

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/721/2016

Dated: 29<sup>th</sup> September, 2016

**Order in Revision No. 244/2016 under section 25-D of the Customs Act, 1969**  
**against Valuation Ruling No.862/2016 dated 22-06-2016**

- 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 Kheewa & Sons

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PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

....

RESPONDENT

Date(s) of hearing

18-07-2016 & 02-08-2016

For the Petitioners

Mr. Khalid Khanani  
Mr. Nasir Mehmood  
Mr. Aleem Tinwala  
Mr. Muhammad Saleem Vayani  
Mr. Tariq Siddiqui  
Mr. Mustansir  
Mr. Mansoor Karimi  
Mr. Prem Chand  
Mr. Muhammad Saleem Qazi  
Mr. Darvesh Mandhan  
Mr. Jaffer

For the Respondent

Mr. Abdul Majeed, Assistant Director  
Mr. Safdar Abbas, Principal Appraiser

This revision petition was filed under section 25-D of the Customs Act, 1969 against customs value determined vide Valuation Ruling No.862/2016 dated 22-06-2016 issued under section 25-A of the Customs Act, 1969, inter alia on the following grounds:

2. That meeting held in presence of valuation officer, we presented many cases showing that the valued which custom is assessing under your past ruling No.409/2011 dated 28-12-2011 is now null and void.

3. That at the time of ruling issued by Pakistan Custom the basic raw material which is oil was @ USD 110/Barrel, so the valuation officer purposed the value should be assessed @ USD 1.40/Kg. We agreed to their contents and it was then started that the goods should be assessed @ USD 1.40/Kg for PVC Transparent Clear Flexible China/Taiwan Origin.

4. The custom valuation officer has called the meeting in order to re-determine value.

5. Current oil prices are @ USD 46.63. As you can see internationally oil which is the major raw material for this product has been lowered down up to 60%. The reason internationally all our foreign supplier has adjusted their prices as well.

6. The current prices for Taiwan origin & China origin are @ USD 1.15/Kg for the PVC Clear Transparent Sheeting Flexible.

7. On the other hand in order to save local industry Government of Pakistan has imposed the higher duty slab on it. The current duty structure of this item which falls under H.S Code 3920.4300.1000 is as below.

Custom Duty	20%
Sales Tax	17%
Advance Sales Tax	3%
Income Tax	6%

Which is very high as compared to the other raw material for textile industry? Please note in order to boost textile sector government in this budget has waved the sales tax from 3% to 0% due to high decline of exports in textile sector.

8. Due to increase in valuation ruling the current items will not be imported from the origins and you shall not get any revenue from the trade which commercial imports are providing.

9. As per above statements mentioned to you we would like to gain your attention to arrange a meeting with importers to re-assess its value from USD 1.55/Kg to USD1.10/KG.

10. The respondent department was asked to furnish comments on the petition filed by the petitioner. Para wise comments on the petition are given as under:

#### Parawise Comment

11. The custom values were determined under Section 25 of the Customs Act, 1969 after providing ample opportunity of meetings of all stakeholders for their input to reach at genuine transaction value. All valuation methods and information gathered from different sources were analyzed and applied in sequential manner. Market inquiry was conducted under section 25(7) of Customs Act, 1969 which could not be satisfactory due to non availability of goods in local market for sale. Zaubas prices were retrieved which shows values of Malaysia origin at US\$ 2.45/kg of PVC Cling Film. Consequently customs values were determined under sub section (9)

of Section 25 of the Customs Act, 1969 for assessment purpose.

**ORDER**

12. I have examined the record of the case as well as written and verbal arguments put forward by the petitioners and respondents. Mr. Saleem Khan appeared on behalf of A.R.O (Pvt.) Ltd. he stated that PVC cling Film 9-10 micron used for food packing. A guide line of PVC cling Film was existed at US\$ 1.45/Kg for all origins whereas Valuation Ruling has determined at US\$ 2.01/Kg of Chinese origin and US\$ 2.75/Kg for all other origins which is arbitrary and requested for reviewing the customs values.

13. Mr. Jaffar appeared to represent M/s Occan Enterprises and M/s Shanza Enterprises. He contended that prices of China and Far-East should be same as per previous guide line. In previous guideline custom values of Far-East including China were at US\$ 1.45/Kg whereas other origins (Europe/UE etc) custom value was at US\$ 3.00/Kg but now other origins have been determined at US\$ 2.75/Kg which includes Far Eastern countries also. The importer contended that the prices of China, Malaysia and Philippines are around 25% more than China. Prices from Zauba (Indian imports) were retrieved which shows values of Malaysia origin at US\$ 2.45/Kg. Market inquiry was also conducted which could not be satisfactory due to non availability of the goods in local market for sale. The data of international sites were consulted.

14. In view of the above, the customs values of PVC Cling Film are re-determine under section 25-D of the Customs Act, 1969, S.No.3 of Valuation Ruling No.862/2016 shall be replaced as under:-

S. No.	Description of goods	HS Code	Proposed PCT for WeBOC	Origin	Customs values (C&F) US\$ /Kg
03	PVC Cling Film	3920.4300	3920.4300.1400	China	2.01
04	PVC Cling Film	3920.4300	3920.4300.1600	Far East	2.60
05	PVC Cling Film	3920.4300	3920.4300.1700	Europe/US	3.30
06	PVC Cling Film	3920.4300	3920.4300.1500	Other origins	3.00

15. Being identical and similar on facts and law points, this order shall also apply mutatis mutandis to the following (04) petitions.

1. M/s Osaka Electrical Corp. Karachi. File No.DG(V)Val.Rev/705/2016
2. M/s Apple Associates, Karachi. File No.DG(V)Val.Rev/707/2016
3. M/s A.R.O (Pvt.) Ltd, Karachi File No.DG(V)Val.Rev/718/2016
4. M/s Occan Enterprise, Karachi. File No.DG(V)Val.Rev/679/2016

sd/-  
**(Syed Tanvir Ahmad)**  
**Director General**

Registered copy to:

M/s Kheewa & Sons  
1<sup>st</sup> Floor Room # 2, Bahadur Shah Market,  
M. A Jinnah Road, Karachi-Pakistan.

M/s Osaka Electrical Corporation  
Office # 602, 6<sup>th</sup> Floor, Block – A, Saima Trade Tower,  
I.I. Chundrigar Road , Karachi.

M/s Apple Associates  
Office # R-107, Al Noor, Block # 19,  
Federal-B Area, Karachi.

M/s Occan Enterprise  
M-25, Al-Rehman Trade Centre,  
Shahrah-e- Liaquat, Karachi.

M/s A.R.O (Pvt.) Ltd  
8 – First Floor, Hotel Metro-pole Building,  
Club Road, Karachi

Copy to:

1. Member (Customs), FBR, Islamabad.
2. Chief Collectors Customs Appraisalment (South)/Enforcement, Karachi/  
(North) Islamabad/ (Central) Lahore.
3. Collector, MCC Appraisalment (East/West)/Port M. Bin Qasim/ Preventive, Karachi.
4. Collector, MCC, Appraisalment/Preventive, Lahore/Quetta/Peshawar/Faisalabad/  
Sambrial/Multan/Hyderabad/Islamabad/Gilgit-Baltistan/Gawadar.
5. Director, Customs Valuation, Karachi/Lahore.
6. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading  
in One-Customs and WeBOC database.
7. Asstt. Director (Review), Karachi.
8. All Deputy/Assistant Directors (Valuation)
9. Guard File.