

IN THE HIGH COURT OF SINDH, KARACHI

C.P No. D- 7489 of 2021

M/s. FK Trader & others V. Federation of Pakistan & others

C.P No. D- 1259 of 2022

M/s. Multi Traders Lahore V. Federation of Pakistan & others

C.P No. D- 1985 of 2022

M/s. Smart Enterprises & others V. Federation of Pakistan & others

Present:

Mr. Justice Yousuf Ali Sayeed,

Mr. Justice Muhammad Osman Ali Hadi

Date of hearing: 17.02.2026.

Date of decision: 17.02.2026.

Petitioners: Through Mr. Saad Shafiq Siddiqui,
Advocate in C.P Nos. D-7489/2021 and
D-1985/2022.

Petitioner: Through Mr. Muhammad Adnan Moton,
Advocate in CP No. D-1259/2022.

Respondents: Through M/s. Aamir Ali Shaikh, Aamir
Raza, and Sardar Zafar Hussain,
Advocates.

ORDER

Muhammad Osman Ali Hadi, J: The Petitioners / Applicants have filed their respective Applications seeking return of surety(s) furnished by them pursuant to Orders dated 30.12.2021, 11.03.2022 and 29.03.2022. The said Orders were passed regarding certain disputes relating to Valuation Rulings conducted by the Respondents, against which the Petitioners filed the instant Petitions seeking release of their goods. A portion of the initial Order dated 30.12.2021 (relevant for the instant purpose) reads as follows:-

“Upon deposit of the undisputed quantum of duties and taxes with the Collectorate/Department and presentation of the certificate(s) issued by the Nazir, the concerned Collectorate/Department shall release the consignment forthwith.

The fate of the amount secured supra shall be subject to the outcome of the Revision Application.

The instant Petition alongwith pending application is disposed of.” (*emphasis supplied*)

2. Pursuant to the said Order, a Revision Application was filed by the Petitioner with the Respondent No. 3 / Director General (Valuation), which was subsequently decided on 31.03.2022¹. The relevant portion of the Order-in-Revision reads as follows:-

“5. On account of the foregoing irregularities, the process of determination of values suffers from procedural impropriety whereas the arguments of the petitioners carry weight. Accordingly, the impugned Valuation Ruling No.1570/2021 dated 25.11.2021 is, hereby, ordered to be set aside and the Director, Customs (Valuation), Karachi ordered to undertake fresh exercise in terms of Section 25A of the Customs Act, 1969 by recourse to the valuation methodology elaborated in Section 25 of the Act ibid so that the Customs values of Pet Food (cat and dog) are determined in line with the prevailing international prices of the goods. This exercise is to be completed within 30 days in accordance with law, after giving a fair opportunity of hearing to the petitioners)/ stakeholders. The instant revision petitions, filed in terms of Section 25D of the Customs Act, 1969, are disposed off accordingly.”

3. Since the Order-in-Revision directed the Valuation Ruling be set-aside and afresh determination be made, as per Sections 25 & 25-A of the Customs Act 1969 (“**Act**”), the same was done and accordingly a subsequent Valuation Ruling dated 08.12.2022 was passed in compliance of the said Order-in-Revision. As per the documentation available on record, it does not appear that the said subsequent Valuation Ruling was challenged by the Petitioners / Applicants, and therefore the subsequent Valuation Ruling remains in effect.

4. The Petitioners / Applicants have now filed the instant Applications for return of their sureties, claiming the Valuation Ruling was done by the Respondents under under Section 81 of the Act, and not under Section 80, and therefore they do not have right of appeal in the matter, quoting Section 193 Customs Act 1969. The learned counsels appearing on behalf of the Customs Authorities have submitted that the Statement made by the Petitioners / Applicants is incorrect, and the Valuation Ruling was made under Section 80 of the Act, and therefore a valid right of Appeal under Section 193 of the Act was available to the Petitioners / Applicants, but they failed to avail the

¹ Available at Page-261/A of the file

same, and have now approached this Court in its Constitutional jurisdiction in a bid to bypass the statutorily mandated process. They further contended since the subsequent Valuation Ruling was in the field and the Respondents were entitled to payments from the Petitioners; the sureties furnished before the Nazir of this Court were kept for the security of payment owed to the Respondents, and therefore the same cannot be given back to the Petitioners.

5. Even otherwise, a determined valuation ruling can be reviewed under Section 25-D of the Customs Act 1969, but even that does not appear to have been done by the Petitioners/Applicants. This would establish that the Petitioners have failed to follow the mechanism provided under the Act, but appear to be attempting to sidestep the entire process.

6. A perusal of the Orders passed by this Court dated 30.12.2021, 11.03.2022 and 29.03.2022, whereby, the Petitioners were directed to deposit the disputed amount of duties and taxes with the Nazir of this Court, was to ensure that the said monies would secure payment (if any) owed to the Respondents, depending on the outcome of the Revision Application filed by the Petitioners against the initial Valuation Ruling. As discussed *supra*, once that Revision Application was decided vide Order dated 31.03.2022, and the matter was remanded back for a fresh valuation determination, which was duly conducted and the same remained unchallenged by the Applicants, the matter appears to have (at least for the instant purposes) been decided accordingly. Therefore, as the subsequent Valuation Ruling (favouring the Respondents) is holding the field, the surety(s) deposited with the Nazir to secure the Respondents' claims are to remain protected. Due to the aforementioned, the Petitioners cannot be allowed return of sureties in the given circumstances. Needless to mention, the Petitioners are at liberty to invoke any remedy which may be available them under the law.

Accordingly, for reasons abovementioned, the listed Applications were dismissed vide our short order dated 17.02.2026.

Judge

Judge

Ayaz