



**GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE, KARACHI**

The Collectors of Customs, Collectroate of Customs, (Appraisement - West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement JIAP / Export / Export PMBQ), Karachi / / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Giligit - Baltistan / (Appraisement Enforcement), Peshawar / Enforcement, Dera Ismail Khan.

**DETERMINATION OF CUSTOMS VALUE OF IRON & STEEL DRAWER LOCK,  
DOOR CLOSER, HINGES AND DRAWER SLIDER (LOW END BRANDS) UNDER  
SECTION 25A OF THE CUSTOMS ACT, 1969.**

**(VALUATION RULING NO 1604/2022)**

No.Misc/05/2009-VI/222.

Dated: 28-02-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs value of iron & steel drawer lock, door closers, hinges and drawer slider (Low end Brands) determined as follows:

**2. Background of the valuation issue:** Earlier the customs value of iron & steel drawer lock, door closers, hinges and drawer slider (Low end Brands) was determined vide Valuation Ruling No1553/2021 dated 04-10-2021. M/s Sitara Enterprises filed review petition under section 25D of the Customs Act, 1969 before the Director General of Customs Valuation for revision of values of Hinges and drawer sliders being on lower side. The Director General Customs Valuation vide Order in Revision No. 59/2021 dated 04.10.2021 remanded back the case to the Director Customs Valuation, Karachi ordering the following:

*"Based on a perusal of the petitioners review application and issues raised during the proceedings, it appears that the process of determining the customs values suffers from an inherent shortcoming vis-à-vis input goods i.e. whether cold rolled or hot-rolled (or otherwise), used in manufacture of the items mentioned in the impugned Ruling. Clarity on this aspect is essential to amicably resolve this dichotomy and objectively determine the respective Customs values with a view to ensure equity amongst all stakeholders. It also needs to be mentioned that a cursory perusal of websites of internationally acclaimed indenters; manufacturers etc. supports the petitioner's contention that different materials are used in manufacture of items mentioned in V.R i.e. Iron, Steel (including cold rolled steel). Importantly, they were not heard in the proceedings that led to issuance of the impugned V.R. which is against the precepts of natural justice. On account of the foregoing, it is therefore ordered that Valuation Ruling No. 1553/2021 dated 04.10.2021 is set aside and the Director of Customs (Valuation), Karachi, is ordered to undertake fresh exercise leading to issuance of new Valuation Ruling, within two weeks, under section 25A of the Customs Act, 1969 on merits and in accordance with law after giving a fair opportunity of hearing to the petitioner(s)/ stakeholder(s). The instant revision petitions, filed in terms of Section 25D of the Customs Act, 1959, is disposed off accordingly."*

**3. Stakeholders' participation in determination of Customs values:** Meeting was held on 13-01-2022 with all stakeholders. The participants were requested to submit the following documents so that correct customs values could be determined: -

- i) Invoices of imports during last three months showing factual 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 last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. The requisite documents were not submitted by any importer to substantiate their declarations therefore the matter could not be further pended. However M/s Sitara Enterprises, a local manufacturer of drawer slides (ball bearing type) provided costing details of his products.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction value method provided in Section 25 (1) of the Act *ibid* was found inapplicable because the required information under the law was not available. Identical and Similar goods valuation methods provided some reference values but could not be relied upon due to variation in data. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was conducted but could yield no reliable results as prices varied according to selling point in the market. Therefore, valuation method vide section 25(8) was also examined for valuation of the subject goods keeping in view the LME prices of raw material published in LMB( taking strength of proviso to section 25A inserted vide Finance Act,2021), adding relevant conversion cost and prevalent freight. All the information so gathered was evaluated and, analyzed for the purpose of determination of customs values. The relevant material used in the manufacture of the final product was also re-considered. Consequently, reliance was placed upon Sub-Section (9) of Section 25 of the Customs Act, 1969, for the determination of customs values.

6. **Customs Values for Iron & Steel Drawer Lock, Door Closer, Hinges And Drawer Slider (Low End Brands) *hereinafter specified*** shall be assessed to duty / taxes at the following minimum Customs Values:-

Sr. No.	Description of goods	PCT	Proposed PCT for WBOC	Origin	Customs Values (C&F) US\$/PC	The overall value of assessed item should not be less than prices mentioned in this column US\$/kg
1	2	3	4	5	6	7
1	Iron & Steel Drawer Locks along with Keys	8301.3000	8301.3000.1000	China	0.12	1.82
			8301.3000.1100	Other Origins	0.25	4.00



2	Door Closer	8302.6000	8302.6000.1000	China	--	2.74
			8302.6000.1100	Other Origins	--	3.98
3	Door Floor Spring	8302.1090 8302.4900 8302.6000	8302.1090.1000	China	--	3.33
			8302.4900.1000			
			8302.6000.1200	Other Origins	--	4.66
			8302.1090.1100			
4	Hinges (Non floor Type)	8302.1090 8302.4900 8302.6000	8302.4900.1100	China	--	1.45
			8302.6000.1300			
			8302.1090.1200	Other Origins	--	2.31
			8302.4900.1200			
5	Drawer Slider (Roller Slide Type)	8302.4200	8302.1090.1300	China	--	1.45
			8302.4900.1300			
6	Drawer Slider (Ball Bearing Type)	8302.4200	8302.4200.1000	China	--	1.45
			8302.4200.1100			
6	Drawer Slider (Ball Bearing Type)	8302.4200	8302.4200.1200	China	--	1.73
			8302.4200.1300			

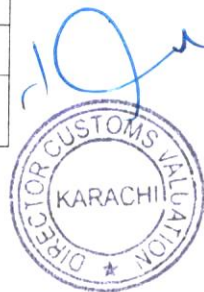
**Note: High-end Brands like "Yale" etc. will be assessed by the clearance collectorates under Section 25 of the Customs Act, 1969.**

7. In cases where declared/ transaction 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 officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

8. **Validity of this Valuation Ruling:** The values 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 (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the value determined vide this Valuation Ruling:** 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 issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the tables above of this Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling



requisite formalities related to importability or any other certification 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 15 of the Customs Act, 1969 or any other law in vogue therein.

11. *This ruling supersedes Valuation Ruling No. 1553/2021 dated 04-10-2021*

  
(Syed Fawad Ali Shah)  
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
- 4) The Chief Collector of Customs, South (Enforcement), 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), 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 Director General, Transit Trade, Custom House Karachi
- 12) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 13) The Director, Transit Trade, Custom House Karachi
- 14) The Director, Directorate of Customs Valuation, Lahore.
- 15) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 16) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 17) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 18) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 19) The Webmaster, Federal Board of Revenue, Islamabad.
- 20) Guard File.