

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

Suit 2141 of 2020

Date	Order with signature of Judge(s)
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1. For hearing of CMA No.15376/2020.
2. For examination of parties/settlement of issues.

26.09.2023

Mr. Inzamam Sharif, advocate for the plaintiff.
Mr. Irfan Mir Halepota, advocate for the defendants 3 & 4.
Mr. Amer Zeb Khan, Assistant Attorney General.

The grievance in the present suit is that on 16.12.2020 an audit notice under section 25 was given, seeking record, and immediately on the very next day, 17.12.2020, another notice was given intimating the plaintiff that it has been selected for audit. It is the learned counsel for the plaintiff's case that this matter is squarely covered by the judgment of *Wazir Ali Industries* reported as 2023 PTD 676, paragraph 36 whereof states as follows:

“36. Thus, insofar as Section 25 is concerned, we would conclude that for purposes of Section 25(1) Commissioner must frame legitimate mindful queries to the knowledge of a taxpayer after going through the returns which must be either be satisfied after calling the record or otherwise. In case such mindful queries remained unsatisfied, he then was obliged to give reasons under subsection (2) of Section 25 for conducting audit.”

It is the plaintiff's counsel submission that the impugned notices have been rendered in in *prima facie* violation of the dicta enunciated vide the aforementioned judgment, hence, merit being quashed on the said count. Learned counsel for the Department has remained unable to articulate any cavil in such regard and further made no attempt to dispel the preponderant notion of applicability of the aforesaid judgment herein.

In view hereof, for the reasons articulated in the aforementioned judgment, applied mutatis mutandis herein, the impugned audit notices are quashed. The department remains at liberty to initiate any warranted action with respect to the plaintiff, if permissible under the law. This suit stands disposed of accordingly.

JUDGE