ORDER SHEET

IN THE HIGH COURT OF SINDH AT KARACHI

SCRA 274 of 2019

DATE	ORDER WITH SIGNATURE OF JUDGE(S)

1. For orders on office objection.
2. For hearing of main case.
3. For hearing of CMA No.1828/2019.

19.11.2026

Mr. Khalid Mahmood Rajpar, advocate for the applicant.
Rana Sakhawat Ali, advocate for the respondent.

It is stated that the question before the court is squarely covered by a judgment of this court dated 18.01.2023 passed in CP D 205 of 2023 reproduced herein below:

> "Through this petition the petitioner has impugned an assessment alert dated 24.12.2022 issued by Assistant Collector of Customs, East, Karachi. Notice was ordered and today Counsel has affected appearance and undertakes to file Vakalatnama on behalf of Respondents, whereas, on our directions the Assistant Collector who has issued the impugned assessment alert is also in attendance.
>
> Learned Counsel for the Petitioner submits that impugned Assessment Alert dated 24.12.2022 has been issued by the Assistant Collector Group-III, Collectorate of Customs Appraisement East Karachi whereby, he has ordered that assessment of tyre scrap cut into 2 or 3 pcs should not be less than US$ 0.07/kg. He submits that this is in violation of the section 25 of the Customs Act, 1969, ("Act"), whereas, it is only a Valuation Ruling on the basis of which any value can be determined or fixed for assessment purpose.
>
> On the other hand, the Assistant Collector present in Court submits that the Assessment Alert in question has been issued with the approval of competent authority, whereas, the process of issuing a Valuation Ruling C. P. NO. D-205 / 2023 Page 2 of 3 is undergoing and even today a meeting has been convened by the relevant Department with the stakeholders.
>
> We have heard all the learned Counsel as well as the officer present in Court and perused the record. At the very outset, we have confronted the Assistant Collector present in Court to refer to or cite, as to any authority or powers vested in his office or for that matter the Collector concerned or the competent authority, to fix or determine the values of goods in question; and then circulate the same amongst its sub-ordinate officers, and to this no satisfactory response has been given. It may be noted that under section 25A of the Customs Act, 1969 (post Finance Act, 2019) it is the Director of Valuation, who can determine the values after following the methods as provided under section 25 ibid and notify the same and against this determination, an aggrieved person can approach the Director General for its revision under section 25D of the Act. Presently, the Collector of Customs can only make a reference to the Director Valuation for determination of Value(s) in terms of Section 25A of the Act, and nothing beyond that. In the instant matter, as informed, apparently a reference has already

been made. Insofar as the impugned assessment alert is concerned, it is not a Valuation Ruling; but is an advice at the most, which per settled law has no binding force; nor the Collector has any jurisdiction to do so. Moreover, and without prejudice, it is also settled proposition of law that a Valuation Advice (and not a Valuation Ruling) is nothing but an advice which has no binding effect, whereas, it is not to be taken as a conclusive evidence while making assessment of goods[1]; and reliance upon the valuation advice simpliciter is not a valid basis of assessment of the value of imported goods within the framework of section 25 of the Act[2]. If it had been a case of exercising powers in terms of s.25A, which admittedly is not, the Respondents may have had a case, but since in this case, a Valuation Ruling is yet to be issued in terms of s.25A of the Act, at best the assessment can only be made in terms of Section 25 of the Act, and not otherwise; either by way of an assessment alert or in any other manner.

Under the scheme of the Customs Act, even otherwise, the Collector, on its own motion cannot determine the values and notify the same by way of any circular, letter, assessment alert or even an advice. The Collector through his authorized officers can only assess and determine the values in terms of section 25 of the Act, however that power is restricted to and is applicable on consignments imported by the respective individuals and does not confer any authority, across the board for fixation or determination of values. Therefore, in our considered view, the impugned assessment alert has no legal basis; whereas the law i.e. the Customs Act, 1969, does not support any such determination of values by the Collector of Customs or for that matter by the Assistant Collector of Customs by way of any purported delegation of powers. When the Collector himself is not competent in law to issue any circular, letter, assessment alert or even an advice under the Act; as a natural corollary he cannot delegate such powers to any sub-ordinate officer. Therefore, the argument of the Assistant Collector present before us that it has been issued with the approval of the competent authority has no force. Consequently, the Assistant Collector cannot direct his sub-ordinate assessing officers to determine or assess any goods on the basis of predetermined values or minimum values, as the case may be.

Accordingly, while allowing the petition, the impugned assessment alert dated 24.12.2022 issued by Assistant Collector Group-III, Collectorate of Customs Appraisement East Karachi is hereby set aside; and the goods in question covered by this petition shall be strictly assessed in terms of Section 25 of the Act, immediately. If needed, an appealable assessment order be passed by the competent officer in terms of Section 80 of the Customs Act, 1969, after providing an opportunity of being heard to the petitioner strictly in accordance with law. It is further clarified that while passing the assessment order the respondent / concerned officer shall not be influenced by the assessment alert impugned in the instant petition. If the petitioner is still aggrieved from such assessment order, remedy as provided under the Act, be availed.

Petition along with pending applications is allowed in the above terms"

He states that this reference be disposed for the same reasons and upon same terms as aforesaid. Order accordingly.

---

[1] 1 Kings Pen Company v Collector of Customs [2005 PTD 118] & followed in Habib ur Rehman & Company v Collector of Customs [2005 PTD 69]

[2] M.M.M. Traders v Deputy Collector of Customs [2006 PTD 313]

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(10) of the Customs Act, 1969.

Judge

Judge

Khuhro/PS