

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/967/2016

Dated: 19<sup>th</sup> January, 2017

**Order in Revision No. 291/2017 under section 25-D of the Customs Act, 1969**  
**against Valuation Ruling No.937/2016 dated 26-09-2016**

- 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. Nimir Chemicals Pakistan Limited & Others..... PETITIONERS

VERSUS

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

Date(s) of hearing 22-12-2016

For the Petitioners Mr. Asif Niaz Hussain, Sr. Manager M/s Nimir

For the Respondent Mr. Abdul Majeed, Assistant Director

This revision petition was filed under section 25-D of the Customs Act, 1969 against customs value determined vide Valuation Ruling No.937/2016 dated 26-09-2016 issued under section 25-A of the Customs Act, 1969, inter alia, on the following grounds as reproduced below:

2. We take this opportunity to draw your kind attention towards the fact that current ITP fixed @ US\$ 720/MT fixed by Directorate General of Customs, Valuation, Karachi vide their valuation ruling No.937/2016 bearing reference number Misc/06/2016-II dated 26.09.2016 for the import of Glycerin (PCT 2905/4500) is quite unrealistic and unfair as it does not reflect the existing/prevaling international pricing level since the subject product is being traded world wide at the rate of US\$ 535/MT approximately as evident from the attached latest & verifiable commercial invoice number 101102686 dated 19-09-2016 issued by M/s. Saudi Basic Industries Corporation (SABIC) on CFR basis in our name.

3. You will also kindly appreciate that fixation of unrealistic ITP read with prevailing custom duty @ 21% (20% custom duty plus 1% additional custom duty) may be giving undue benefit to few manufacturing concern helping them to earn huge profit margins by marketing their finished goods at



considerable high price level but on the other side it is inflicting serious financial injuries serious financial injuries to the end users who believe in fair play and whom cost of production has risen extraordinary. Manufacturers are being unduly and unethically favored with a flat protective fortification of almost 55% - Custom duty @ 21% plus ITP differential of 34%. Such discrimination is quite frustrating for the end users who find it extremely difficult to consume it and to earn any margin despite making heavy investment in their respective industries.

4. In view of the foregoing, we request you to kindly:-

- (i) Issue necessary order on most urgent basis for the revision of the ITP to the prevailing level allowing some breathing space to the end users who are already suffering due to the long prevailing inconducive business & economic conditions and
- (ii) Review the current ITP Policy – ITP may not be fixed for all such products whom international scans (i.e. ICIS Scan) are generally available to all concerned – Custom clearance of such products should be carried out on the prevailing prices verified from the scans of the relevant period.

#### ORDER

5. Hearing in this case was fixed on 22-12-2016 but no one appeared. Another opportunity of hearing was provide on 02-01-2017. Mr. Asif Niaz Hussain Senior Manager supply chain of M/s. Nimir Chemicals Pakistan Limited Lahore appeared and stated that Glycerin is the raw material and used in manufacturing of resin and they are manufacturer of resin. They stated that present valuation ruling for glycerin is at US\$ 720/MT C& F whereas in the international market the purified glycerin is at US\$ 630/MT (FOB). He stated that value of glycerin is depends on its grade and following are the grades which are more common of imports.

- i) Technical grade 98%
- ii) Purified grade 99.7% (Industries)
- iii) Food grade / pharmaceutical grade 99.9%

6. He further contended that the value of purified glycerin (Industrial grade) is US\$ 630/MT FOB. If insurance and freight is added than it comes to US\$ 650/MT whereas in the valuation ruling No.937/2016, dated 26-09-2016 the value is determined at US\$ 720/MT which is on higher side. They further added that M/s Nimir Industrial Chemicals and Sufi Chemicals are local manufacturer of glycerin from palm sterin. They manufacture Stearic Acid and Soap Noodles and glycerin is the by-product of the industrial process.

7. The departmental representative stated that the value was determined in the light of PRAL's data and data available on the international websites. He further stated that being industrial raw material market inquiry was not possible. The manufacturers of glycerin were also consulted. They provided ICIS (Scan) prices which are in the range of \$ 650 – 670/MT FOB. The manufacturers were of the view that if element of freight and other charges are added it comes to around \$ 700/MT. The

manufacturers data and international prices were seen. The value of glycerin is therefore fixed at US\$ 695/MT.

8. Being identical on facts and law point, this order shall also apply mutatis mutandis to the following (03) petitions.

S #	Petitioners' Name	File No
01	M/s Unique International	DG(V)Val. Rev/931/2016
02	M/s Rehan & Brothers	DG(V)Val. Rev/931/2016
03	M/s N. Y. Trading Corp.	DG(V)Val. Rev/924/2016

  
(Syed Tanvir Ahmad)  
Director General

Registered copy to:

M/s Nimir Chemicals Pakistan Limited,  
Head Office. 1<sup>st</sup> Floor, Amin Arcade, 7- Durand Road, Lahore.

M/s Unique International,  
3<sup>rd</sup> Floor, Rafiq Chamber, Zakaria Lane, Jodia Badar, Karachi.

M/s Rehan Brothers,  
Office No.122, First Floor, Shams Chamber, Shahrah-e-Liaquat, Karachi.

Copy to:

1. Member (Customs), FBR, Islamabad.
2. Chief Collectors Customs Appraisement (South)/Enforcement, Karachi/ (North) Islamabad/(Central) Lahore.
3. Collector, MCC Appraisement (East)/ Appraisement (West)/Port M. Bin Qasim/ Preventive, Karachi.
4. Collector, MCC, Appraisement/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.