoices of imports made during last three months showing factual value*
- ii) *Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.*
- iii) *Copies of contracts made / LCs opened during the last three months showing value of item in question and;*
- iv) *Copies of Sales Tax paid Invoices issued during last four months showing the difference in price to substantiate that the benefit of difference in price was passed on to the local buyers.*

Instead of furnishing any documentary evidence about downfall in prices in international market, they relied upon their rhetoric of decline in International market prices. They were repeatedly requested to furnish sales tax invoices along with monthly sales tax return filed with Inland Revenue Department as sales tax invoices are authentic document to ascertain local market price and as the Customs has authority in terms of sub-Section (11) of Section 25 of the Customs Act, 1969, to call any documents to satisfy themselves about the truthfulness or accuracy of any information or declaration made to Customs for valuation purpose. None of them submitted sales tax invoices along with monthly sales tax return, on one excuse or the other.

PRAYER

a. *In view of above narrated facts, it is submitted that the petitioner is required to get clear the goods as per Valuation Ruling issued under Section 25-A of the Customs Act, 1969, which is legal and lawful. The Valuation Ruling No.1571/2021, dated 26-11-2021 has lawfully been issued after considering all the facts and figures and after following valuation methods sequentially. As such the same may be allowed to hold field for uniform assessment all over the country. The assessments made on the basis of Valuation Ruling are correct and petitioners are liable to pay duty/taxes as per Valuation Ruling. On the other side the petitioner failed to furnish the requisite documents particularly copies of Sales Tax Paid Invoices issued during the last four months showing the values of suppliers (excluding duty & taxes) to substantiate their contentions. Moreover, at the time of exercise of Section 25A and meetings, the petitioner did not provided requisite import documents to the Respondent in support to justify their contention which are essentially required for determination of customs values.*

b. *In view of above, it is respectfully prayed that the said Valuation Ruling may be allowed to hold field for assessment being lawful and valid. Further, transaction value cannot be accepted in absence of any tangible import documents. As such no relief is warranted to be given to the petitioners and assessments are liable to made as per said Valuation Ruling. In the light of above submissions and factual position, the under reference petition being not maintainable is liable to be dismissed and rejected accordingly.*

c. *In the light of above submission and factual position, the under reference petition being not maintainable is liable to be dismissed and rejected accordingly.*

ORDER

3. Hearings in this case were held on 29-12-2021 and 27-01-2022 on which dates both the petitioners and departmental representatives (D.R.) were heard. The contention of the petitioners primarily was on the following issues:-

- i) That hot-melt adhesives are primarily consumed in the hygiene industry in Pakistan (Diapers and Sanitary Napkins). Formulation of these nature of adhesives vary widely according to required performances but broadly consist of (a) Rosin Esters (b)

Hydrocarbons and (c) Hydrogenated Hydrocarbons. However, where demand is for more specialized adhesives, there are specialized formations which are high in terms of cost & selling prices and as such there are wide variances in prices. Due to diversity in industrial requirement, it is not possible to apply generic value for the large number of hot melt adhesives (having specific application grade).

- ii) They further added that their suppliers are European Companies (having manufacturing units in China) which have very stringent controls vis-à-vis ensuring fair prices and correct declarations without any element of mis-invoicing. In their view the unprecedented increase in the impugned valuation ruling is completely unfair and unwarranted being detached from the ground realities.
- iii) During the period in question, the international prices of the subject item had undergone reduction including prevailing import prices of the product originating from China (US\$ 1.95/kg - US\$ 2.49/kg) and Europe (US\$ 2.47/kg - US\$ 2.69/kg). They reiterated that they had provided copies of relevant invoices of respective imports from these origins. They further added that values determined in respect of hot melt adhesives (in form of granules, pallets and chips) through earlier Valuation Ruling No.1027/2017 dated 02-02-2017 @ US\$ 3/kg, I/O China, UAE, KSA, Indonesia, Malaysia and Thailand was on the higher side vis-à-vis evidence of lower values @ US\$ 2.7/kg. In spite thereof, the respondent has increased the values by 30% approximately to US\$ 3.5/kg, which is unjustified.


4. On the other hand, the D.R. explained that earlier Custom values of hot melt adhesive glue stick/granules/chips/pallets/solid/other forms, were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1027/2017 dated 02-02-2017. Several representations were received from various importers regarding re-determination of Custom values, being old as well as the department's apprehension vis-à-vis change in market prices including the enhanced freight factor. In view of the foregoing, a fresh exercise was conducted for the determination of Customs values of the subject goods and meetings were held on 02-03-2021, 17-03-2021 and 13-09-2021 which were attended by stakeholders/traders. The D.R. further submitted that Customs values through impugned valuation ruling were determined sequentially by following valuation method as provided in Section 25 of the Customs Act, 1969 and given reasons for rejection thereof. Submissions made by the petitioners were also duly considered. Online/market prices and prevailing freight levels were also taken into consideration while determining the Customs values of under reference goods and finally the Customs values were determined in terms of sub-Section (9) of Section 25 of the ibid Act for uniform assessment across the country.

5. After listening to the discussion/arguments of the petitioners, respondent and perusal of the case record, it is apparent that the process adopted under Section 25-A suffers from procedural/ material shortcomings i.e. in determining the ascertained values, the department appears to have averaged out the values of the impugned items (appearing in the 90 days data) without taking into consideration the respective volume of their imports due to which the high value items (constituting minimal import quantum of the total quantity of imports), have disproportionately affected the determined values towards the higher side. Accordingly, the impugned Valuation Ruling No.1571/2021 dated 26.11.2021 is, hereby, set aside and the Director, Customs (Valuation), Karachi ordered to undertake fresh exercise,

under Section 25A of the Customs Act, 1969, to determine the Customs values of subject item while determined the Customs values include analysis of the weighted average values. This exercise is to be completed within 30 days in accordance with law, after giving a fair opportunity of hearing to the petitioner(s) / stakeholders. The instant revision petitions, filed in terms of Section 25D of the Customs Act, 1969, are disposed off accordingly.

6. Being identical on facts and law points, this order shall apply, mutatis mutandis, to the following (03) petitions.

- 1) M/s S.I. Chemicals.
- 2) M/s S.A. Chemicals.
- 3) M/s Ozone Enterprises.


(Dr. Farid Iqbal Qureshi)
Director General

Registered copy to:

M/s. Henkel Industrial Adhesives Pakistan (Pvt.) Ltd.
Office No.704-A, DHA Haly Tower, Block-R, Lalik Jan Chowk, DHA Phase-II, Lahore-54792.

M/s. S.I. Chemicals,
Mehran Town, Plot No. A 17 & 19, Block 6F, Near Meraj Masjid, Opp SGS Building,
Korangi Industrial Area, Karachi-74900.

M/s. S.A. Chemicals,
Mehdi Towers, Suite No. 403, 115A, Shahrah-e-Faisal, Karachi-74400.

M/s. Ozone Enterprises,
Office No. 210, 2nd Floor, Plot No. G6, Continental Trade Centre, Block-8, Clifton, Karachi.

Copy to:

- 1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Intelligence and Investigation (Customs)-FBR, Islamabad.
- 3) The Director General (Reforms & Automation), Custom House, Karachi.
- 4) The Director General, PCA& Internal Audit, Custom House, Karachi.
- 5) The Director General, IOCO, Custom House, Karachi.
- 6) The Director General, Transit Trade, Custom House, Karachi.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs Enforcement (Central), Custom House, Lahore.
- 9) The Chief Collector of Customs Appraisalment, (Central), Custom House, Lahore.
- 10) The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
- 11) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 12) The Chief Collector of Customs, Appraisalment (South), Custom House, Karachi.
- 13) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
- 15) The Director, Directorate of Customs Valuation, Lahore.
- 16) The Collector of Customs, Collectorate of Customs, (Appraisalment - West / Appraisalment - East/
Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisalment /
Enforcement), Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore / Appraisalment,
Faisalabad / Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit - Baltistan /

(Appraisalment / Enforcement), Peshawar / Enforcement, Dera Ismail Khan/ Exports (Port Muhammad Bin Qasim / Custom House), Karachi.

- 17) The Secretary (Valuation & Audit), Federal Board of Revenue, Islamabad.
- 18) Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC Database System.
- 19) Deputy Director (Revision), Customs Valuation, Karachi
- 20) All Deputy Directors / Assistant Directors, Customs Valuation, Karachi
- 21) Guard File.



Director, Customs Valuation, Karachi

Date: 24/11/2021

For

Mir Muhammad

A petition was filed under Section

11A of the Valuation Ruling No. 185

of 1969, inter alia, on the basis

FACTS OF THE CASE

The petitioner, Henkel Pakistan, is the

owner of a wide range of industries including

chemical and other general industries for the

purpose of directly supplying one of the

products to the local population in

the region and are a law-abiding company.

In the past,

the petitioner was aggrieved by the

action taken by the authorities in

the matter by the Petitioner.

The petitioner is now

submitting the following

reference material

for the

consideration of the

authorities.

The petitioner is

submitting the

reference material

for the

consideration of the

authorities.