

THE HIGH COURT OF SINDH, KARACHI

Suit No. [-] 200 of 2025

[M/s. Brands Unlimited (Pvt.) Limited v. Federation of Pakistan & others]

Plaintiff : M/s. Brands Unlimited (Pvt.) Limited
through Mr. Mushtaque Hussain
Qazi, Advocate.

Defendants : Nemo.

Date of hearing : 14-02-2025

Date of decision : 14-02-2025

ORDER

Adnan Iqbal Chaudhry J. - Urgent granted. The suit has been brought to challenge a 'pre-suspension notice' dated 28.09.2024 followed by notices dated 07.11.2024 and 17.01.2025 issued to the Plaintiff by the Commissioner-IR for initiating suspension / blacklisting proceedings under section 21(2) of the Sales Tax Act, 1990 read with Rule 12 of the Sales Tax Rules, 2006 [**impugned notice**]. By CMA No. 2074/2025, the Plaintiff prays for a temporary injunction to restrain the Commissioner-IR from further proceedings.

2. Learned counsel submits that the allegation in the impugned notice that the Plaintiff claimed input tax adjustments on the basis of fake/flying invoices is completely unsubstantiated; and the allegation that the Plaintiff made purchases from a blacklisted vendor is also false as such vendor was not blacklisted at the relevant time. Learned counsel therefore submits that the impugned notice is *malafide*.

3. Heard learned counsel and perused the record. The impugned 'pre-suspension' notice is essentially a notice to show-cause against suspension of sales tax registration. It is a precursor to blacklisting proceedings. By virtue of sub-section (5) of section 21 of the Sales Tax Act, which has been inserted by the Finance Act 2024, a remedy is now available to the Plaintiff before the Chief Commissioner in the event an order of suspension is passed against the Plaintiff.

4. It is by now also settled that excepting a jurisdictional defect, a Court of law does not ordinarily interfere with a show-cause notice issued by a statutory authority lest such interference stifles the exercise of fact-finding and provides an escape from special statutory proceedings and remedies.¹ The grounds urged by learned counsel for interference are on the facts of the case and do not go to the jurisdiction of the Commissioner-IR in issuing the impugned notice. Those facts have been laid by the Plaintiff before the Commissioner-IR who has yet to pass any order thereon. He may well agree with the Plaintiff. The temporary injunction sought in effect requires this Court to determine to those facts instead of the Commissioner-IR.

5. In view of the foregoing, since the Plaintiff does not bring forth any exception for interfering with the impugned notice, CMA No. 2074/2025 is dismissed.

JUDGE

*PA/SADAM

¹ *Commissioner of Income Tax v. Hamdard Dawakhana (Waqf)* (PLD 1992 SC 847); *Deputy Commissioner of Income Tax v. Punjab Beverage Company (Pvt.) Ltd.* (2007 PTD 1347); *Indus Trading and Contracting Company v. Collector of Customs (Preventive) Karachi* (2016 SCMR 842); *Dr. Seema Irfan v. Federation of Pakistan* (PLD 2019 Sindh 516); *Commissioner Inland Revenue v. Jehangir Khan Tareen* (2022 SCMR 92); *Zain ul Abideen v. Federal Board of Revenue* (PLD 2021 Sindh 130); *Pakistan Petroleum Ltd. v. Pakistan* (2022 PTD 1742).