

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/803/2016

19163

Dated: 03- August 2016

Order in Revision No. 222/2016 under section 25-D of the Customs Act, 1969
against Valuation Ruling No.878/2016 dated 27-06-2016

- 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 Sanallah Home Textile & Others PETITIONERS

VERSUS

Director, Customs Valuation, Karachi..... RESPONDENT

Date(s) of hearing 27-07-2016

For the Petitioners Mr. Junaid Nawab
Mr. Ashraf

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.878/2016 dated 27-06-2016 issued under 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. We as local manufactures of Blankets feel aggrieved and dissatisfied with the subject ruling determining custom values of Blankets of different types under section 25-A of the Customs Act 1969 which, the Director Valuation, has apparently issued without considering its impact on local industry. We, therefore, seek revision of the ruling on following basis/grounds:-

3. That the superseded Ruling No. 507/2012 dated 20-12-2012 was restricted to one item i.e. 'Blankets of different origins and compositions' and in single make-up / form i.e. essential packing, Whereas, in the subject new ruling, prima facie, values of same single item i.e. Blankets is intended to be determined, yet due to change in description (adding stages of finished & semi finished) and make-up / packing (retail packing and roll form) the department has in fact, created a new item 'Blanket in Roll Form' and notified it values against S.No 02 & 04 of the



table in clause 5 of the subject ruling. You will note that this is an item created by department which is not traceable in custom nomenclature as further supported by the fact that:

- There is no import of item with these descriptions in custom clearance record.
- Neither the customs nor the importers / stakeholders ever required or deliberated for determining of values of these items (self-created by customs) for adding in the new VR ruling.

4. That on the other hand its (Polyester Finished Blankets) preceding stage which is 'Polyester Pile Fabric' that we as local Blanket Manufacturers, have been importing under HS Code 6001.9290 (which code has been determined conclusively in quite a few cases at different assessment levels and confirmed by Classification Committee vide Public Notice No 15 of 2014 has been omitted in the pre-revision valuation meetings with the stakeholders on the basis of its regular imports.

5. That to arrive at values of Polyester Pile Fabric mentioned in Para 2 above it was proposed that the finished goods value (in retail packing) be discounted by about 26-28% to account for retail packaging cost, border fabric cost, labor cost of cutting, stitching, hemming and packing.

6. That the local Industry is not only providing job opportunities to the national work force but also saving precious foreign exchange by adding values in local currency and if due margin of cost incurred in value addition is not deducted from the import values of finished goods, the industry will not be able to sustain and cover the local conversion costs which are on higher side due to increased cost of utilities.

ORDER

7. Mr. Junaid Nawab of M/s Sanaullah Home Textile and Mr. Ashraf from M/s Bed and blanket Pvt. Ltd. appeared for hearing. They contended that the value of blanket rolls (S.No. 2&4) of valuation ruling have been added which in hampering the industry. They contended that serial No.2 and 4 of the valuation ruling may be deleted as their fabric being cleared in this heading. The petitioners were told that this is not a valuation issue and basically classification issue which should be taken up with the Collectorate. They stated that at S.No.2&4 in the description column words "in rolls" should be deleted.

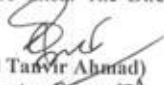
8. The departmental representative stated that for pile fabric Valuation Ruling No.683/2014 dated 11-09-2014 already exists, in which the value of pile fabric starts from \$ 3.10/kg and ranges upto \$ 3.40/kg for polyester fleece fabric. This is low quality fabric as compared to blanket fabric. He stated that the value of blankets may be revisited on the basis of its raw material and should not be less than the fabric.

9. I have examined the case record. It was observed that the value of polyester fleece fabric ranged from \$ 3.10/kg to \$ 3.40/kg as per valuation ruling No.683/2014. The blankets are made of superior quality pile fabric and should not be assessed below fabric value, already fixed in Valuation Ruling. The value of blanket finished and unfinished therefore needs correction and fixed above the fabric. In view of above, the values are increased as under:



S.No	Description of goods	PCT	Proposed PCT for WeBOC	Origin	Current values of VR 878/2016, (C&F) USS/kg	Revised Custom Values in Revision (C&F) USS/kg
(1)	(2)	(3)	(4)	(5)	(6)	(6)
01.	100% polyester Blankets printed & Embossed, in retail packing (Finished)	6301.4000 6301.9000	6301.4000.1000 6301.4000.1000	Korea/UAE	3.65	4.68
				China	2.80	3.60
				Europe	4.20	5.40
02.	100% polyester Blankets printed & Embossed, in Rolls (Semi-Finished)	6301.9000	6301.9000.1000	Korea/UAE	3.15	4.00
				China	2.30	3.10
				Europe	3.60	4.65
03.	100% Acrylic/Blended Blankets Printed & Embossed, in Retail Packing (Finished)	6301.4000 6301.9000	6301.4000.1000 6301.9000.1000	Korea/UAE	4.45	6.00
				China	3.65	4.68
				Europe	5.50	7.00
04.	100% Acrylic/Blended Blankets Printed & Embossed, in Rolls (Semi-Finished)	6301.9000	6301.9000.1000	Korea/UAE	4.00	5.17
				China	3.10	3.98
				Europe	4.70	5.97

9. The petitioners have contended that the values of polyester pile fabric for blanket may be separately fixed which is not a part of Valuation Ruling No.683/2014. Their request is genuine and to avoid ambiguity separate values for blanket fabric needs to be fixed. The Director Valuation may take action and fix value accordingly.


(Syed Tanvir Ahmad)
Director General

Registered copy to:

M/s Sanaullah Home Textile
C-18/B, Estate Avenue, S.I.T.E., Karachi.

M/s Bed & Blanket Pvt. Ltd.
32-E, Empress Road, Lahore.

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.