

ORDER SHEET
HIGH COURT OF SINDH AT KARACHI

Suit No.845 of 2017

DATE ORDER WITH SIGNATURE(S) OF JUDGE(S)

For hearing of CMA No.5313/2017

18-04-2017

Mr.M.Jamshid Malik, Advocate for the Plaintiff
Mr.Muhammad Aqeel Qureshi, Advocate for defendant
No.2.
Mr.Shahid Iqbal Baloch, Commissioner Inland Revenue,
Zone-III, CRTO Karachi is also present.

In fact through this suit the plaintiff has challenged the notice dated 27.3.2017 issued under Section 38 of the Sales Tax Act, 1990. In the notice it is stated that on examination of record (monthly sales tax returns filed for the tax periods May 2015 to February 2017) reveals that the plaintiff is engaged in the import and manufacturing/assembling of Tractors (Agricultural) falling under PCT heading 8701.9020 as taxable goods and liable for payment of sales tax. In the same notice description has been shown separately in a table that the plaintiff has imported 4,831 tractors out of which they have sold out 1,597 and the closing balance is 3,234. Since the department considered some abnormal tax behaviour they visited the site of the plaintiff to verify the record.

Today, Mr.Muhammad Aqeel Qureshi, Advocate has filed Vakalatnama for defendant No.2. Mr.Shahid Iqbal Baloch, Commissioner Inland Revenue, Zone-III, CRTO Karachi (defendant No.2) is also present in court, who issued the impugned notice. Learned counsel for the

plaintiff argued that there is no dispute on the payment of sales tax and when all tractors will be sold out naturally the plaintiff will pay the sales tax amount to the department.

The notice was issued to plaintiff on 27.3.2017 and on the same day visit was made by the department through their representative mentioned in the notice itself. Learned counsel for the plaintiff further submits that a Cheque of Rs.125 million has already been delivered to the concerned department and as soon as the entire stock is sold out they will also furnish the return accordingly. Learned counsel for the defendant No.2 as well as defendant No.2 present in person admitted that the cheque amounting to Rs.125 million has been deposited in the Government Treasury. In order to settle the dispute, by consent the modalities have been arrived between the plaintiff's counsel and defendant No.2 as well as the counsel for defendant No.2 that the plaintiff will submit the reply to the notice in which they will mention the factum of payment of Rs.125 million and will also point out the proper inventory of sold Tractors, thereafter, the defendant No.2 will decide the matter after providing ample opportunity of hearing to the plaintiff.

By consent the suit is disposed of along with pending application in the above terms.

Judge

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