

ORDER SHEET  
IN THE HIGH COURT OF SINDH AT KARACHI

Special Sales Tax Reference Application No. 1223 of 2023

DATE	ORDER WITH SIGNATURE OF JUDGE(S)
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- 1. For orders on office objection No. 26.
- 2. For orders on CMA No. 2935/2023 (Exemption)
- 3. For hearing of main case.

22.10.2025

Mr. Rana Sakhawat Ali, advocate for applicant.

The impugned judgment observes as follows:-

“9. It was observed that the AR provided immediate preceding year's Audit Order of the instant case which makes that Appellant qualified for exclusion from audit for the current tax year provided in Audit Policy 2018 applicable for tax year 2017 vide clause 2.2(i) which clearly provides exclusion from audit of those cases selected for the purpose of audit of sales tax affairs u/s 25 or 38 for the previous tax year i.e., 2016 (Jul-2015 to Jun-2016). As well as it was also observed that order in original was passed on 14-12-2021 after more than 200 days of show cause notice wherein worthy Commissioner-IR concerned had already allowed extension vide letter No. 377 dated: 02-11-2021, However, CIR(A) failed to appreciate the fact that such extension was sought by DICR on dated: 02-11-2021 after 42 days of expiry of 120 days time limit expires on 21-09-2021 u/s 11(5) of the Sale Tax Act, 1990. Hence, the Respondent officer passed the order in original after prescribed time limits therefore, the Respondent officer traveled beyond its jurisdiction.

10. Moreover, relying upon the recent judgments of Hon'ble High Court of Sindh i.e., 1) Dewan Sugar Mills Ltd. vs FOP and others 2) M/s. Wazir Ali Industries Ltd. vs FOP and others, which settled the cardinal issue involved that selection of cases for audit by CIR u/s 25 of the Sales Tax Act, 1990, without disclosing reasons are of no legal effect, hence, legally, jurisdictionally and factually flowing result of above discussion is that the order in original cannot sustain in the eyes of law and is liable to be annulled.”

Learned counsel states that the observations are rested on the record and cannot be displaced or distinguished. Under such circumstances, no case for determination by this Court arises, hence this reference is hereby dismissed in *limine*.

A copy of this decision may be sent under the seal of this Court and the signature of the Registrar to the learned Appellate Tribunal, as required per section 47 subsection 5 of Sales Tax Act, 1990.

Judge

Judge