



GOVERNMENT OF PAKISTAN
COLLECTORATE OF CUSTOMS APPRAISEMENT- EAST
CUSTOMS HOUSE, KARACHI



MCC-Law-69/2023

Please do the needful



Dated: 15-11-2023

The Director,

Directorate General of Customs Valuation,
7th Floor, Custom House,
Karachi.

*As directed
Dir-II
17/11*

*As directed
discuss today
16/11/23*

*Ad
20/11/23*

Subject:

**CONSOLIDATED JUDGMENT DATED 05.10.2023 PASSED BY THE LEARNED
CUSTOMS APPELLATE TRIBUNAL, IN CUSTOMS APPEALS NO. 1244, 1245 OF
2023 FILED BY M/S. Z. A. ENTERPRISES & OTHERS.**

Please refer to the subject cited above and find enclosed (Annex-A) herewith consolidated judgment dated 05.10.2023 passed by the Customs Appellate Tribunal, Karachi in Customs Appeals No. 1244, 1245 of 2023 filed by M/s Z. A. Enterprises & others.

2. Briefly, the Director Directorate General of Customs Valuation, Karachi issued Publication Value Reference (PVR) No. 11/2023 dated 21.03.2023 in exercise of his power conferred by Section 25A(1) of Customs Act, 1969 and determined the value of "Prime /Secondary Quality Silicon Electrical Steel Sheet/Non-Grain Oriented Alloy Steel Sheets". Being dissatisfied with the determined values, a local manufacturer had filed revision application under Section 25-D of the Customs Act, 1969 against afore mentioned PVR, before the Director General, Directorate General of Customs Valuation, Karachi.

3. The Director General of Customs Valuation maintained the aforesaid PVR vide Orders-in-Revision No. 36/2023 dated 20.06.2023. Being aggrieved with the said orders-in-Revision, the subject importers challenged the Publication Value Reference and the Orders-in-Revision before the Customs Appellate Tribunal, Karachi by filling the captioned Customs Appeals under Section 194-A of the Customs Act, 1969. The Appellate Tribunal vide order dated 05.10.2023 set-aside the Orders-in-Revision No. 36/2023 dated 20.06.2023 and Publication Value Reference (PVR) No. 11/2023 dated 21.03.2023.

4. Since, the Publication Value Reference was issued by the Directorate, and reportedly the Directorate intends to assail the said judgment by filling a Special Customs Reference Application before the High Court of Sindh, under section 196 of the Customs Act, 1969, it is requested that the Collectorate of Customs Appraisalment, East Custom House Karachi, may be included as an appellant in SCRA being filed by the Directorate. Requisite Powers of Attorney are enclosed (Annex-B) Accordingly.

Encl: (As Above)

(Jameel Ahmed Baloch)
Collector

Copy to:- The S.A. to Chief Collector of Customs-Appraisalment (South), Custom house, Karachi.

IN THE HIGH COURT OF SINDH, KARACHI

Special Customs Reference Application No. 21 /2024

1. **The Director Customs Valuation,**
Directorate General of Customs Valuation,
Custom House, Karachi.
2. **The Collector of Customs,**
Collectorate of Customs Appraisement-East,
Customs House,
Karachi.....Applicants

Versus

1. **M/s. Z. A. ENTERPRISES.**
Shop No. 25, Millwala Market, Plot No. 2, Nishtar Road,
Karachi.
2. **M/s. BRUSSEL TRADING. 301, 3rd Floor,**
Portway Trade Center, Plot No. 189-A, S.M.C.H.S,
Karachi.
3. **M/s. SAA INDUSTRIES (PVT.) LTD.**
L-34, Landhi Industrial Area,
Karachi.
4. **M/s. MASTER PIPE INDUSTRIES.**
Karol Ghati, Bund Road,
Lahore.....Respondents

Reference Application under Section 196 of the Customs Act, 1969

Respectfully Sheweth!

That the appeal bearing No.K-1244/2023 filed by the above named Respondent under Section 194-A(e) of the Customs Act, 1969, has been decided by the learned Appellate Tribunal, Karachi Bench-II, vide order dated 05-10-2023. (Exhibit -A).

That the Order under sub-Section 194-A was served upon the applicant on 13.10.2023.

The determination of Tribunal and the question(s) of law which arise out of its order have been truly stated in the attached statement of the case.

That the following **QUESTIONS OF LAW** are arising out of the impugned order of the

Annex "A" 07/15/23
2/11/23

GOVERNMENT OF PAKISTAN
CUSTOMS APPELLATE TRIBUNAL, BENCH-II,
5th FLOOR, JAMIL CHAMBER SADDAR, KARACHI

Before: Mr. Imtiaz Ahmed Shaikh, Member Technical-II, Karachi
Mr. Mazhar Ali Ghallu, Member Judicial-II, Karachi

1. Customs Appeal No.K-1244/2023

1. **M/s. Z. A. ENTERPRISES,**
Shop No. 25, Millwala Market,
Plot no. 2, Nishtar Road, Karachi.
2. **M/s. BRUSSEL TRADING,**
301, 3rd Floor, Portway Trade Center,
Plot No. 189-A, S.M.C.H.S, Karachi.
3. **M/s. SAA INDUSTRIES (PVT) LTD,**
L-34, Landhi Industrial Area, Karachi.
4. **M/s. MASTER PIPE INDUSTRIES,**
Karol Ghati, Bund Road, Lahore.
Through their Authorized Person
Zeeshan son of Noor Muhammad



ADD-11

DD(G-VI) 2/11/23
Appellants

2. Customs Appeal No.K-1245/2023

1. **M/s. FORNAX ICON (PVT.) LTD,**
Plot No. E-2, Office No. 531-A,
Dhedhi Business Center,
Avenue Estate, S.I.T.E, Karachi.
 2. **M/s. IMRAN ENTERPRISES,**
Iron & Steel Market, Opp: UBL,
Gondlanwala Road, Gujranwala.
 3. **M/s. SAFA STEEL.**
No. 6-2/A, LR-4, Ireland Road,
Off: Nishtar Road, Karachi.
 4. **M/s. NOBLE STEEL,**
Shop No. 1, Fatimah Manzil,
Opp: Ireland Road, Karachi.
Through their Authorized Person
Zeeshan son of Noor Muhammad
- Appellants

VO GR-VI
GR-VI
Silicon Electrical
Sheet
Ach
2/11/23

Versus

1. **The Director General (Customs Valuation)**
Directorate General of Customs Valuation,
7th Floor, Customs House, Karachi.
 2. **The Director (Customs Valuation)**
Directorate General of Customs Valuation,
7th Floor, Customs House, Karachi.
 3. **The Chief Collector of Customs (South)**
MCC – Appraisements (East/West/PQ),
8th Floor, Customs House, Karachi.
- Respondents

Mr. Adeel Awan, Advocate, present for the Appellant.
Mr. Shahnawaz (V.O), present for the Respondent.

Dates of Hearing: 19-09-2023
Date of Judgment: 05.10.2023

JUDGMENT

Imtiaz Ahmed Shaikh, Member Technical-II, Karachi: By this judgment, we intend to dispose of instant Appeals Nos.K-1244/2023 and 1245/2023 filed by the above-titled Appellants against the Order-in-Revision No.36/2023 dated 20.06.2023 passed by the respondent No.1 (Director General of Customs Valuation, Karachi) against Publication Value Reference No.11/2023 dated 21.03.2023 passed by the respondent No. 2 (Director of Customs Valuation, Custom House, Karachi). These appeals involve identical issues of law and facts. In view of aforementioned position, the same were heard together and are being decided simultaneously through this common order in the light of judgment of the Hon'ble High Court of Sindh in Customs Reference No.157/2008 (S.M. Naqi S/o Syed Muhammad Hussain, Karachi Vs. Collector of Customs (Adjudication-I) & Others, Karachi).

It may be observed that out of Two (02) Appeals having common legal issues, the facts of Appeal No.K-1244/2023 are discussed in this Judgment as leading case. Brief facts of the case are that the appellants are engaged in the imports of, amongst others, 'Prime / Secondary Quality Silicon Electrical Steel Sheets/Non-Grain Oriented Alloy Steel Sheets' (hereinafter referred to as '*the subject commodity*'), covered under HS Code: 7225.1990. The values of subject commodity have been determined by respondent No.2 under section 25-A(1) of the Customs Act 1969, in terms of impugned PVR No. 11/2023 dated 21.03.2023. The values therein have been worked out on the basis of formulae, whereby international prices of Prime Quality Cold-Rolled Steel Coils (CRC) of the respective origins are taken from London Metal Bulletin (hereinafter referred to as '*LMB*') and a value addition of 5% on account of making it 'Alloy Steel' to arrive at the ascertainable values of the Prime Quality of subject commodity. Whereas, for ascertaining the values of Secondary Quality of subject commodity, a discount of 15% has been advanced on account of being 'Secondary Quality' upon the ascertainment of Prime Quality of the subject commodity.

3. Being aggrieved and dissatisfied with the impugned PVR on account of advancing 'discount' of 15% for ascertaining the Customs value of Secondary Quality of subject commodity, a local manufacturer had preferred a Review Petition in terms of Section 25D of the Customs Act, 1969, with the prayer to amend the impugned PVR by reducing the