

UMS

(02) M/s Pakistan Association of Large Steel Producers,
Plot No.A-18, SITE, KarachiM/s. Chamber of Commerce & Industry Quetta and Others
File No.DG (V) Val.Rev/34/2021GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACH

File No. DG (V) Val.Rev/34/2021

Dated: 27th September, 2021

Order in Revision No. 30 /2021 under Section 25-D of the Customs Act, 1969
against Valuation Ruling No. 1547/2021 Dated: 06-08-2021

- 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.

Mr Abdul Samad
President, Chamber of Commerce & Industry Quetta
and Others

PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

RESPONDENT

Date(s) of hearing

07.09.2021 & 13.09.2021

For the Petitioners

Dr. Pervaiz Advocate for CC&I, Quetta
Mr. Ahmed Hassan M/s PSMA
Mr. Javed Iqbal M/s PALSP
Mr. Hassan Tariq M/s Mughal Steel
Mr. Akhlaq Butt, M/s Qadri Alloys
Mr. Fahad Mughal M/s Mughal Steel
Mr. Ali Danish, M/s PALSP
Ms. Aisha Safdar M/s PALSP
Mr. Wajid Bukhari M/s PALSP

For the Respondent

Mr. Shahdad Khan Mari, Principal Appraiser

This revision petition was filed under Section 25-D of the Customs Act, 1969, against customs values determined vide Valuation Ruling No. 1547/2021, dated 06.08.2021, issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

M/s Abdul Samad,
President, Chamber of Commerce & Industry

1. That the Petitioner is the largest registered trade body of Balochistan, representing, promoting and safeguarding interests of almost all sectors of business community of the Province both at National

and International levels. The Petitioner contributes substantially in socio-economic growth of Baluchistan as well as of Pakistan by engaging in and promoting lawful business activities in the Province.

2. That Baluchistan is the largest (area wise), but most deprived and backward, province of Pakistan. The Province falls in the category of lowest Human Development Index. Its people have minimum employment opportunities and limited sources of livelihood. It is argued that socio-economic growth of the Province is directly interlinked with an increase in its business activities. In this context, fortunately, the Province's unique geographical location and enormous untapped trade potential available at regional markets place it at an extremely advantageous position in the global market place/value chain.

3. That the neighboring countries, like Iran and Afghanistan, because of similarity in consumption pattern of goods; low delivery costs; short distances/less time consumption, comparatively low prices and similarities in culture, offer a lucrative market/channel for local importers and exporters. Yet, unfortunately, rather than facilitating/encouraging the local business community, including importers and exporters, to make better and legitimate use of the aforementioned available leverages and potential markets, the local businesses have always been ignored, and sometimes even treated unfairly, discriminatory and unlawfully at the hands of the relevant Federal Institutions. This, in turn, does not only cause barriers to promotion of lawful business activities in the Province, but also adversely affect socio-economic development of the Province, as well as economy of the country, due to decreased trade activities in the Province.

4. That the Petitioner's aggrieved members, the importers of commercially importable items, namely Iron & Steel Re-rollable scraps, via land routes from Iran and Afghanistan, are laws abiding citizens of the country. Because of hard work and commitment to achieve success in lawful business, they always play their due role in socio-economic prosperity of Baluchistan as well as Pakistan by contributing in promoting trade, creating jobs, upgrading living standards of many families and generating revenues for the Government, inter alia, in form of payment of taxes.

5. That the said items, Iron & Steel Re-rollable scraps, are also imported, mostly by Karachi and Lahore based importers, via sea route. But the origin, quality, prices, transportation (freight charges) and insurance costs of the said items, which are key ingredients under Section 25 of the Customs Act, 1969, for determination of a custom value (for purpose of levying duties and taxes), are totally different than their counterparts (Iron & Steel Re-rollable Scraps) imported via land routes from Iran and Afghanistan. The Iron & Steel Re-rollable Scraps imported via land route channels from Iran and Afghanistan are of secondary/inferior quality, as well as prices and freight charges of them are also reasonably low, in comparison to their counterparts imported via sea routes from countries such as the European Union. Meaning hereby, it is virtually impossible to fix the same custom value (for purpose of levying duties and taxes) for both the said products, when their origin, quality and modes of import are completely different from each other, otherwise it would cause anti-competitive practices, in turn, bringing adverse impacts to the established principles of fair and free competition. It's like, for example, fixing the same custom value (duties and taxes) for Apple and Samsung mobiles, then the customers will obviously buy only Apple mobiles, in turn, dumping the Samsung mobiles industry. Here, it is important to mention that in the past custom authorities has always fixed a relatively low custom value for the Iron & Steel Re-rollable Scraps imported via land routes of Iran and Afghanistan, as compared to their counterparts imported via sea route (Annex-A). Furthermore, in the context items other items, for example dry fruits, the factor of land freight, in comparison to sea freight, while determining the custom value, has also been considered by the custom authorities.

6. That, yet, despite of the above submissions, the Respondent, under Section 25-A of the Customs Act, 1969, while patently ignoring the key ingredients for determination of a custom value in the context of the said goods imported via land routes from Iran and Afghanistan, in an oppressive, discriminatory and arbitrary manner, contrary to the established principles of fair and free competition, in clear violation of Articles 4, 10-A, 18, 25 and 38 of the 1973 Constitution of Pakistan, and the Customs Act, 1969, Customs Rules 2001 and the previous established practices, coercively/forcefully and wrongly applies/imposes the impugned valuation ruling no. 1547/2021, dated 6-08-2021 (which has originally or primarily/essentially issued for determination of custom duty of Iron & Steel Re-rollable scrap items



imported via sea or air routes) on the Iron & Steel Re-rollable scraps imported via land routes from Iran and Afghanistan. (Annex-B). The impugned valuation ruling itself considers or admits the significant role of freight in determination of a custom value by mentioning that "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 value determined in this Ruling". However, the entire impugned valuation ruling is silent about the aspect of land freight or its difference with its counterpart, the sea freight, in determination of a custom value in case of import of the said goods imported via land routes from Iran or Afghanistan. Succinctly speaking, the impugned valuation ruling has not considered even a single aspect of import of Iron & Steel Re-rollable scraps via Land Routes, and yet the impugned ruling, which is originally issued for determination of custom values of Iron & Steel Re-rollable scraps imported via sea or air routes, is coercively applied on its counterparts imported via land routes from Iran as well as Afghanistan. Hence, the Petitioner having left with no other option, but to file this Revision Petition before your Honorable Good Office on the following grounds:

GROUND

A. That Article 4 of the 1973 Constitution of Pakistan states that everyone must be dealt in accordance with law. The Respondent, under Section 25-A of the Customs Act 1969, had to follow the methods laid down in Section 25 of the said Act in determination of custom value of any goods or category of goods. Section 25 provides 6 methods for determination of a custom value, and these methods of valuation must be applied in a sequential manner. Without any visible exercise reflected on record, no resort could be made to secondary method of valuation [Ref: 2016 PTD (Trib.) 1305 (c) (Customs Appellate Tribunal)]. A valuation ruling that is given without reasoning, without mentioning as to how they reached that conclusion and without giving opportunity of being heard, such as ruling is not sustainable [Ref: PTCL 2008 CL. 457, PTCL 2010 CL.95]. It has to establish the applicable method, which method was applied and why [Ref: PTCL 2014 CL.537]. A valuation ruling must be a speaking order, meaning hereby needs to elaborate the reasons for rejecting any method [Ref: 2019 PTD (Trib.) 800 (c) (Customs Appellate Tribunal)]. The valuation ruling has to clearly mention how the said method was applied [Ref: 2018 PTD 1746 (k) (Sindh high court)]. However, the Respondent, without even recognizing or considering any single aspect or ingredient essentially significant for determination of a custom value of Iron & Steel Re-rollable scraps imported via land route of Iran, wrongly imposes the impugned valuation ruling on the said goods (Iron & Steel Re-rollable scraps) imported via land routes from Iran and Afghanistan.

B. That one of the basic principles of rule of law is "Audi Alteram Partem", which means "no man should be condemned unheard". Considering its substantial significance, the Supreme Law of the Country, the Constitution of Islamic Republic of Pakistan, 1973, ensures the right of parties to be heard under its Article 10-A [Ref: 2011 YLR 2705]. Likewise, a valuation ruling, without giving opportunity of being heard to the stakeholders, is not considered sustainable [Ref: PTCL 2008 CL. 457, PTCL 2010 CL.95, 2019 PTD (Trib.) 91 (Customs Appellate Tribunal)]. While two meetings, dated 29-6-2021 and 29-7-2021, were held before finalizing the impugned valuation rulings, and other stakeholders, such as the importers of the Iron and Steel Re-rollable scraps via Sea, were made part and parcel of the process of finalizing the impugned valuation ruling, the Petitioner's was invited to participate in the one meeting only, that was held 29-6-2021. The Petitioner's participation in the second and final meeting held on 29 July 2021 was patently ignored, as there was no invitation at the part of Respondent. In addition to this, in spite of participation of the Petitioner in the first meeting held on 29 June 2021, his esteemed view or version was not reflected or considered in the impugned valuation ruling.

C. That the Petitioner's aggrieved members, under Article 18 of the Constitution of Pakistan, 1973, have the fundamental right to carry on any lawful trade or business, and any restriction to be imposed thereupon must be lawful, reasonable and fair. However, contrary to Article 18 of the 1973 Constitution of Pakistan, read with its Article 4, 10 and 25, Section 25 of the Customs Act 1969, and earlier rulings/notifications of the Respondents, and while patently ignoring the main factors such as origin, quality, prices and freight charges of the said goods, the impugned ruling was issued merely to create monopoly of the importers of the Iron & Steel Re-rollable Scrap via sea or air route, that amounts to constitute/promote anti-competitive practices, which the Constitution of Pakistan under Article 18 and courts always aim to eradicate. It has held that a valuation ruling, if does not reflect the current

market..., options are available to revise such a valuation ruling, rather than permitting such abhorring anti-competitive takeover practices[Ref: 2019 PTD 1308 (c) (Sindh high court)].

D. That Article 25 of the Constitution of 1973 ensures that every citizens equal before the law, meaning hereby that the practices of inequality, biasness, discrimination and unfairness must be avoided. Openness and transparency are the legal rights of every individual. However, the Petitioner was treated unequally, discriminatorily and unfairly. The essentials of transparency were completely ignored in issuance of the impugned valuation ruling. The impugned ruling was primarily issued for benefit of the importers of Iron & Steel Re-rollable scraps via sea or air route, and the Respondent coercively applies the same custom value on Iron & Steel Re-rollable scraps imported via land routes from Iran and Afghanistan, without recognizing the primary fact/mandatory requirement that there are clear differences in their origin, quality, prices paid or to be payable, and freight costs/transaction costs, as compared to their counterparts imported through sea route. As mentioned earlier, the said items imported via land routes of Iran and Afghanistan are of inferior quality, and the freight charges are relatively low due to short distances and cheap labor costs. Similarly, this fact had already recognized and admitted by the Customs Authorities previously by relaxing the custom value for Iron & Steel Re-rollable Scraps imported via land routes of Iran and Afghanistan, in comparison to its counterparts imported via sea or air route. In spite of this, the impugned valuation ruling, in a discriminatory/arbitrarily manner, imposes single custom value on Iron & Steel Re-rollable scraps, either imported through sea route or via land routes from Iran and Afghanistan.

E. That Article 38 of the Constitution of Pakistan, 1973, focuses, inter alia, on uplifting living standards of the citizens of the country. Apart from the Petitioner's aggrieved members, there are dozens of other families, whose one of the legal modes of improving their livelihood is made at stake due to the issuance of the impugned valuation ruling.

F. That, in case of non-redressal of grievances of the Petitioner in time as well as on merit, the Petitioner has the right to invoke the Constitutional Jurisdiction of the Honorable High Court through Writ Petition.

G. That the Petitioner reserves the right to agitate further grounds at the time of hearing.

PRAYER

Considering the above submissions, it is, respectfully, prayed that the instant revision petition may kindly be accepted, and:

a. That the impugned valuation ruling No. 1547/2021, dated 6-08-2021, may please be set-aside to the extent of Iron & Steel Re-rollable Scrap imported by local importers via land routes from Iran and Afghanistan; and the concerned Collector of Customs, Quetta, may please be directed to issue a fresh valuation ruling, under Section 25-A, in this regard.

b. That the impugned valuation ruling No. 1547/2021, dated 6-08-2021, may please be modified or amended by adding a para. "in case of consignments imported by land from Iran or Afghanistan, the assessing officer shall take into account the differential between land freight and sea freight while applying the Customs value determined in this Ruling".

c. That till issuance of a new valuation ruling by the Collector Customs, Quetta, or the insertion of requested/prayed modification in the impugned valuation ruling, the previous Valuation Ruling No.1455/2020, dated 3-7-2020, may please be applied, which was also earlier directed by the Honorable High Court, Baluchistan, in CP No. 843/2021.

d. That grant any other relief, which Your Good Office deems fit and proper, in the greater interest of justice and fair play.

The Pakistan Steel Melters Association

I. The Petitioner is The Pakistan Steel Melters Association (PSMA), a recognized trade association whose members are Steel Melters of Pakistan. The Petitioner is not content with the Valuation Ruling No. 1547/2021 dated 6th August 2021 (enclosed in Appendix A) issued by the Respondent for valuation of

Iron & Steel Remeltable Scrap / HMS Scrap / Shredded Steel Scrap / Re-rollable Scrap / Compressor Scrap / and Other Scraps in malicious and unlawful manner. We had earlier submitted that the rates be undertaken separately of (Shredded Scrap, HMS & Bundle Scrap).

2. *L.M.B (now Fast markets) is an internationally recognized publication that offers up-to-date prices, industry data, and market news for diverse metals and mineral commodities, including ferrous and non-ferrous scrap. The prices published by L.M.B (now Fast markets) reflect the up-to-date transaction values between buyers and suppliers of metal and mineral commodities across the world.*
3. *That the impugned Valuation Ruling is in contempt of the Order in Review No. 16 / 2021 issued under Section 25-D of the Customs Act, 1969 by the Honorable Director General of Customs Valuation (enclosed in Appendix B).*
4. *That the Respondent completely disregarded the directions of the Honorable Director General of Customs Valuation who directed to set aside the previous Valuation Ruling because of its inherent flaws. The Director General of Customs Valuation through Order in Revision No. 16 dated 26th May 2021 directed for fresh determination of Customs Value of all kinds of Scrap on the basis of objective criteria as derived from the Order as well as proper hearing involving all the concerned stakeholders.*

Issuance of Valuation Ruling using prejudice is blatant ignorance of directions in the Order in Review by the Respondent in the impugned Valuation Ruling amounting to malicious motives which make the impugned VR to be absolutely illegal.

5. *That the impugned Valuation Ruling is issued based on prices obtained from online sources but the Respondent did not give reference to any such source. Nor did the Respondent mention the reason or motive for not linking Customs Value of Metal Scrap with L.M.B. (now Fast markets) as had been done in previous Valuation Ruling. Please refer to Paragraph 5 of the impugned Valuation Ruling as shown below:*

"Finally, clearance data, the 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."

6. *That PSMA also proposed formula based on L.M.B. / Fast markets prices of Copper Scrap to determine Customs Value of Compressor Scrap and Motor Scrap in consideration of their respective Copper and Iron contents. The Respondent agreed on the prices, but instead of linking prices with L.M.B. / Fast markets, they fixed the price. The Respondent's decision to fix price will cause variance between Customs Value and actual transaction value, especially in consideration of daily fluctuations in market prices.*

PRAYER

In light of above facts, it is prayed that Valuation Ruling No. 1547/2021 does not reflect the true transaction value in true spirit as defined under Section 25 of Pakistan Customs Act, 1969 as well as International Principles of Customs Valuation.

It is respectfully requested to reconsider our request to link the prices of Metal Scrap with the prices published in L.M.B / Fast markets, as shown below:

- **Iron & Steel Shredded Scrap:** CFR price of Iron & Steel Shredded Scrap published in L.M.B
- **Iron & Steel HMS-I Scrap:** CFR price of Iron & Steel HMS-I Scrap published in L.M.B

- **Iron & Steel Bundle Scrap:** CFR price of Iron & Steel Shredded Scrap published in L.M.B for Pakistan Import, less USD 100 per M.T. (On account of difference in cost).
- **Compressor Scrap:** 10% of price of Copper Scrap published in L.M.B
- **Motor Scrap:** 8% of price of Copper Scrap published in L.M.B

2. The respondents were asked to furnish comments to the arguments submitted by the petitioner in the case. Para-wise comments on the petition are given as under:-

COMMENTS BY THE DEPARTMENT

BREIF FACTS OF THECASE

Earlier the customs values of Iron & Steel Scrap (Re-meltable/HM Scrap/Shredded Scrap//Re-Rollable Scrap, Compressor Scrap & Other were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1517/2021 dated 25-02-2021. However some importers filed review petitions before the Directorate General of Customs Valuation who, vide Order-in-Revision No.16/2021 dated 26-05-2021 set aside the said Valuation Ruling and directed that afresh Valuation Ruling of all types of Scrap (including motor scrap) may be issued after giving proper hearing to all concerned importers. Therefore, this Directorate General initiated an exercise for determination of the Customs Values of subject goods afresh was initiated under section 25-A of Customs Act 1969 and after detailed inquires this Directorate General determined the customs values of subject goods in terms of Section 25-A of the Customs Act, 1969 and valuation Ruling No.1547/2021 issued on 06-08-2021 as per law.

REPLY OBJECTIONS / COMMENTS FACTS

In reply to the contents of the above referred review petition the, parawise comments on behalf of the Respondent are submitted as under:-

Para (1)to(3): Need no comments being related to introduction of their trade body and Province.

Para (4): Needs no comments.


Para (5): In order to ensure proper assessment of goods, the values of Iron & Steel Scrap (Remeltable/HM Scrap/Shredded Scrap//Re-Rollable Scrap, Compressor Scrap & Other was determined in accordance with law, after taking all the stakeholders on board. The values so determined were notified under Section 25A of the Customs Act, 1969 for uniform implementation across the country and is applicable unless revised or rescinded in terms of 25A(4) of Customs Act, 1969. The Director valuation has to perform his duty within his jurisdiction to determined Customs Values on Genuine ground.

Para (6) The values as determined are not contradictory, unreflective, illegally and unlawful the same are determined well within the parameters as laid down under section 25 of the Customs Act 1969. Moreover, it is reiterated that the subject values were ascertained after taking into consideration of import data, international prices available on internet and market inquiries under the provision of law. This Directorate General has performed his duties within its jurisdiction. Determination of customs values is domain of this Directorate General of Valuation which are determined under section 25 and 25-A of Customs Act, 1969. Customs values of any article are never determined hypothetically or beyond the prevailing procedure laid down under the Section 25 of the Act, 1969. This office always works to facilitate the genuine trade but also work to culminate the heavy or group under invoicing

GROUND

Para (7)&(8) In line with the statutory sequential order of section 25, this office then conducted a market enquiry using Deductive Value Method under Sub-Section (7) of the Section 25

of the Customs Act, 1969 but gathered information could not be exclusively relied on. Computed Value Method as provided in section 25(8) of the Customs Act, 1969 could not be applied for valuation of the aforementioned goods as the cost of raw material under clause (a) and amount of profit and general expenses under (b) of Section 25(8) of the Act, in the country of export, could not be ascertained, On line values were also checked. All the information was analyzed and evaluated and Sub-Section (9) of Section 25 of the Customs Act, 1969, was applied to arrive at assessable Customs Values of Iron & Steel Scrap (Remeltable/HM Scrap/Shredded Scrap//Re-Rollable Scrap, Compressor Scrap & Other. The subject consignment is liable to be assessed as per Valuation Ruling No. 1547/2021 dated 06-08-2021 which issued on merit.




Para (9)&(10): The Transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969 was found inapplicable because no substantial documents were provided by the stakeholders to prove the declared values were true transactional values. Moreover, different values were declared by different importers for same product according to their brand of Ice Cream from different origins. Identical/similar goods value methods provided in Section 25(5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references however it was found that same could not be solely relied upon due absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available hence found inappropriate. In line with statutory sequential order of section 25, this office conducted market enquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969. As the prices of subject goods of different quality and origin in the market varied significantly, therefore a number of surveys were conducted to arrive at customs values However, it was found that determination of customs values could not be based solely upon this method either as method of selling either through franchise or through whole sellers are different. Therefore, valuation method vide provided in section 25(8) of the Customs Act, 1969 was examined for valuation but the same also could not applied as the conversion cost from the constituent material and allied expenses, at the country of export were not available. 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 under Section (9) of Section 25 of the Customs Act, 1969. The values determined on merit. The subject consignment is liable to assessed as per VR.

PRAYER

- a) It is respectfully prayed that the impugned Ruling was issued after exercising all existing methods of valuation and consequently customs values were determined under section 25 (9) of the Customs Act, 1969. On other side the petitioners have not furnished any requisite documents/evidences in support of petitioners transaction value, the petition has no merit for consideration and is liable to be rejected.
- b) The values determined are not contradictory, unreflective, illegal and unlawful. The Valuation Ruling No. 1547/2021 dated 06-08-2021 of imported of Iron & Steel Scrap (Remeltable/HM Scrap/Shredded Scrap//Re-Rollable Scrap, Compressor Scrap & Other issued under Section 25-A of the Customs Act, 1969 is as per law. In presence of valid Valuation Ruling issued by the competent authority for uniform application, there exists no justification to accept the transaction value for assessment.
- c) It is therefore prayed in the light of above explained position that the ruling may be allowed to hold in field in the interest of justice and to safeguard the Government exchequer.

ORDER

3. Hearings in this case were conducted on 07-09-2021 and 13-09-2021. Counsel of petitioner, representatives of importers and manufacturers attended the hearing proceedings (conducted on zoom) and advanced their respective arguments. Dr. Pervaiz Khan, Advocate, appearing on behalf of Quetta Chamber of Commerce & Industry, contended that the impugned ruling was primarily issued for the assessment of imports of different types of Iron & Steel Scrap via sea or air route, whereas the imports, being effected by members of his client Chamber, were through the land Customs Stations at Chaman and Taftan. He further stated that the Customs were coercively and incorrectly applying such values on imports of iron and steel scrap via land routes, from Iran and Afghanistan, without recognizing that there are clear differences in freight costs as compared to imports through sea route. The Counsel further added that the said items imported via land routes of Iran and Afghanistan are of inferior quality.



On the other hand, Mr.Ahmad Hasan (representative of Pakistan Steel Melters Association) agitated for the application of LMB prices in respect of all types of scrap i.e. Shredded, Bundled, HMS etc. as according to them the prices are separately available in LMB. They further argued that the PCT headings of all these types of scrap also need to be separately indicated in the ruling.

5. Mr. Akhlaq Butt of M/s Qadri Alloys Ltd. requested for implementation of customs values determined vide impugned valuation ruling especially compressor and motor scrap as being realistic for the large SME sector operating within the civil Division of Gujranwala and its adjoining areas.

6. The re-rolling industry contested the gap in customs values of Re-meltable Scrap and Re-rollable Scrap and further sought to link the prices of re-meltable scrap with those quoted in the LMB. Similar stance was also taken by M/s Mughal Iron and Steel Industries Ltd. Lahore as well as the M/s Pakistan Association of Large Steel Producers.

7. After listening to the detailed discussions/ arguments of petitioners and respondents and perusal of the case record, it is evident that the Valuation Department had duly taken the stakeholders on board while issuing the impugned Valuation Ruling. However the contentions of the Quetta Chamber for separately fixing the price of different types of scraps (as mentioned in impugned V.R.) in respect of imports through land routes carries weight. In addition the observation of the Re-melting/Re-rolling Sector that prices of scrap need to be hedged to LMB also merits consideration. Accordingly the following is ordered:-

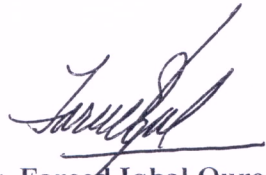
- i) Revisit customs values of different types of scrap detailed at serial Nos. 01 and 02 (of the table in Para-6 of impugned ruling) for re-determination of customs values and where deemed appropriate to link them with prices published in LMB. Further, Iron & Steel Re-meltable Scrap, Shredded Scrap, HMS Scrap, Press Bundle Scrap etc. need to be separately indicated (with appropriate PCT heading). This exercise to be completed within aforementioned time frame. ✓
- ii) The Director Customs Valuation shall take into account the freight difference between sea and land routes (i.e. imports through land route from Iran and Afghanistan) while

determining customs values in respect of the items mentioned in Para-6 of the impugned ruling; and

iii) The above exercise to be completed within two weeks.

8. The petitions are disposed of accordingly. Being identical on facts and law points, this order shall apply mutatis mutandis to following (04) petitions.

1. M/s Pakistan Association of Large Steel Producers
2. M/s Mughal Iron & Steel Industries Limited
3. M/s Qadri Alloys Metals (Pvt) Ltd.
4. M/s The Pakistan Steel Melters Association


(Dr. Fareed Iqbal Qureshi)
Director General

Registered copy to:

Mr. Abdul Samad,
President, M/s. Chamber of Commerce & Industry Quetta,
Quetta Chamber Building, Zarghoon Road, Quetta.
Through Dr. Pervaiz Khan Advocate High Court, Quetta

M/s Pakistan Association of Large Steel Producers,
Plot No.A-18, SITE, Karachi

M/s Mughal Iron & Steel Industries Limited,
31-A, Shadman-I, Lahore

M/s Qadri Alloys Metals (Pvt) Ltd.
Plot No.21/A, S.I.E.III, EPZ, G.T. Road, Attawa, Gujranwala.

M/s The Pakistan Steel Melters Association,
12-S Gulberg Centre, 84-D/I, Main Boulevard, Gulberg-III, Lahore

Copy to:

1. The Member (Customs Policy/Operations), FBR, Islamabad.
2. The Chief Collectors Customs Appraisalment (South)/Enforcement, Karachi/ (North) Islamabad / (Central) Lahore/ Quetta.
3. The Collector, MCC Appraisalment and Facilitation (East/West) /Port M. Bin Qasim/
4. Enforcement & Compliance, JIAP, Karachi.
5. The Collector, MCC Appraisalment & Facilitation/Enforcement & Compliance, AIIA, Lahore/Quetta/Peshawar/Faisalabad/Sambrial/Multan/Hyderabad/Islamabad/Gilgit-Baltistan/Gawadar.
6. The Directorate General of Intelligence & Investigation (Customs), Islamabad /Lahore /Peshawar / Multan / Hyderabad / Gawadar / Quetta.
7. The Director, Customs Valuation, Karachi/Lahore.
8. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for Uploading in One Customs and WeBOC Database.
9. Deputy Director (Revision), Directorate General of Customs Valuation, Karachi.
10. All Deputy/Assistant Directors (Valuation).
11. Guard File.