ORDER SHEET

IN THE HIGH COURT OF SINDH AT KARACHI

Special Customs Reference Application 1534 of 2023

DATE	ORDER WITH SIGNATURE OF JUDGE

1. For orders on office objection.
2. For hearing of CMA 3871/2023.
3. For hearing of main case.
4. For hearing of CMA 3872/2023.

27.08.2026

Sardar Zafar Hussain, advocate for the applicant.

Following questions of law had been proposed for determination:

A. Whether the learned Appellate Tribunal can indulge in selective rending of Law and of the orders of the Honourable Judicial Forums and record available of the instant case to set aside the Valuation Ruling to allow relict to only one importer despite the fact that the sole agitating importer has produced no evidence of illegality in the appeal before the Honourable Appellate Tribunal?

B. Whether in the facts and circumstances of the case the learned Appellate Tribunal was justified is pass the impugned order in the presence of sub-section (7) & (10) of section 25 of Customs Act, 19697

C. Whether in the facts and circumstances of the case the learned Appellate Tribunal has erred in law and not appreciated that the Valuation methods given in Section 25 of the Customs Act, 1969 were followed. The transactional value method under section (1) of section 25 if the Customs Act, 1969 was found inapplicable because of non-availability of sufficient information, Identical/similar goods valuation methods provided in section 25(5) & (6) furnished unreliable values. Deductive Method of Valuation, as provided under section 25(7) read with section 25(9) of the Customs Act. 19697

D. Whether in the facts and circumstances of the case the learned Appellate Tribunal has rightly applied the judgment in case No. K-38/2016 as the said judgment is only for the consignment import to UAF and the instant consignment import from China

E. Whether a lower judicial forum, such as the learned Appellate Tribunal, can indulge in selective reading of the order of the judicial forums, and non-reading of the record available of the instant case, and ignore the most vital part of it to utter determent of revenue and to the benefit of an individual?

Notwithstanding to the foregoing, learned counsel states that the impugned judgment concluded by directing the department to accept the declared value, however, the same is unsustainable in law per Section 25 of the Customs Act, 1969.

Learned counsel states that pursuant to order for substituted service, service has been effected through publication and the relevant newspaper excerpt is available on file.

Learned counsel states that this is no case of first impression and under similar circumstances an earlier Division Bench of this Court has been pleased to pass the order dated 17.10.2025 in SCRA No.930 & 931 of 2023, which reads as follows:

> **"17.10.2025**
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> Sardar Zafar Hussain, advocate for the applicant.
> Rana Sakhawat Ali, advocate for the respondent.
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> 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.
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> Learned counsel for the respondent articulates no cavil 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:
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> "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:
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> 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?
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> 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?
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> 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."
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> 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.
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> 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. Office is instructed to place copy hereof in the connected file."

Learned counsel seeks that present application be disposed of for the same reason and upon the same terms as aforesaid. Order accordingly.

A copy of this decision may also 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(10) of the Customs Act, 1969.

Judge

Judge

M. Khan