

IN THE HIGH COURT OF SINDH AT KARACHI

Special Customs Reference Application No.997 of 2023

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| Date | Order with Signature of Judge |
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Hearing of case (priority)

1. For hearing of main case.
2. For hearing of CMA No.1659/2023.

29.01.2026

Mr. Ghulam Mujtaba Saheto, Advocate for the applicant.

Order dated 15.01.2026 reads as follows:

“2&3. Learned counsel proposes following questions of law for determination:

- A. Whether the learned Appellate Tribunal has erred in law, not to consider that in terms of sub-sections (10) of section 25 of the Act. The methods of customs valuation may or may not be applied in a sequential order. As such the value of skimmed milk powder has been rightly determined under Section 25(9) of the Act?
- B. Whether the learned Appellate Tribunal has failed to consider that while issuing the referred valuation rulings, proper exercise has been carried out and the Valuation Ruling methods in sequential manner. The method provided under section 25(9) of the Act was found appropriate to be applied for determination of value of skimmed milk powder?
- C. Whether the learned Appellate Tribunal has erred in law, not to consider that sufficient details to show that the discretion provided under section 25A and 'Scheme' & 'Sequential order' laid down in section 25 of the Act 1969 has been properly exercised and the valuation ruling was issued by the competent authority, which was upheld in terms of section 25D of the Act by the reviewing authority?
- D. Whether the learned Appellate Tribunal has considered that it is mandatory for all the 'Assessors' of section 79(1)(b) & 80(c) of the Act, to make the assessment as per the customs values determined by the Director (Valuation) in terms of Section 25-A(1) of the Act?
- E. Whether on the facts and circumstances of the case, the Appellate Tribunal has erred in law to ignore that the Valuation Ruling No.780/2015 dated 09.12.2015 issued under section 25A of the Act was subsequently reviewed by the competent authority vide order in revision No. 172/2016 dated 08.03.2016 under section 25D and Valuation Ruling was upheld?

- F. Whether the learned Appellate Tribunal has erred in law, not to consider the order passed by the honourable Supreme Court of Pakistan in the case of Collector of Sales Tax & Central Excise, Lahore vs. Zamindara Paper & Board Mills, etc (PTCL 2007 CL 260) & Supreme Court's order dated 10.11.2003, in the case of Sadruddin Alladin vs. Collector of Customs in Civil Petition No 775-K/2003 wherein it was held that merit of the case cannot be scrapped on sheer technicalities?

He states that in identical circumstances order dated 17.10.2025 has already been passed in SCRA 930 of 2023

Admit reference application, issue notice to the respondents through first two modes as well as courier. Learned counsel to place tracking report of courier on record. To come up on 29.01.2026 In the meanwhile, operation of the impugned judgment dated 07.11.2022 is suspended."

Learned counsel places courier tracking report on record to demonstrate that service has been effected on the respondent. Per learned counsel, identical matter has been disposed of by earlier orders including the order dated 17.10.2025 in SCRA Nos.930 and 931 of 2023 which reads as follows:

"17.10.2025

Sardar Zafar Hussain, advocate for the applicant Rana Sakhawat Ali, advocate for the respondent

Per learned counsel for the applicant impugned judgment is not sustainable, as it directed the transactional value to be accepted under Section 25(1) of the Customs Act, 1969, whereas, the correct recourse ought to have been for the valuation to have been ascertained in accordance with law, including without limitation reference to section 25 of the Act. In such regard, learned counsel relies upon judgment reported as 2023 PTD 1769 In pursuance hereof learned counsel for the applicant seeks that the impugned judgment to be set aside and the matter be remanded for adjudication afresh in accordance with law.

Learned counsel for the respondent articulates no cal to the aforesaid and also places reliance on judgment of this court dated 04.07.2024 passed in SCRA 1926 of 2023, which reads as follows

"11. In view of hereinabove facts and circumstances, the impugned judgment of the Tribunal cannot be sustained in its entirety and the matter has to be remanded to the concerned Collectorate for passing of appropriate assessment orders under Section 25 of the Act. The questions proposed on behalf of the Applicant Department need to be rephrased in the following manner:

- i. Whether in the facts and circumstances of the case the Tribunal was justified in holding that Director Valuation had failed to follow the sequential methods of Valuation under Section 25 of the Act while determining values of the goods

in question under Section 25(7) read with Section 25(9) of the Act?

- ii. Whether in the facts and circumstances of the case, the exercise carried out by the Director Valuation while determining the values under Section 25(7) read with Section 25(9) of the Act was in accordance with law?
- iii. Whether in the facts and circumstances of the case, the Tribunal was justified in accepting the declared values of the Respondents as true Transactional values under Section 25(1) of the Act?

12. Questions Nos. 1 & 3 as above are answered in negative, In favour of the Applicant, and against the Respondents, whereas, Question No.2 is also answered in negative against the Applicant and in favor of the Respondents All Reference Applications are partly allowed / disposed of to the extent of Questions Nos. 1 & 3 and all matters stand remanded as above to the concerned Collectorates. Let a copy of this order be sent to the Customs Appellate Tribunal in terms of sub-section (5) of Section 196 of the Customs Act, 1969. Office to place a copy of this order in the connected Reference Applications

Counsel jointly place reliance on paragraphs 11 and 12 of the aforesaid judgment and state that these reference applications may also be disposed of upon the same terms. Order accordingly. SCRAS stand disposed of.”

Learned counsel seeks that this reference may also be disposed of on the same reasons and upon the same terms. Order accordingly.

A copy of this decision may be sent under the seal of this Court and the signature of the Registrar to the learned Customs Appellate Tribunal, as required per section 196(5) of the Customs Act, 1969.

JUDGE

JUDGE

Asif