

OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/706/2016

Dated: 29th September, 2016

**Order in Revision No.243/2016 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. Carewell Traders & Others

PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

RESPONDENT

Date(s) of hearing

08-07-2016

For the Petitioners

Mr. M. Tariq
Mr. Tariq Younus
Mr. M. Nasir
Mr. Kamal Ahmed
Mr. Saleem Qazi

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. As per 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. At the time of ruling issued by Pakistan Custom the basic raw material which is Oil was @ US\$ 110/Barrel, so the valuation officer purposed the value should be assessed @ US\$ 1.40/Kg. We agreed to their contents and it was then started that the goods should be assessed @

US\$ 1.40/Kg for PVC Transparent Clear Flexible China/Taiwan origin.

4. The custom valuation officer has called the meeting in order to redetermine it's value as the old/previous valuation ruling was imposed long ago.

5. Current oil prices are @ US\$ 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. It is intimated that our declare value was @ US\$ 1.20/Kg. If any customer is demanded this may be added 10% commission, then after the item may be sale out.

7. On the other hand in order to save local industry Government of Pakistan has imposed the higher duty slab on it.

8. 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.

9. Under the above circumstances, it is therefore requested that the matter on the above subject may please be justified according to its sprit & justice.

10. 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 US\$ 1.55/Kg to US\$ 1.20/Kg.

11. Your cooperation in this regard will be highly appreciated.

ORDER

12. Hearing in this case was fixed on 26.7.2016 and 02.8.2016. Mr Arshad Gulzar of M/s Waris Sharif Company appeared and submitted plastic material Scan, certificate regarding formula for manufacture of PVC sheet of Guangzhou Xiongxing Plastic Product Co Ltd China and prices of raw materials and work sheet from Shin- Kuen Plastic Co. Ltd Taiwan. The details of raw materials, unit prices and percentage of composition were submitted by M/s Waris Sharif, as under:-

<i>S. No</i>	<i>Raw material</i>	<i>unit value</i>	<i>China</i>	<i>Taiwan</i>
<i>i)</i>	<i>DINP</i>	<i>US\$0.99/kg</i>	<i>21.5%</i>	<i>26%</i>
<i>ii)</i>	<i>Stabilizer</i>	<i>US\$ 2.21/kg</i>	<i>2%</i>	<i>3.3%</i>
<i>iii)</i>	<i>Epoxy</i>	<i>US\$ 1.25/kg</i>	<i>3%</i>	<i>3%</i>
<i>iv)</i>	<i>Colour Pigment</i>	<i>US\$ 3.15/kg (average)</i>	<i>0.5%</i>	<i>0.7%</i>
<i>v)</i>	<i>PVC Scan price</i>	<i>US\$0.82/kg</i>	<i>73%</i>	<i>70%</i>

13. The petitioners also contended that as per formula of raw materials and values mentioned above the unit value of PVC clear transparent flexible sheet should be at US\$1.20/kg whereas US\$1.55/kg was determined vide Valuation Ruling No 862/2016.

14. On the other hand the Respondent Department submitted that the formula for manufacture of PVC clear transparent flexible sheet submitted by the petitioner although not supported by any international magazine but even then if wastages and conversion costs (5%+ 25%) and profit of manufacturer and exporter (10%+10%) and inland freight, sea freight and other Misc charges (5%) are added to cost, the final cost is worked out at US\$1.578/kg whereas US\$1.55/kg was determined vide Valuation Ruling No 862/2016. The valuation ruling was correctly and lawfully revised after giving hearing opportunity to all stake holders/ importers. The inputs during meeting from the participants to determine the customs value were taken into consideration. The department further stated that all valuation methods from sub-section (1) to (8) were properly exhausted sequentially to address the valuation issue in hand and reasons for rejection of the same have also been clearly mentioned in the ruling. Consequently, the impugned valuation ruling was issued under the section 25(9) of the Customs Act, 1969 after examining the import data, on line prices from international websites and by analyzing all the gathered information.

15. I have deliberated on the case record as well as verbal and written arguments put forth by the petitioners and the respondent department. The respondent department submitted that the valuation ruling was correctly and lawfully revised after giving hearing opportunity to all stake holders/ importers. The impugned valuation ruling was issued under section 25(9) of the Customs Act, 1969 correctly.

16. In view of above, I have inferred that customs values have been determined on reasonable and sound basis after giving fair opportunity to the stake holders, in accordance with the law. The Valuation Ruling No.862/2016 dated 02.6.2016, is therefore upheld and revision petition is rejected.

17. Being identical on facts and law point, this order shall apply mutatis mutandis to the following (04) petitions.

S #	Petitioners' Name	File No.
01	M/s Zamzama Plastics	DG(V)Val.Rev/720/2016
02	M/s Kamal Hassan Corporation	DG(V)Val.Rev/717/2016
03	M/s Erfan Traders	DG(V)Val.Rev/719/2016
04	M/s Waris Sharif & Co.	DG(V)Val.Rev/882/2016

sd/-
(Syed Tanvir Ahmad)
Director General

Registered copy to:

- 1) M/s Carewell Traders,
4 - Milawala Market #.1, Fakhr-e-Matri Road,
Karachi-74000.
- 2) M/s Zamzama Plastics,
Shop No.1p/No.2/197, Peer Sarhandi Palace,
Muhammad Khan Road, Khadda Lyari,
Karachi.
- 3) M/s Kamal Hassan Corporation,
Room No.38, 4th Floor, Arkay Square,
Shahrah-e-Liaquat, Karachi-74000.
- 4) M/s Erfan Traders,
N.P. 13/53, Bhagnari Street,
Karachi.
- 5) M/s Waris Sharif & Co,
456/2, Bombay Bazar, Karachi-2.
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.