## ORDER SHEET IN THE HIGH COURT OF SINDH, KARACHI

C. P. NO. D-2788 / 2022

Date

Order with signature of Judge

## **PRIORITY**

- 1) For hearing of CMA No. 12347/2022.
- 2) For hearing of main case.

## 17.08.2023.

Mr. Qazi Umair Ali, Advocate for Petitioners. Ms. Afsheen Aman, Advocate for Respondent.

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Through this Petition, the Petitioner has impugned notices dated 22.03.2022 and 08.04.2022 whereby, the Petitioner has been informed that it has been selected for audit under Section 25 of the Sales Tax Act. 1990 ("Act"); however, the controversy as to the very selection of taxpayer's case for audit under Section 25 of the Act, without first calling for any record or documents in terms of section 251(1) of the Act, has already been decided by this Court in the case of Wazir Ali Industries **Ltd**<sup>1</sup> by holding that all such notices must fail and cannot be acted upon as the very selection of the taxpayers case is not in conformity with Section 25 of the Act. This judgment has allowed various petitions and has at the same time dismissed various High Court Appeal(s) of the department by upholding the case of *Indus Motor Company Limited*<sup>2</sup>. In the instant case, despite the judgment in question, being earlier in time, the case of the Petitioner has been first selected for audit and then subsequent exercise is being carried out as mandated in section 25 ibid; hence, is in violation of the dicta laid down by this Court.

In view of the above, this Petition is allowed for the reasons so assigned in the case of *Wazir Ali Industries Ltd., (Supra)*.

JUDGE

JUDGE

Arshad/

<sup>&</sup>lt;sup>1</sup> (Wazir Ali Industries Ltd. Vs. Federation of Pakistan and Others) 2023 PTD 576

<sup>&</sup>lt;sup>2</sup> (Indus Motor Company Limited v Federation of Pakistan) 2020 PTD 297