

The Collectors of Customs, Collectorate of Customs (Appraisement -West / Appraisement - SAPT / Appraisement -East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim / Custom House Karachi) / Transit Trade, Karachi.

**DETERMINATION OF CUSTOMS VALUES OF ABRASIVE PRODUCTS**  
**GRINDING WHEEL / GRINDING & CUTTING DISC UNDER SECTION 25A OF**  
**THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1878 / 2024)

C. No. Misc/10/2009-V/473

Dated: 14-05-2024

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs Values of Abrasive Products Grinding Wheel / Grinding & Cutting Disc are determined as follow:

- Background of the valuation issue:** Earlier, the Customs values of Abrasive Products Grinding Wheel / Grinding Cutting Disc were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1247/2018 dated 17-01-2018. Furthermore, the Directorate initiated an exercise for fresh determination of Customs Value of subject goods under Section 25A of the Customs Act, 1969 in view of the FTO's findings / recommendations to complete the already initiated process for issuance of fresh VR.
- Stakeholders' participation in determination of Customs values:** Meetings were convened on 11.03.2024 & 26.05.2024 that were attended by the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meetings.
- Analysis / Exercise done to determine Customs Values:** The importers informed that the Customs values in the existing Valuation Ruling are on the higher side whereas they are importing subject items on lower prices. They submitted that the customs values determined vide the existing Valuation Ruling are not according to the current international market. Stakeholders were scanty on the provision of relevant information, rather not coming forth to assist the department to come up with fair customs values.



5. **Method (s) adopted to determine Customs values:** Valuation methods specified in section 25 of the Customs Act, 1969, were duly applied in sequential order to arrive at the Customs value of Grinding Wheel / Grinding Cutting Disc. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable due to wide variation of values in import data. Moreover, different values were declared by different importers for same product according to different origins. Identical goods value method provided in Sections 25 (5) of the Customs Act, 1969 was examined for applicability to determine Customs values of subject goods. The data provided a good number of references of absolute demonstrable evidence of qualities and quantities of the same commercial level. For instance, a total number of 450 Goods Declaration (GDs) were filed from 23<sup>rd</sup> March 2023 to 23<sup>rd</sup> March 2024 Out of this total, in 199 GDs, the declared value is @ 1.5 \$/kg and above. In the remaining 251 GDs, assessment is again finalized @ 1.5 \$/kg though the declared values are lesser than that. Moreover, the freight from the China was \$ 858/- when the earlier Valuation Ruling No. 1247/2018 dated 17.01.2018 was issued, whereas, currently the freight from China is \$ 2305/- which warrants due addition/adjustment under Sub Section 2 of Section 25 of the Customs Act, 1969. Hence, aforesaid Information analyzed is found relevant / applicable. Finally, Abrasive Products: Grinding Wheel / Grinding & Cutting Disc, have been determined under Section 25(5) of the Customs Act, 1969.

6. **Customs values of Abrasive Products: Grinding Wheel / Grinding & Cutting Disc- hereinafter specified** shall be assessed to duty / taxes on the Customs values given against them in the Table below: -

Sr. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Abrasive Grinding Wheel	6804.1000	6804.1000.1000	China	1.72
2		6804.2200	6804.2200.1000	Other	2.20
3	Abrasive Grinding & Cutting Disc	6804.1000	6804.1000.1100	China	2.18
4		6804.2200	6804.2200.1100	Other	2.31



7. In cases, where declared values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of sub-section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

8. **Validity of this Valuation Ruling:** This Ruling, containing the Customs Values for assessment of subject imported goods, shall be applicable until and unless the same is rescinded or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the values determined vide this Valuation Ruling:** If aggrieved, a revision petition may be filed against this ruling as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of its issuance, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in the Valuation Ruling, for the given description of goods, are applied by the concerning assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in the aforementioned table in this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessments shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

11. ***This ruling supersedes Valuation Ruling No. 1247/2018 dated 17-01-2018.***



**(Fayaz Rasool Maken)**  
**Director**

Copy for information to:

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