THE HIGH COURT OF SINDH, KARACHI

Before:
Mr. Justice Adnan Iqbal Chaudhry
Mr. Justice Muhammad Hasan (Akber)

C.P. No. D – 2724 of 2026
[Sharjeel Quddos v. FOP and others]

Petitioner	:	Sharjeel Quddos son of Abdul Qudos through Mr. Maaz Waheed, Advocate, alongwith Mr. Muhammad Usman Khan, Advocate.
Respondent 1	:	Federation of Pakistan through Secretary Revenue through Ms. Mehreen Ebrahim, DAG.
Respondent 2	:	Directorate General of Customs Valuation through Mr. Faheem Raza, Advocate.
Respondent 3	:	Collector of Customs (SAPT) through Mr. Shahan Jawahery, Advocate.
Respondent 4, 6 & 8	:	Nemo.
Respondents 5 & 7	:	Collector of Customs (West) through Sardar Zafar Hussain, Advocate.
Date of hearing	:	25-08-2026
Date of decision	:	14-09-2026

O R D E R

Adnan Iqbal Chaudhry J. - Petitioner is an importer of PVC Non-Flexible (Decorative/Printed) Sheets/Films for Wall-Panels **[subject goods]**. It has challenged letter dated 31.12.2025 written by the Director of Customs Valuation to the Collector of Customs Appraisement, SAPT **[impugned letter]** whereby a clarification was made with regards to Valuation Ruling No. 1984/2025 dated 19.03.2025 **[VR 1984]**, which letter was relied upon by the customs officer on 30.04.2026 in assessing the subject goods under section 80 of the Customs Act, 1969 **[impugned assessment]**.

2. Learned counsel for the Petitioner submitted that even though VR 1984 is not in respect of subject goods, it has nonetheless been applied to those goods solely on the basis of the impugned letter, which letter had, on the pretext of a clarification, expanded the scope of the VR contrary to the scheme of sections 25-A and 25-D of the Customs Act, 1969. It was pointed out that a letter dated 04.08.2025, identical to the letter impugned herein and in respect of the same VR 1984, had been set-aside by this Court *vide* judgment dated 10.11.2025 in the case of *Imperial Panel Industries (Pvt.) Ltd. v. Federation of Pakistan* (C.P. No. D-5148/2025 and connected petitions).

3. Learned counsel for the department objected to the maintainability of a constitution petition without exhausting remedies provided in the Customs Act against the impugned assessment. Learned counsel for the Petitioner responded that in view of the case of *Imperial Panel Industries,* the impugned assessment was patently illegal, and therefore, writ jurisdiction could be invoked without exhausting alternate remedies. Indeed, it is settled law that the rule of alternate remedy does not oust constitutional jurisdiction, rather it is a rule by which this Court regulates its jurisdiction[1]; so also, in cases of absence or excess of jurisdiction or where the impugned order suffers from illegality on the face of the record, a writ of *certiorari* may be granted even though the right of statutory appeal had not been availed.[2] Therefore, if the impugned assessment is *ex facie* illegal, a constitution petition can be maintained.

4. In the case of *Imperial Panel Industries* relied upon by the Petitioner, an identical letter of clarification, then issued by the Deputy Director Valuation, was declared to be without jurisdiction, and the assessment made under section 80 of the Customs Act based on such letter was set-aside with a direction to the Customs department to make a fresh assessment without being influenced by such letter. Confronted with that, the submission of learned counsel for the

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[1] *Gatron Industries Ltd. v. Government of Pakistan* (1999 SCMR 1072).
[2] *Nagina Silk Mills v. Income Tax Officer* (PLD 1963 SC 322).

department was that the letter of clarification in that case was issued by the Deputy Director Valuation who had no such powers, whereas the letter of clarification in this case has been issued by the Director Valuation who is the competent authority under section 25A of the Customs Act for issuing a valuation ruling.

5. We are least impressed by the submission made on behalf of the department to circumvent the case of *Imperial Panel Industries*. It is correct that the Court in that case had observed that the Deputy Director Valuation had transgressed into the exclusive mandate of the Director Valuation, however that was said in the context that since the Director Valuation had not exercised powers under section 25A of the Customs Act to issue a valuation ruling for subject goods, then the Deputy Director Valuation had no jurisdiction to bring those goods within the ambit of the VR by way of a letter of clarification. The reliance placed by the Court on *Universal Recycling v. Federation of Pakistan* (2024 PTD 754) speaks for itself. No where did the Court hold that the letter impugned in that case could have been issued by the Director Valuation instead of the Deputy Director Valuation.

6. Coming to facts of this case, GD No. KAPW-HC-160403-27-02-2026 filed by the Petitioner was assessed by the department under section 80 of the Act by classifying the goods under HS Code 3920.4910 with the description *"Decorated Printed PVC Semi Rigid (<u>Non-Flexible</u>) Strip in Roll for Wall Panel"* (emphasis on *"semi-rigid, non-flexible"*). On the other hand, the value determined in VR 1984 is specifically for goods listed in para 4, described as *"PVC Transparent/Clear, Printed, Decorative/Embossed Printed <u>Flexible</u> Sheets/Film and PVC Cling Film"* (emphasis on *"Flexible"*) with corresponding PCTs 3920.4300 and 3920.4990. *Ex facie*, subject goods are not mentioned in VR 1984. The reason then for applying said VR to those goods is manifest in the assessment note which reads: *"Upheld in light of letter of Director Valuation dated 31.12.2025 and VR 1984/ER"*. It is therefore acknowledged by the department that VR 1984 was applied to subject

goods solely on the basis of the impugned letter dated 31.12.2025 which reads:

"GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
7TH FLOOR, CUSTOM HOUSE, KARACHI
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C.No. Misc/07/2010-11/1242 *Dated: 31-12-2025*

***The Collector**,*
Collectorate of Customs Appraisement,
South Asia Pakistan Container Terminal (SAPT),
Karachi

Subject: ***REQUEST FOR CLARIFICATION REGARDING APPLICABILITY OF VALUATION RULING NO.1984/2025 IN RESPECT OF EMBOSSED PVC FILM.***

Please refer to the Collectorate of Customs (Appraisement) – SAPT, Karachi's letter C.No.SI/MISC/KAPS/2022/2024-III dated 25.07.2025 on the subject cited above.

2. The subject matter has been examined, and it is clarified that S. No. 3 of VR 1984/2025 is applicable on PVC sheets of specified types when the same are flexible. For practical purposes, flexible sheet is one which can be bent without breaking/cracking irrespective of percentage of plasticizer present, and therefore the same can be imported in rolls. Distinction in PVC sheets on the basis of percentage of plasticizer is important for classification purposes only, for valuation purposes, values under the VR have been determined based on whether the PVC sheets are flexible or not. From bare reading of the VR 1984/2025, it is clear that S. No. 3 of the VR is not applicable on PVC rigid sheets of any type, evident from non-mentioning of PCT 3920.4910 pertaining to Rigid PVC sheets in VR. The VR is applicable on PVC flexible sheets classified under 3920.4300 and 3920.4990.

s/d
(Azhar Husain Merchant)
Director"

7. Though the message conveyed by the impugned letter appears to be convoluted, it was submitted by learned counsel for the department that the clarification given was: that for purposes of valuation a PVC sheet will be treated as 'flexible' and will be covered by VR 1984 if that sheet can be bent without breaking irrespective of the percentage of plasticizer present in the sheet. If that is the clarification conveyed by the impugned letter, then it clearly reads into VR 1984 a description of goods not mentioned therein and is therefore not a mere clarification. This is without prejudice to the Petitioner's

submission that the PCT classifies a flexible PVC sheet as one with at least 6% plasticizers, which submission may be made before the appropriate forum.

8. While the Director Valuation is empowered by section 25A of the Customs Act to determine customs value of goods by a ruling, such power does not extend for making additions to or deletions from an existing valuation ruling by way of clarificatory letters. He may, however, issue a fresh ruling to revise a previous one, but again as per the process of section 25A. Same observation was earlier made by this Court in *Trade Link Corporation v. Federation of Pakistan* (2016 PTD 1096).[3] The power to review a valuation ruling is of course separate which vests in the Director General Valuation under section 25D of the Customs Act and not in the Director Valuation.

9. In view of the foregoing, the impugned letter dated 31.12.2025 issued by the Director of Customs Valuation, was of no legal effect. Consequently, the impugned assessment dated 30.04.2026, which is premised entirely on said letter, is clearly unlawful. The petition is maintainable and is allowed by setting-aside the impugned letter and the impugned assessment. GD No. KAPW-HC-160403-27-02-2026 filed by the Petitioner shall be assessed afresh under section 80 of the Customs Act without being influenced by the impugned letter dated 31.12.2025. Petition disposed of.

JUDGE

JUDGE

Karachi:
Dated: 14-09-2026

[3] *Per* Justice Muhammad Junaid Ghaffar.