

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

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File No. DG(V)Val. Rev/42/II/2025/ **1997**

Dated: 30-09-2025

Order in Revision No. **50** /2025

Under Section 25D of the Customs Act, 1969, in Petitions filed against Valuation Ruling No.2005/2025 dated 03.07.2025 pertaining to the valuation of Shoe Polish, Shoe Renovator, Shoe Foam, Cleaners, Shoe Whiteners & Shoe Shiner Sponge

- This copy is granted free of charge for the private use of the person to whom it is issued.
- 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 application by a person other than an officer of customs, shall be accompanied by a fee of twenty thousand rupees (Rs. 20,000/-) in case of a company, and five thousand rupees (Rs. 5,000/-) in case other than a company.
- An extra copy of appeal, if filed, should simultaneously be sent to this office for information and record.
- If an appeal is filed, the appellant should state whether he desires to be heard in person or through an advocate.

Table of Petitions

S No.	Petitioners
01.	M/s. A.S & Company, (Revision Petition No. 13 of 2025 dated 29.07.2025)
02.	M/s. Noor Brothers International, C/o Franklin Law Associates, (Revision Petition No. 20 of 2025 dated 31.07.2025)
03.	M/s. Pentagon International, (Revision Petition No. 21 of 2025 dated 31.07.2025)
04.	M/s. Indus TA (Private) Limited, (Diary No. 1768 dated 29.09.2025)

...PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

...RESPONDENT

For the Respondent	Dr. Jahangir , Deputy Director, Mr. Faisal Aziz Jokhio, Valuation Officer represented the Respondent
Date(s) of Hearing	26.08.2025 & 16.09.2025
Date of Order	30.09.2025

Table of Attendance of Petitioner/Representative/Legal Counsel

For the Petitioners	Mr. Arslan Sheikh for the Petitioner above at s/no. 01
	Mr. Shahzad Ali for the Petitioner above at s/no. 02
	Mr. Muhammad Affan for the Petitioner above at s/no. 03

### ORDER

The revision petitions listed in the table above were filed under Section 25D of the Customs Act, 1969 ("the Act"), against Customs values determined under Valuation Ruling No. 2005/2025 dated 03.07.2025, ("the impugned Ruling") issued under Section 25A of the said Act.

2. Brief facts of the case are that the Customs values of Shoe Polish, Shoe Renovator, Shoe Foam Cleaners, Shoe Whiteners & Shoe Shiner Sponge (hereinafter referred to as "the goods in question"), were determined vide impugned Valuation Ruling No. 2005/2025 dated 03.07.2025, by the Director, Directorate General of Customs Valuation Karachi in suppression of an earlier Valuation Ruling No. 1851/2024 dated 01.02.2024. The values were made applicable as minimum threshold values for imports of the said goods into Pakistan.

3. The petitioners, in their written petitions, assailed the allegedly "higher Customs values" of the goods in question in the impugned Valuation Ruling. They argued that these values were higher than the actual market values. The petitioners challenged the veracity of the said change mainly on the following grounds:

- a) That the market enquiry was not conducted in accordance with the comprehensive procedure, parameters and guidelines laid down vide Office Order No. 17/2014 dated 19.03.2014, as essentially required.
- b) That the Respondent failed to follow the sequential order of valuation methods prescribed under Section 25 of the Customs Act, 1969, and directly invoked Section 25(7) thereof, without any cogent justification.
- c) That the Customs values were determined by adding the weight of essential packing / containers (like tin packs), contrary to earlier Departmental clarifications and established practice of assessing on net content weight.
- d) That the Respondent arbitrarily fixed higher Customs values for imports from all origins, which do not reflect the prevailing market values.
- e) That the Customs values determined in the impugned Valuation Ruling for goods of Malaysian and Turkish origin are approximately 41.5% and 43% higher respectively, than the values determined for shoe polish in liquid and shiner sponges from China. The values for goods in question from Malaysia and Turkey be aligned with those of Chinese origin, with a permissible variance not exceeding 10%, in order to ensure fairness, uniformity and consistency with actual transactional values.

3a. M/s. Indus TA (Private) Limited filed a revision petition on 29.09.2025, which was time-barred but subsequently condoned. In its written petition, the petitioner assailed the allegedly





"higher Customs values" of Shiner sponges from Turkey, listed at Serial No. 06 in the impugned Valuation Ruling. They argued that these values were higher than the actual market values. The petitioners primarily challenged the veracity of the said change on the following grounds:

- a) That M/s. Indus TA (Private) Limited was not invited for consultation during the Customs value determination proceedings under Section 25A, which resulted in a higher determination of the values of the goods in question and such values are unjustified.
- b) That the value determined for shiner sponges of Turkish origin is USD 24.21/kg, which is significantly higher compared to the value of USD 8.07/kg for those of Chinese origin. However, the declared value for the goods in question throughout 2025 has been USD 8.995/kg, which is comparable in quality and price to good quality Chinese products. This disparity is therefore unjustifiable.

4. The hearings for this case were conducted on 26.08.2025 & 16.09.2025. During the hearings, both sides were thoroughly heard. Mr. Arslan Sheikh, the petitioner listed at Serial No. 01 in the table of petitioners above, reiterated the grounds sated in his petition and primarily contested the Customs values determined for shoe polish in liquid and shiner sponges of Malaysian origin under the impugned Valuation Ruling, as he imports the 'Yuppies' brand from the said origin. He argued that the Customs values have been determined on the higher side, which do not reflect the actual market or transactional values of the goods in question, and that no cogent reasoning or justification has been provided for arriving at such values. Mr. Shahzad Ali, the learned counsel for petitioner listed at Serial No. 02 in the table of petitions above, also reiterated the grounds set forth in the petition. He argued that the Respondent failed to adhere to the sequential order of valuation methods under Section 25 of the Customs Act, 1969, and arbitrarily invoked Section 25(7) thereof. He further contended that the Customs values were determined on the basis of gross weight, inclusive of packing and containers, which is contrary to departmental clarifications and the established practice of assessment on the basis of net content weight. He clarified that the petitioner does not contest the Customs values as such, but challenged the impugned Valuation Ruling solely on the ground that the values have been determined on the basis of gross weight rather than net content weight. Mr. Muhammad Affan, the petitioner listed at Serial No. 03 in the table of petitions above, also reiterated the grounds of his petition and primarily contested the Customs values determined under Serial No. 01 of the impugned Valuation Ruling in respect of shoe polish packed in tin/plastic containers of Chinese origin. He contended that the Customs values determined under the impugned Valuation Ruling for the goods in question are higher than the prevailing market prices. He further argued that the valuation should be based on net content weight, rather than gross weight, since the cost of packing is already included in the declared price of the shoe polish. On

request of the petitioners during the hearing, the respondent Directorate presented details of the market inquiry conducted in the impugned Valuation Ruling and the same were shared with the petitioners for rebuttal. Of all the petitioners, only M/s. A.S & Company submitted a written calculation sheet in response, albeit without any supporting documents, which has been placed on record. M/s. Indus TA (Private) Limited filed a revision petition on 29.09.2025, which though initially time-barred was subsequently condoned and an opportunity of hearing was granted under Section 25D of the Customs Act, 1969. The petitioner contended that the Customs values of Rex brand shoe shiner sponges, a low-end product imported from Turkey, were unjustifiably enhanced due to the application of a uniform value determined primarily on the basis of Cherry Blossom, a high-end brand. It was further argued that no opportunity of hearing or consultation was afforded during the value determination proceedings conducted under Section 25A of the said Act.

5. The Representative of the Respondent Department contested the arguments of the petitioner. He controverted the Petitioners' contentions mainly on following grounds:

- a) That the Valuation Ruling was issued in accordance with Section 25A. Market enquiries were conducted and reviewed. Customs values were determined under Section 25(7) due to unavailability of consistent and reliable data under subsections (1), (5), or (6).

That the Stakeholder participation was duly invited through formal Meeting Notices. The petitioners' representatives attended the valuation meeting but failed to provide any substantial or verifiable documentation in support of their contentions.

- c) That the contention regarding non-compliance with Office Order No. 17/2014 dated 19.03.2014 is misplaced and misconceived. The said Office Order provides internal guidelines and procedural framework for conducting market inquiries under Section 25(7) of the Customs Act, 1969. While every individual step of the internal enquiry process is not required to be explicitly narrated in the text of the Valuation Ruling, the Directorate conducted the market enquiry in substantial compliance with the standards laid down therein. Relevant trade and market sources were approached for data collection, and origin-wise pricing trends were duly analyzed. Furthermore, the record demonstrates that sufficient and credible information was collected and evaluated during the course of proceedings. It is settled law that the valuation authority is not obligated to disclose every minute procedural detail or internal note in the Ruling, particularly when the Ruling itself reflects a reasoned application of valuation methodology. The petitioner's objections are speculative and fail to establish any procedural irregularity or violation of law.

6. I have gone through the contentions of both the sides. The major facts of the controversy in the instant petitions are as follows: a) the alleged non-adherence to the sequential method of



determination of value; b) the Customs value of the impugned goods was fixed without due regard to prevailing market price/transactional value; c) the market enquiry was not conducted in accordance with the guidelines laid down vide Office Order No. 17/2014 dated 19.03.2014; d) the Customs values were determined on gross weight including packing/containers rather than on net contents; and e) the higher Customs value was uniformly determined for all brands for the goods in question imported from Turkey and no hearing opportunity was afforded to M/s. Indus TA (Private) Limited under Section 25A of the Act to present its input. These areas are discussed and evaluated as follows:

a) Firstly, regarding the alleged non-adherence to the sequential order of valuation methods under Section 25 of the Customs Act, 1969, the respondent Department has clarified that the valuation methods were applied in the sequential manner as prescribed under Section 25 of the said Act. The Customs values were determined under Section 25(7) only after determination of Customs values could not be made under the preceding methods due to concerns of group under-invoicing in transactional values declared under 25(1) of the Act and wide variations in identical and similar goods import values under sections 25(5) and 25(6) of the Act respectively. The petitioners have not provided any evidence to justify their claim that the Directorate violated the prescribed sequential order of valuation methods. The claim of non-adherence to the sequential valuation methods under Section 25 of the Customs Act, 1969, is without merit.



b) Secondly, with regard to the contention that the value of the impugned goods was fixed without due regard to prevailing market prices/transactional values, the respondent Department clarified that after going through the preceding valuation methods, the Customs values of the goods in question were determined under Section 25(7) of the Customs Act, 1969, after conducting market inquiries adhering to procedures and guidelines laid down in Office Order No. 17/2014 dated 19.03.2014. Hence, the Customs values are fair. No evidence has been provided by the petitioners in this regard suggesting otherwise.

c) Thirdly, regarding the claim that the market enquiry was not conducted in accordance with the guidelines laid down vide Office Order No. 17/2014 dated 19.03.2014, the respondent Department presented the details of the market inquiry during the course of proceedings and the same was shared with the petitioners for rebuttal and seeking evidence as to how the said Office Order was not adhered to. Of all the petitioners, only M/s. A.S & Company submitted a written calculation sheet in response, which has been placed on record. However, the calculation sheet provided was without supporting

documentary evidence such as invoices, shelf rent contract etc. The remaining petitioners failed to provide any documentary evidence to substantiate their claims. In view of the above, the petitioners have failed to furnish any credible evidence in support of their claims in any material respect and accordingly the same are found to be devoid of merit.

- d) Fourthly, on the issue of valuation being based on gross weight including packing/containers rather than on net content weight, the Respondent has clarified that the cost of essential packaging forms an integral part of the value of imported goods. While the petitioners have argued that packing weight should be excluded, they have not substantiated how this approach violates law or results in an overvaluation, particularly when the declared values include packing cost. The argument lacks both legal and factual foundation and, therefore, is without merit.
- e) Fifthly, regarding the contention that the higher Customs value was uniformly determined for all brands for the goods in question imported from Turkey and no hearing opportunity was afforded to M/s. Indus TA (Private) Limited under Section 25A of the Act to present its input, it has been observed that the respondent Directorate conducted a market inquiry based on high-end branded goods, specifically the Cherry Blossom brand, which is superior in terms of quality and price when compared to lower-end imported brands such as Rex from Turkey, available at a lower price in market. Despite the differences, the same higher Customs value was uniformly determined for all brands. Furthermore, it has been noted that the petitioner was not provided an opportunity to present his input during the determination of the Customs values of the impugned goods under Section 25A of the Customs Act, 1969. The petitioner's contention thus holds weight and casts doubts about the efficacy of the value determination of the impugned goods under Section 25A.



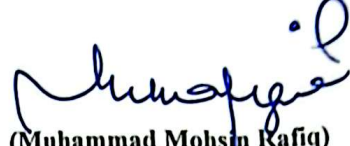
7. In view of the foregoing, all contentions raised by the petitioners have been duly considered. The contentions of the petitioners listed at Serial Nos. 01 to 03 in the Table of Petitions above are found unsubstantiated due to lack of credible evidence. The respondent Directorate has established that the Customs values were determined under Section 25(7) of the Customs Act, 1969, only after the preceding Valuation methods were found inapplicable. As such, the petitioners have failed to provide any credible or legally sustainable grounds warranting any change or modification in the impugned Valuation Ruling. The revision petitions listed at Serial Nos. 01 to 03 in the Table of Petitions above are therefore, hereby rejected. However, the contention raised by the



petitioner, M/s. Indus TA (Private) Limited, listed at Serial No. 04 in Table of Petitions above is found valid. Consequently, Serial No. 06 of the impugned Valuation Ruling is hereby rescinded.

8. The instant petitions filed in terms of Section 25D of the Customs Act, 1969 are accordingly disposed of in above terms.

9. Certified that this judgment consists of seven (07) pages, each page bearing my signature.

  
(Muhammad Mohsin Rafiq)  
Director General

**Registered Copy:**

<b>Petitioners</b>
<b>M/s. A.S &amp; Company,</b> Address: Plot No. 97, Sector 23, Korangi Industrial Area, Karachi, Cell # 0321-9280806.
<b>M/s. Noor Brothers International, C/o Franklin Law Associates,</b> Address: 1 <sup>st</sup> Floor, Plot No. 4C, Lane # 3, Al Murtaza Commercial, DHA, Phase# VIII, Karachi. Ph: +92-21-35246856.
<b>M/s. Pentagon International,</b> Address: Chabba Gali, Jodia Bazar, Karachi, Tel: +92-21-32531181.

**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 Chief Collector Exports, Custom House, Karachi.
- 6) The Director General, Transit Trade, Custom House, Karachi.
- 7) The Chief Collector of Customs (Enforcement), Custom House, Islamabad.
- 8) The Chief Collector of Customs Appraisement-Punjab, Custom House, Lahore.
- 9) The Chief Collector of Customs, (Appraisement) Balochistan, Custom House, Quetta.
- 10) The Chief Collector of Customs, (Appraisement) Khyber Pakhtunkhwa, Custom House, Peshawar.
- 11) The Chief Collector of Customs, Appraisement, Custom House, Karachi.
- 12) The Director, Directorate of Customs Valuation, Lahore/ Peshawar/ Quetta.
- 13) The Secretary (Valuation & Audit), Federal Board of Revenue, Islamabad.
- 14) All Additional Directors/Deputy Directors/Assistant Directors, Customs Valuation, Karachi.
- 15) Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC Database System.
- 16) The Revision Section, Customs Valuation, Karachi
- 17) Guard File.

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