

THE HIGH COURT OF SINDH KARACHI

Present:

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

C.P. No. D – 4201 of 2025

[M/s. Belting Enterprises and another versus Federation of Pakistan & others]

Petitioner : M/s. Belting Enterprises and another
through Mr. Waseem Shaikh,
Advocate.

Respondent 1 : Nemo.

Respondents 2-4 : Federal Board of Revenue and two
others Mr. Zulfiqar Ali Arain,
Advocate.

Date of hearing : 02-09-2025

Date of decision : 02-09-2025

ORDER

Adnan Iqbal Chaudhry J. - Petitioners are aggrieved of summons dated 18.07.2025 and 01.08.2025 issued under section 37 of the Sales Tax Act, 1990 [Act] by the Investigation Officer, Enforcement & Collection Zone-II, Regional Tax Office [RTO], Hyderabad. The summons call upon Petitioner No.1 to produce evidence in connection with an inquiry into tax fraud that commenced with M/s. Moosa Corporation and led to purchases made by Petitioner No.1 in the supply chain allegedly from a fake supplier.

2. Two aspects need to be clarified at the outset. First, though the summons mentions an FIR registered for said tax fraud, the summons is not in respect of criminal proceedings but is in respect of departmental proceedings. Second, the Petitioner No.2 is under a misconception that the summons also requires his presence. It appears that since he remained 'authorized representative' (Advocate) for Petitioner No.1, the summons has also been sent at his address by way of serving the Petitioner No.1. Thereafter, grounds

urged by learned counsel for Petitioners to attack the summons are discussed as follows.

3. Learned counsel for Petitioners submits that after enactment of section 30AB of the Sales Tax Act by the Finance Act, 2024, an inquiry into tax fraud can only be undertaken by the Tax Fraud Investigation Wing of the Inland Revenue; therefore, the Investigation Officer of the Regional Tax Office has no jurisdiction in the matter. However, sub-section (6) of section 30AB itself clarifies that:

“Nothing contained in this section shall prevent the authorities appointed under section 30 or any other authority or officer conferred with the power and functions of authorities appointed under section 30 from conducting investigation and prosecution proceedings under Chapter-VII of the Act.”

It is not contended that the Investigation Officer who has issued the summons is not otherwise authorized under section 30 of the Act. Therefore, section 30AB of the Act does not advance the Petitioners’ case.

4. The other submission by the Petitioners’ counsel is that Petitioner No.1 is not registered as tax payer with the RTO Hyderabad. The submission is misconceived as the summons is not for tax assessment but in respect of an inquiry into tax fraud under section 37 of the Act, for which sub-section (4) thereof vests the officer of Inland Revenue with powers of a civil court to summon any person for evidence.

5. Reliance by Petitioners’ counsel on the case of *Aachee Garments (Pvt.) Ltd. v. Federation of Pakistan* (2021 PTD 1576) is misplaced, for in that case the summons impugned was not predicated upon the existence of any inquiry. Reliance on *Directorate of Intelligence & Investigation -FBR v. Taj International (Pvt.) Ltd.* (2025 SCP 235) is also misplaced when the summons is not in respect of criminal proceedings.

6. As held by a learned Division Bench of this Court in *Sahib Din Logistics v. Federation of Pakistan* (2021 PTD 1245): “It is settled law that a departmental notice may not ordinarily merit interference unless it is manifest that it suffers from want of jurisdiction; amounts to an abuse of process; and/or is *malafide*, unjust and/or prejudicial towards the recipient”. None of those exceptions exist here. The petition is therefore, dismissed along with listed application.

JUDGE

JUDGE

SHABAN*