

the general ledger account where the expense is located.

#### **D-2.9 DIFFERENCES IN COMMISSIONS PAID IN RESPECT OF THE SALES UNDER CONSIDERATION**

Where commissions were paid to agents, unrelated or related sellers, report the amount of commission expenses and explain the terms under which commissions are given. Report the adjustment in the transaction-by-transaction listing at D-3 below. Identify the general ledger account where the expense is located.

#### **D-2.10 OTHER FACTORS**

An adjustment may also be made for differences in other factors not provided above if it is demonstrated that they affect price comparability, in particular that customers consistently pay different prices on the domestic market because of the difference in such factors.

#### **D-3 Information on Domestic market customers**

Following information should be provided for each transaction separately in a table form. This information should also be supplied on CD ROM. These data files should be compatible to the US versions in EXCEL format.

<u>Information Required</u>		<u>Field Name</u>
A	Sequential number for the transaction	S. No.
B	Product code (if any)	Code
C	Product description	Product
D	Date of issue of the invoice	IN. Date
E	Invoice number.	IN. No
F	Number of the bill of lading or other transport document.	LB No
G	Sales order or contract number.	SALORDNo
H	Date of the sales order or contract.	SaleDate
I	Customer name.	CUS. Name
J	Relationship with customer (show code "U" for "Unrelated customer", and code "R" for "Related customer").	CUS.REL
K	Quantity (in units) of the IP, (for this transaction).	QTY
L	Gross value of this transaction in the currency of sale.	G.Value
M	Currency of sale	Currency
N	Number of the credit note (if any).	Crdt N.No
O	Date of the credit note issued.	Crdt Date
P	Quantity (in units) credited.	Crdt Qty
Q	Value credited.	Crdt Value
R	Net quantity (in units) (quantity of the invoice minus quantity of the credit note)	Net Qty
S	Payment terms (e.g. at sight, 30 days credit, etc.)	P.Terms
T	Interest rate (if sales is made on credit)	Int Rate

U	Credit Cost	<b>Crdt Cost</b>
V	Delivery terms	<b>Del Terms</b>
W	The actual amount of discounts which were not deducted on the invoice.	<b>Discount</b>
X	The actual amount of the rebate.	<b>Rebate</b>
Y	The amount of commission paid (if any).	<b>Commission</b>
Z	Adjustment for physical difference	<b>Physical</b>
AA	Adjustment for duty draw back	<b>Duty DB</b>
AB	Amount of indirect taxes	<b>Ind Tax</b>
AC	The amount of freight in domestic market.	<b>Freight</b>
AD	The amount of insurance cost.	<b>Insurance</b>
AE	The amount of Handling, loading and ancillary expenses.	<b>Handl Cost</b>
AF	The bank charges related to this transaction, e.g. document fee, bank commission, currency exchange, etc..	<b>Bank Char</b>
AG	The amount of warranty and guarantee expenses (if any).	<b>Warnty</b>
AH	The amount of the expenses for technical assistance and services.	<b>Tech Asst</b>
AI	In case you claim any other non-specified allowance (please specify).	<b>Other</b>
AJ	Net Value of this transaction (gross value-adjustments)	<b>Net Value</b>
AK	Per unit total cost of production (cost of production plus administrative, selling and financial expenses) for this transaction	<b>COP</b>

#### **D-4 Information on all Your Domestic Market Customers**

Provide the following information on all your domestic customers.

Customer name	
Customer address	(Provide the complete address of your customer).
Customer relation	(Whether your customer is related with you or not).
Customer Level of trade	(For example distributor, retailer, end-user etc)
Turnover	(Report the turnover of the IP per customer during the POI).
Total amount of all discounts, rebates, etc.	(Report the total amount of all discounts, rebates and bonuses, etc. granted to the customer for the IP).
General terms of delivery	(Indicate the general agreed terms of delivery per customer)
General payment terms	(Indicate the payment terms agreed with the customer (e.g. At sight, 30 days credit, etc.)

### **SECTION E – OPERATING STATISTICS**



## E-1 Total Quantity and Value of Sales

Please fill in the Appendix No. 1 for the sales of the IP during the periods given in the Appendix.

## E-2 Distribution Channels

Please indicate the turnover of the IP, during the POI, according to each of the following distribution channels:

Distribution channel	Sales on the Domestic market	Sales on the Pakistani Export market
OEM		
Distributors		
Retailers		
End-users		
Other (please specify)		
<b>TOTAL</b>		

## SECTION F - COST OF PRODUCTION

You should report per-unit COP information for each type of IP in Appendix No. 2

The amounts reported in Appendix 2 should be based on the actual costs incurred by your company as recorded in your normal accounting system.

If you produce the product under investigation at more than one facility, you should report based on the weighted-average of costs incurred at all facilities, using quantity as the weighting factor.

Indicate your normal corporate financial accounting period.

Please indicate the address where the accounting records concerning the activities of the company are located. If they are maintained in different locations please indicate which records are kept at what location.

Attach an English version of the audited accounts including Balance sheet, Profit and loss accounts and all reports, notes, footnotes and auditor's opinion to these documents for the last three financial years for your company as well as for those companies related to you which are involved in the production, marketing or sales of the IP. If applicable, you should also provide copies of the consolidated financial statements for the same periods. In the event that your company's accounts have not been audited, attach the financial statements that are required by your country's business law. Provide copies of any financial statement or other financial report filed with the local or national government of the country in which your company or the related companies were located for the three most recent financial years.

If internal financial statements, management reports, standard cost reviews etc. are prepared and maintained for the IP, provide copies for the three most recent financial

years.

Provide a chart of accounts (translated into English). This list should also contain numbers and labels of accounts used for analytic purposes.

## **F-1 General Information Needed**

The production process, financial accounting, and cost accounting information requested below is necessary for the Commission to better understand your operations, products and production processes, and financial and cost accounting practices. Please provide complete and detailed narrative responses to each of the items listed below.

### **F-1.1 Products and Production Process**

Provide a description of your production process for the product under investigation including:

- a description of your production facilities.
- a flowchart of the production process for the product under investigation.
- a description of how you account for processing yields or losses throughout the production cycle. Indicate each stage in the production cycle where processing yields are measured.
- all joint products, scrap, or byproducts that result from producing the product under investigation and where in the production process they become individually identifiable. State whether any scrap material generated is reintroduced into the production cycle as raw materials, sold, or otherwise disposed of in the normal course of business.
- all inputs used to produce the product under investigation.

### **F1.2 Financial Accounting Systems and Policies**

Please provide a flowchart illustrating your financial accounting books and record keeping system. Indicate in your flowchart all subsidiary ledgers and reports generated by your financial accounting system, (e.g., subsidiary ledgers maintained for raw materials purchases, inventories, sales, accounts receivable, etc.). Show in your flowchart how data from your financial accounting system are summarized in financial statements.

### **F1.3 Cost Accounting Systems and Policies**



Describe your normal cost accounting system and how it is used to classify, allocate, aggregate, and record the costs incurred to produce the product under investigation in the normal course of business. Your description should be provided in narrative form and should include a flow chart that (1) illustrates how the system records and reports costs for the merchandise throughout the production process, and (2) shows the various subsidiary cost ledgers maintained under the system and how they reconcile to your normal financial statement data. In addition describe:

- the method used under your cost accounting system to account for scrap generated at each stage of the production process.
- the method used under your cost accounting system to account for byproducts and joint products that result from producing the merchandise under investigation.
- all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.
- how you value opening and closing inventories and materials issued for production.
- how you charge depreciation in the accounts e.g. straight line or other method
- how respective rates and amounts of interest on owners' capital and/ or loan are charged in the accounts.
- the subsidies/ rebates, export rebate available/ received and their treatment in the accounts;
- how indirect costs have been allocated to joint products and by-products e.g. market/ sales value method, quantitative/ physical unit method, average unit cost method, weighted average method etc.
- how specific items are treated differently in your financial and cost accounting systems.

#### **F1.4 Worksheets**

For the model with the highest volume of production for sale in the home market, provide worksheets that illustrate:

- i. How you computed direct materials, direct labor, and fixed and variable overhead costs. If you rely on a standard cost accounting system, the worksheets should show how you allocated any cost variances in deriving actual production costs.
- ii. How you computed general and administrative expense ratios. The worksheet should demonstrate how the G&A expenses used for Appendix 2 reconcile to your financial statements.

- iii. How you computed your net interest expense ratio. The worksheet should demonstrate how the interest income and expense figures used for Appendix 2 interest reconcile to your financial statements.

## **F-2 Production Process**

Describe the manufacturing process for the IP. Your description should include the following:

- a) A description of your company's production facility. If production or any one process takes place at more than one facility, list all facilities informing their location, and provide brief descriptions of the production activities that take place at those major facilities.
- b) Please provide a list of all companies that are involved on a subcontracting basis in the manufacture of the IP. Describe the part of the manufacturing process they are performing.
- c) Explain the production process of the IP produced and sold by your firm and attach a complete flowchart of the production cycle, including descriptions of each stage in the process.
- d) In case primary materials or components are used for the manufacturing of both the IP and other products not subject to this proceeding please provide information concerning the overlapping material use.
- e) Identify any products manufactured by your company in the same production facilities as the IP.
- f) Identify the major "by-products" resulting from the production of the IP and describe the use given to these "by-products".
- g) List the primary materials used in the manufacturing process and your relationship with the main suppliers (whether related or not). Indicate whether the primary materials were imported, and explain whether the value of the primary material includes import charges or indirect taxes.
- h) Provide the number of days for which the IP is held in inventory in either market (domestic and export) prior to the time of sale.

## **F-3 Purchase of Raw Materials**

Please provide a complete list of your purchases of raw materials or components used for the production of the IP, during the POI. This list should at least contain references to the country of origin, date of purchase, weight/units, price, delivery terms, import duties paid, and should also allow a direct link to the original purchasing documents.

If you claim a duty drawback adjustment based on the raw materials or components purchases list, please summarise your purchases during the POI and import duties paid,



by filling in the following tables:

a) Materials and components purchased locally

Type	Quantity	Value	Amount of duty/tax payable normally	Amount of duty/tax paid	Quantity required to produce one unit of IP
Please specify					
Totals					

b) Materials and components imported

Type	Quantity	Value	Amount of duty/tax payable normally	Amount of duty/tax paid	Quantity required to produce one unit of IP
Please specify					
Totals					

**SECTION G - EXCHANGE RATE**

Please provide information on exchange rate in the following table

*Exchange rates per one unit (e.g. Euro) currency of exporting country*

<b>Period</b>	<b>USD</b>	<b>Pak Rupees</b>
<i>Year Oct 2017- Sep 2018</i>		
<i>Year Sep 2018- Oct 2019</i>		
<i>Year Oct 2019- Sep 2020</i>		
October 2019		
November 2019		
December 2019		
January 2020		
February 2020		
March 2020		
April 2020		
May 2020		
June 2020		
July 2020		
August 2020		
September 2020		



## SECTION G – CHECK LIST

The purpose of the following checklist is to ensure that you have answered all questions of the above Sections and to permit a quick survey on information, which may be missing. You are requested to tick the box where complete information is submitted or where information has not sufficiently been provided:

SECTION	PLEASE TICK IF YOU SUBMITTED ALL INFORMATION REQUESTED	PLEASE TICK IF INFORMATION IS NOT OR INSUFFICIENTLY SUBMITTED
SECTION A: GENERAL INFORMATION	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SECTION B: INVESTIGATED PRODUCT (IP)	<input type="checkbox"/>	<input type="checkbox"/>
SECTION C: EXPORT SALES OF THE IP TO PAKISTAN	<input type="checkbox"/>	<input type="checkbox"/>
SECTION D: DOMESTIC SALES OF THE IP	<input type="checkbox"/>	<input type="checkbox"/>
SECTION E: OPERATING STATISTICS	<input type="checkbox"/>	<input type="checkbox"/>
SECTION F: COST OF PRODUCTION	<input type="checkbox"/>	<input type="checkbox"/>
SECTION G : EXCHANGE RATE	<input type="checkbox"/>	<input type="checkbox"/>

CERTIFICATION

The undersigned certifies that all information herein supplied in response to the questionnaire is complete and correct to the best of my knowledge and belief, and understands that the information submitted may be subject to audit and verification by the Pakistan National Tariff Commission.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of authorised official

\_\_\_\_\_  
Name and title of authorised official



# APPENDIX NO 1

## QUANTITY AND VALUE OF TOTAL SALES

Name of country	Product Name	Year October 2017- September 2018								Year October 2018- September 2019								Year October 2019- September 2020							
		1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter		3 <sup>rd</sup> Quarter		4 <sup>th</sup> Quarter		1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter		3 <sup>rd</sup> Quarter		4 <sup>th</sup> Quarter		1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter		3 <sup>rd</sup> Quarter		4 <sup>th</sup> Quarter	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Pakistan																									
Country A																									
Country B																									
Country C																									
Country D																									
Country																									
...																									
Domestic sales																									
Total																									

Specify the units of quantity and currency used. If you sell to a related importer in Pakistan report the total quantity and value of sales of the product in Pakistan by the related importer to an independent buyer. If you sell both to independent and related importers, report the quantities and values separately for each type of sale

## APPENDIX NO.2

### COST OF PRODUCTION

**Guidelines:**

- a) If the company is manufacturing more than one product the information for each product/ by-product may be given in separated tables
- b) Indicate significant accounting practices in respect of the followings if not given in audited accounts :-
  - i) how opening and closing inventories and materials issued for production have been valued;
  - ii) method of charging depreciation in the accounts e.g. straight line method etc.;
  - iii) indicated respective rates and amounts if interest on owners' capital and/ or loan as has been charged in the accounts;
  - iv) the subsidies/ rebates, export rebate available/ received and their treatment in the accounts;
  - v) explain how indirect costs have been allocated to joint products/ by-products e.g. market/ sales value method, quantitative/ physical unit method, average unit cost method, weighted average method etc.

S. No		(Specify unit of measurement e.g tonne, Kg, litre etc and currency unit.)							
		POI		Last Year		The Year Before Last Year			
		Actual/Audited/Provisional With Currency		Actual/ Audited With Currency		Actual/ Audited With Currency			
		Fixed	Variable	Total	Fixed	Variable	Total	Fixed	Variable
01	Raw material cost net of inventory adjustments								
02	Packing material cost								
03	Manufacturing salaries and wages								



[illegible]





## GUIDELINES FOR COMPLETING THE NON-CONFIDENTIAL VERSION OF THE QUESTIONNAIRE

When completing the questionnaire destined for inspection by interested parties (non-confidential version of the questionnaire) you should bear in mind that all the parties registered as interested parties in this investigation will have access to it. The reply destined for inspection by interested parties should be sufficiently detailed to permit a reasonable understanding of the substance of the information submitted as 'confidential'. When completing the questionnaire destined for inspection by interested parties the Commission advise you to act as follows:

1. Use the completed 'confidential version' of questionnaire response as a basis. Identify all information in the 'confidential' response, which you consider is not confidential, and copy it to the file destined for inspection by interested parties.
2. After this, check again whether the information you did not copy to the response destined for inspection by interested parties is really confidential. If you still consider it to be confidential, you must give the reasons why, item by item and summarise the confidential information in a form destined for inspection by interested parties. If, in exceptional circumstances, it is not possible to even summarise the confidential information, give reasons why summarisation is not possible.

### *Examples on how to summarise confidential information.*

- **When the information concerns numbers for various years you can use indices.**

Example of **confidential** information:

2014	2015	2016
20.000 Rupees	30.000 Rupees	40.000 Rupees

The summary destined for inspection by interested parties could be as follows:

2014	2015	2016
=100	150	200

- **When the information concerns a single number you can apply a % change to it.**

Example of **confidential** figure:

"My cost of production is Rs. 300 per tonne."

The summary destined for inspection by interested parties could be as follows:

"My cost of production is Rs. 330 per tonne" (+ footnote saying: "actual numbers have been amended by a margin of maximum +/- 10%, to protect confidentiality").

- **When the confidential information concerns text, you can either summarise it or eliminate the names of parties by indicating their function.**

Example of **confidential** information:

"TRADING COMPANY Ltd, told me that the prices of imports were 20% lower."

The summary destined for inspection by interested parties could be as follows:

"[One of my customers], told me that the prices of imports were 20% lower.