



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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The Collectors of Customs, Model Customs Collectorates, Appraisalment & Facilitation (East / West) / Port Muhammad Bin Qasim / JIAP, Karachi (Appraisalment & Facilitation / Enforcement & Compliance), AHA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta (Appraisalment / Preventive) / Peshawar (Appraisalment & Facilitation/ Enforcement & Compliance) / Gawadar / Gilgit-Baltistan / Export (Karachi / Port Qasim)

**DETERMINATION OF CUSTOMS VALUES OF DRY BATTERY CELLS PCT  
(8506.1000) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1514/2021)

C. No. Misc/21/2009-VII/86.

Dated: 09-02-2021

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Dry Battery Cells under PCTs (8506.1000) are determined as follows:

2. **Background of the valuation issue:** Earlier the Customs values of Dry Battery Cells under PCTs (8506.1000) were determined under section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1189/2017 dated 06-07-2017. Revision petition was filed before the Director General of Customs Valuation under section 25-D of the Customs Act, 1969 which was rejected vide Order-In-Revision No. 425/2017 dated 28-12-2017. The Order-In-Revision was challenged before the Honorable Customs Appellate Tribunal by the petitioners and was set aside. The department filed a reference before the Honorable High Court of Sindh which is still subjudice. As the Valuation Ruling was more than three years old, this Directorate General conducted a fresh exercise for the determination of Customs Values of the subject goods in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of values:** Meeting was scheduled and held on 12-12-2020. The meeting was attended by different stakeholders. The participants were requested to submit following documents before or during the course of meeting so that customs values could be determined: -

- i. Invoices of imports during last three months showing customs 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 the last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.



During the meeting, stakeholders were of the view that the values of the subject goods in the existing Valuation Ruling are too high. They contended that the values of the goods are on a downward trend and keeping in view the decreasing prices in the International market, a fresh Valuation Ruling should be issued accordingly. Furthermore, they elaborated that the primary cells are based on following materials Zinc-Carbon Cell, Alkaline Cell, Lithium Cell, Mercury Cell and Silver Oxide Cell which determines the value of cell. Carbon-Zinc cells are cheaper and that the Silver Oxide cells are most superior. It was pointed out that the existing Valuation Ruling was based on brands, without giving any consideration to material which should now be rationalized. The clearance data viz-a-viz declared value, however showed upward trend in values which was against the claim of decreasing values by some participants.

**4. Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969, were duly applied in their regular sequential order to arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information under law was not available to arrive at the transaction value. Therefore, identical / similar goods value methods as provided in Sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case. The same provided some reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted market inquiries under sub-Section (7) of section 25 of the Customs Act, 1969, however, this method of valuation could not be exclusively relied upon. Therefore, valuation method vide Section 25(8) was examined for valuation but the same also could not be applied as conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of the subject goods. Finally, clearance data, market information and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of customs values of the subject goods under Section 25 (9) of the Customs Act, 1969.

**5. Customs values for Dry Battery Cells PCTs (8506.1000):** *-hereinafter specified* shall be assessed to duty/taxes on the minimum Customs values as under:

S. No	Description	Specification	PCT	Proposed PCT for WeBOC	Origin	C&F Value US\$/Per Pc			
						Alkaline	Other than Alkaline		
							A	B	C
1	Dry Battery Cell AA/R-6-UM3	PVC Jacket	8506.1000	8506.1000.1000	China	0.150	0.060	0.050	0.035
				8506.1000.1100	Other Origins	0.228	0.090	0.076	0.053

2		Aluminum Foil Jacket	8506.1000.1200	China	0.162	0.070	0.060	0.054
			8506.1000.1300	Other Origins	0.243	0.106	0.090	0.082
3	Dry Battery Cell AAA/ R-3-UM4	PVC Jacket	8506.1000.1400	China	0.111	0.070	0.050	0.024
			8506.1000.1500	Other Origins	0.171	0.106	0.076	0.036
4		Aluminum Foil Jacket	8506.1000.1600	China	0.120	0.060	0.050	0.046
			8506.1000.1700	Other Origins	0.183	0.090	0.076	0.070
5	Dry Battery Cell D size-R-20-UM-1	PVC Jacket	8506.1000.1800	China	0.483	0.250	0.200	0.143
			8506.1000.1900	Other Origins	0.729	0.380	0.314	0.218
6		Aluminum Foil Jacket	8506.1000.2000	China	0.495	0.300	0.280	0.275
			8506.1000.2100	Other Origins	0.741	0.456	0.425	0.418
<b>Category:</b> Alkaline Dry Battery Cell all brands								
<b>Category A:</b> Brands like Energizer/Duracell/Maxel / Excel / Uniross / Camelion /Sony								
<b>Category B:</b> Brands like Toshiba/ Panasonic/ Mitsubishi/ Eveready/ Optima/ / Sanyo/ Rayovac/ Kodak /								
<b>Category C:</b> Low end brands								



6. In cases where declared / transaction values are higher than the Customs values determined in this Ruling or higher evidential data is available of stipulated period of 90 days, the assessing officer shall apply those values in terms of Sub-Section 25(1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

7. **Validity of this Valuation Ruling:** The value determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

8. **Review of the value determined vide this Valuation Ruling:** A review petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

9. The Collectors of Customs may kindly ensure that the values given in the Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of Directorate General immediately. The Customs values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to assessing officers. The assessment shall be finalized in the correct

classifications after fulfilling requisite formalities relating to importability or other certifications required thereon. In addition to this it is further necessary to verify that there is no mis declaration of any sort or violation of Import Policy Order or Section of the Customs Act, 1969 or any other law in vogue therein.

10. This ruling supersedes Valuation Ruling No. 1189/2017 dated 06-07-2017.

  
(Shafique Ahmed Latki)  
Director

**Copy for information to:**

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment & Facilitation), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement & Compliance), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Chief Collector of Customs, (Enforcement & Compliance), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, PCA& Internal Audit, Karachi.
10. The Director General, IOCO, Karachi
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
12. The Director, Directorate of Customs Valuation, Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. The Karachi Customs Agents Group, Bohri Road, Karachi.
17. The Webmaster, Federal Board of Revenue, Islamabad.
18. Guard File.