

THE HIGH COURT OF SINDH KARACHI

Present:
Mr. Justice Adnan Iqbal Chaudhry
Mr. Justice Muhammad Jaffer Raza

C. P. No. D –4793 of 2025

[M/s. Rawat Oil & Ghee Mills (Pvt.) Ltd. V. The Federation of Pakistan & others]

Petitioner : M/s. Rawat Oil & Ghee Mills (Pvt.) Ltd.
through Mr. Muhammad Adeel Awan,
Advocate.

Respondent 1 : Federation of Pakistan, through
Ms. Mehreen Ibrahim, Deputy Attonrey
General.

Respondents 2 & 3: The Collector of Customs MCC-
Appraisement (West), Karachi & Another
through M/s. Sardar Zafar Hussain &
Aamir Ali Shaikh, Advocates.
Mr. Tariq Aziz, Assistant Collector.

Date of hearing : 27-10-2025

Date of decision : 04-11-2025

J U D G M E N T

Muhammad Jaffer Raza J.- Through the instant Petition, the
Petitioner seeks re-assessment of the into-bonded consignments of the
Petitioner and subsequent release of the same.

2. Brief facts of the instant Petition are that the consignment of the
Petitioner was assessed vide Assessment Order dated 16.05.2025 under
Valuation Ruling No. 1948/2025 dated 06.01.2025. It has transpired from the
perusal of the record that the noted Valuation Ruling was the subject matter
of Revision Petitions¹ preferred by various importers, excluding the Petitioner,

¹ Order in Revision No.22/2025.

under Section 25D² of the Customs Act 1969 (**“Act”**). The Director General (Valuation) issued an Order-in-Review on the noted petitions dated 25.03.2025 whereby Valuation Ruling No.1948/2025 was remanded back to the Director, Directorate of Customs Valuation. The noted order was challenged before the Customs Appellate Tribunal³ (**“Tribunal”**) under Section 194A of the Act and pursuant to directions, the earlier Valuation Ruling was revised and a fresh Valuation Ruling No.2008/2005 dated 14.07.2025 was issued, categorically revising Valuation Ruling 1948/2025.

3. It has been contended by the learned Counsel appearing for the Petitioner that the into-bond consignments of the Petitioner may be re-assessed in light of the current Valuation Ruling i.e. 2008/2025. He has further argued that the consignment of the Petitioner is still lying in the bonded warehouse and the Petitioner is yet to file an ex-bond Goods Declaration. He has averred that there is no impediment in re-assessment of his consignment considering that duty and taxes are yet to be paid. He has lastly argued that imposition of Valuation Ruling No. 1948/2025 is not applicable in this case as the noted Valuation Ruling is no longer in the field.

4. Conversely, learned Counsel appearing for the Respondent has argued that the present Petitioner did not seek a revision against the earlier Valuation Ruling and was not a party to the revision proceedings. In that respect he has submitted that Order-in-Revision is only applicable to the Importers who preferred the noted Revision Application. He has contended that failure of the

² [25D. Review of the value determined.- Notwithstanding the provision contained in section 25A, the Director General Valuation may on his own motion or in pursuance to a review petition made to him within thirty days from the date of determination by any person or an officer of Customs may rescind or determine the value afresh: Provided that the proceedings so initiated shall be completed within sixty days of the filing of the review petition or initiation of proceedings as the case may be.]

³ Customs Appeals No.K-530,534,536,443/2025

present Petitioner to file or become party to the noted Revision disentitles him to the concession in the revised Valuation Ruling No. 2008/2025.

5. We have heard both the Counsels and perused the record with their assistance. It is evident that the goods are still lying in the bonded warehouse. It is a settled principal of law that Valuation Rulings are statutory rulings and have the force of law⁴, as once the Director General (Valuation) issues a ruling the same has to be duly notified, under the Customs General Orders, 2002 (**“Orders”**). In this light, the arguments advanced by the learned Counsel appearing for the Respondent are misconceived in respect of the applicability of the Valuation Rulings only to the Importers seeking revision.

6. It is also trite law that such notified ruling under Section 25-A of the Act is applicable and binding until revised or rescinded by the competent authority⁵. Once revised, the ruling takes effect from the date when the original/earlier ruling was given⁶, otherwise the same will result in applying a ruling to the importer which is no longer in the field or which the department itself found to be erroneous. The applicability of a subsequent Valuation Ruling came up for adjudication in the case of Messers Khas Trading⁷ wherein a Division Bench of this court held as under: -

“The respondent is continuously pursuing its review applications and other remedies as provided under the Customs Act, 1969, therefore, we are of the opinion that Valuation Ruling 385/2011 dated 12-10-2011, which has been issued during the pendency of the case of the respondent, which was still pending and yet to be finalized, is a Valuation Ruling which is in continuation of the earlier Valuation Ruling and proceedings. Therefore, the respondent cannot be deprived of the benefit of the same, as otherwise, this would amount to gross injustice to the respondent and would defeat the

⁴ The D.G Customs Valuation, Karachi & another versus M/s A.A. Tyre, Karachi. Special Customs Reference Application No. 1926/2023.

⁵ Collector of Customs versus Wasim Radio reported at **2023 SCMR 1716**.

⁶ Messers Saghir Co. through Proprietor versus Federation of Pakistan through secretary reported at **2013 PTD 636**.

⁷ Collector of Customs through Additional Collector of Customs versus Messers Khas Trading Co reported at **2015 PTD 22**.

principles of natural justice. The respondent from day one is contesting the matter and once the matter has been finally decided in favour of the respondent at least to some extent by issuance of Valuation Ruling 385/2011 dated 12-10-2011; therefore, the respondent cannot be denied the benefit of the same." (Emphasis added)

7. We are cognizant of the fact that the judgment noted and reproduced above is distinguishable in fact as the Respondent in the noted judgment contested the earlier Valuation Ruling. In the present case the Petitioner did not file a revision petition, however, for reasons already noted in paragraph number 5 of the instant judgment, the Petitioner is entitled to the benefit of the revised ruling. The benefit of the same revised ruling was earlier extended to other Petitioners⁸, in the presence of the learned counsel appearing for the Respondents, and the consignment of the Petitioners in the noted petition, lying in the bonded warehouse was re-assessed by the department itself. We see no cogent reason to distinguish the case of the present Petitioner and hold that the Petitioner is entitled to similar treatment and the re-assessment of his consignment on the basis of the revised ruling. Even otherwise, it is settled law that the benefit of any ambiguity or error, relating to the status or the interpretation of a ruling must go to the importer/taxpayer.

8. There is another aspect which we would like to address. The same pertains to Section 109⁹ of the Act. It is apparent from plain reading of the noted section that the Petitioner is entitled to re-assessment of his consignments on the basis of fresh Valuation Ruling as it is only the subsequent Valuation Ruling i.e. 2008/2025 which remains in the field. The

⁸ CPD 3950 of 2025 vide order dated 28.08.2025.

⁹ **109. Reassessment on alteration of duty.**- If any goods have been entered for warehousing and assessed under section 80 or 81] but the duty leviable thereon is subsequently altered, such goods shall be reassessed on the basis of the altered duty and a new bond shall be executed by the owner in accordance with the provisions of section 86 to replace the bond originally executed by him.

noted provision was elucidated upon a Division Bench of this court in the case of Global Produce Ltd.¹⁰ wherein it was held as under: -

“The meaning of section 109 is quite clear and it allows re--assessment of the ware-houses' goods on the basis of the altered duty which have been already assessed under section 80 on the basis of the previous duty. This is a statutory provision and has to be given effect. The intention of the legislature is clear that if a person wants to have goods' warehoused then he shall be liable to pay the altered duty as applicable at the time of the clearance of the goods.”

9. In light of what has been held above, we allow the present petition with a direction to the Respondents to re-assess the consignments of the Petitioner under Valuation Ruling No. 2008/2025 and release the same in accordance with law.

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¹⁰ Global Produce Ltd. Versus Collector Of Customs and 2 others reported at **1986 C L C 137**.

Section 109 was amended vide Finance Act 2003 and Finance Act 2005 i.e. after passing of the above-noted judgement. However, the noted amendments do not alter the principle elucidated or the present adjudication.