

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/946/2016

Dated: 11<sup>th</sup> January, 2017

**Order in Revision No. 287 /2017 under section 25-D of the Customs Act, 1969  
against Valuation Ruling No.951/2016 dated 13-10-2016**

- 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 DFB Gypsum Board

..... PETITIONER

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

17-11-2016

For the Petitioners

Mr. Altaf Haroon  
Mr. Vali

For the Respondent

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.951/2016 dated 13-10-2016 issued under section 25-A of the Customs Act, 1969, inter alia, on the following grounds:



2. The customs value of subject valuation ruling has been determined under section 25(9) of the Customs Act, 1969. It has been agreed in principle that market inquiry is to be conducted jointly by Commerce & Industry and an officer of the Valuation Directorate. We do not accept the market inquiry as mentioned in the impugned valuation ruling.

3. We do not agree with it, we request for a review under section 25(D) of the Customs Act, 1969.

Facts:

4. We have submitted WeBOC data of Gypsum Board of imports made during July 2016 and August 2016 on 05 October 2016. We have given websites, names and emails of known manufacturers of the items in question.
5. We have highlighted in our letter dated 06-10-2016 that in valuation ruling No.777/2015 dated 04/12/2015 in S.No.1 the description of goods, specification of goods given is decorated which is not correct. The correct specification of goods as per WeBOC data of import gypsum board is moisture resistant/ fire resistant MRT/ FRT.

Grounds:

6. Method adopted to determine customs value: A valuation method given in section 25 of the Customs Act, 1969 has not been followed in the impugned valuation ruling. We have given relevant WeBOC data. The customs values should have been determined in terms of section 25(5) and (6) of the Customs Act, 1969 to incorporate actual transaction values with a view to prevent undue loss to national exchequer. The impugned valuation ruling may be reviewed in the light of WeBOC data of imports made in September, 2016, August 2016 and July 2016 attached. We are enclosing a draft of valuation ruling to be issued after review and knowing online correct prices from the manufactured exports.
7. Prayer: In the light of above narrations, we request for a review of the valuation ruling No. 951/2016 dated, October 13, 2016 under section 25(5) and (6) of the Customs Act, 1969.
8. The respondent department was asked to furnish comments to the arguments submitted by the petitioner in the case. Para-wise comments on the petition are given as under:
9. Denied. It is submitted that a proper local market enquiry in terms of sub section (7) of the Section 25 of the Customs Act,1969, was conducted from different markets of the city and taken into account. Finally after exhausting all valuation methods given in section 25 of the Customs Act, 1969 customs values were determined in terms of sub section (9) of section 25 of the Customs Act, 1969.
10. Denied. Not agreed. It is to be submitted that the customs values in impugned valuation ruling No. 951/2016 dated 13-10-2016 were determined after a thorough investigation, holding meeting with stakeholders, conducting local market enquiry and going through the available data of import of last three months. As such the same have justifiable been determined and are liable to hold filed for uniform assessment purpose all over the country. Stakeholders' meeting was held on 05-10-2016. The importers were also requested to furnish the following documents: -



- (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 the value of item in question.

- (iv) Copies of sales tax invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

11. The above documents as requisitioned were not submitted during or even after the meeting by any of the participants or other stakeholders. One local manufacturer submitted a proposal during the meeting that values pertaining to Gypsum Board should be increased and those of fiber cement board should be maintained. On scrutiny, it transpired that the said manufacturer is also an importer of fiber cement board. The importers on the other hand requested for downward revision of values as they contended that the price of the subject goods have decreased in the international market.

12. In view of above factual position and submissions, it is respectfully prayed that the impugned valuation ruling No. 951/2016 dated 13-10-2016 *may* be maintained and allowed to hold field for uniform assessment purpose all over the country as majority of stakeholders have failed to furnish the requisite / corroboratory documents particularly tangible sales tax paid invoices. Moreover, the appellant at this review same under section 25D of the Customs Act, 1969 have not furnished their suggested values alongwith their supporting import documents / tangible evidence. Accordingly the appeal has no merit for consideration and is liable to be rejected.

#### ORDER

13. The record of the case has been examined in the light of written and oral submissions put forward by the petitioner. Mr. Altaf Haroon, Manger Operation, DFB Gypsum Industry, Hub, appeared and contested the customs value determined vide Valuation Ruling No.951/2016 dated 13/10/2016. He stated that the customs values of Gypsum Board (used in false ceiling) has been reduced from US\$ 0.24/kg to US\$ 0.225/kg on the basis of market inquiry which is below than the actual value. He stated that they have already highlighted vide their letter dated 06.10.2016 that the description of goods given in Valuation Ruling No.777/2015 dated 04/12/2015 at serial No.1 as decorated, is not correct. Whereas correct description of the goods is Gypsum Board Moisture Resistant/Fiber Resistant MRT/FRT. They further argued that valuation methods given in section 25 of the Customs Act, 1969 have not been followed in the impugned valuation ruling.

14. They contended that the impugned valuation ruling may be reviewed in the light of WeBOC data of imports made in July to September, 2016. He also produced the data sheet of the clearances from July to September 2016 to justify his view point. The petitioner further stated that they have 80% market share but they are going to be eroded. The imported sheets are going to be sold at Rs.85-90/sheet of 1.75 kg. which comes to Rs. 51.48/kg. The petitioner requested to increase the value of Gypsum Board plain of China / Thailand origins and Fiber Cement Board plain of China / Thailand /Indian origin.

15. On the other hand, departmental representative Mr. Nadeem stated that local market inquiry was conducted from different places in terms of section 25(7) to arrive at the genuine custom values. He said that market price was Rs. 70-80/sheet of 1.75 kg which comes to Rs.




46/kg and after exhausting all valuation methods customs values were determined under section 25(9) of the Customs A, 1969. The data at international websites also supported the departmental point of view. The importer stated that the actual price from China is \$ 0.18/kg but has been fixed at \$ 0.225/kg. The manufacturer stated that the value was \$ 0.24/kg but as soon as the value was decreased the declaration immediately came down to \$ 0.225/kg. To support industry the values may not be further reduced.

16. In view of the above, the arguments of petitioner duly supported with clearance data have been considered, I have inferred that the impugned customs values of Gypsum Board and Fiber Board has been correctly determined in the Valuation Ruling. The petition is therefore rejected and dismissed.

17. Being identical on facts and law point, this order shall also apply mutatis mutandis to the following (02) petitions.

S #	Petitioners' Name	File No
01	M/s Lasbela Chamber of Commerce & Industry	DG(V)Val. Rev/946/2016
02	M/s VMY Trading	DG(V)Val. Rev/946/2016

  
(Syed Tanvir Ahmad)  
Director General

Registered copy to:

M/s DFB Gypsum Board  
Suite 105, Business & Finance Centre, I.I. Chundrigar Road, Karachi

M/s Lasbela Chamber of Commerce & Industry  
LCCI Building, DC-26, HITE, Hub, District Lasbela, Baluchistan  
Tel: 0092-853-363261-3

M/s VMY Trading  
A-7, 4<sup>th</sup> floor, Namco Centre, Campbell Street, 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)/ Appraisalment (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.