

**ORDER SHEET**  
**IN THE HIGH COURT OF SINDH AT KARACHI**

C.P. No.D-4421 of 2024  
(M/s. Roomi Tex v. Federal Board of Revenue & others)

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<b>Date</b>	<b>Order with signature of Judge</b>
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1. For hearing of CMA No.19541/2024
2. For hearing of main case

26.9.2024

Dr. Shahab Imam, Advocate for Petitioner  
Mr. Kashif Nazeer, Asst. Attorney General  
Mr. Aqeel Awan, Deputy Director IR  
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**Muhammad Junaid Ghaffar, J:** Through this  
Petition the Petitioner has sought the following relief:-

- I. To declare that the Impugned Suspension Order as void and the suspension of the Sales Tax Registration of the Petitioner prior to the issuance of a notice by wrongly invoking clause (c) (d) of sub-rule (a)(i) of Rule 12 of the Sales Tax Rules, 2006 read with the Section 21(2) of the Sales Tax Act, 1990 being illegal and unlawful; and
- II. To direct the Respondents to immediately restore the Sales Tax Registration of the Petitioner as the export consignments has been stuck up causing irreparable loss to the Petitioner's business as well as the country; and
- III. To declare that the insertion of the Section 21(5) of the Sales Tax Act, 1990 by the Finance Act, 2024 through which the Chief Commissioner has been granted the appellate jurisdiction in matters relating to suspension of sales tax registration orders, is ultra vires to Articles 10-A, 175, 203 and 212 of the Constitution and hence is void ab-initio and of no legal effect; and
- IV. To declare that the amendments of the Section 46 of the Sales Tax Act, 1990 by the Finance Act, 2024 through which the jurisdiction of the appellate tribunal has been ousted to the extent of orders relating to suspension or blacklisting, is an infringement of the Petitioner's fundamental rights as enshrined under Articles 7-25 of the Constitution of the Islamic Republic of Pakistan, 1973 Constitution and thus of no legal effect and void ab-initio being ultra vires; and
- V. To declare that Rule 12(a) (i) (vi) of the Sales Tax Rules, 2006, to the extent of the sentence "without prior notice, pending further inquiry" in granting the Commissioner IR powers to suspend the Sales Tax Registration of a registered person before issuance of show cause notice is beyond the mandate of Section 21 of the Sales Tax Act, 1990 and ultra vires to Article 10-A of the

Constitution of the Islamic Republic of Pakistan, 1973 thus being ultra vires & unconstitutional, void ab-initio and without any legal effect; and

- VI. To declare that unless there is adjudication by one independent forum, no coercive proceedings can be initiated by the Respondents against the Petitioner, including but not limited to freezing or attachment of the bank accounts of Petitioner and blocking / suspension / cancellation of the NTN, STRN, WeBOC, PSW ID, and putting any obstacle or hindrance to the business of the Petitioner, till the pendency of the said Constitutional Petition; and
- VII. Any other relief that this Hon'ble Court may deem fit and proper in the circumstances."

2. Notice was ordered, and comments have been filed, whereas learned Counsel for the Department is on general adjournment, however, due to exigency in the matter as the Sales Tax Registration has been finally suspended and against which no further remedy of Appeal is now available after Finance Act, 2024, we have perused the record and heard learned Counsel for Petitioner as well as learned Assistant Attorney General and Mr. Aqeel Awan appearing on behalf of the Department.

3. From perusal of the impugned order dated 03.9.2024 it transpires that the Commissioner Inland Revenue, Zone-V, Corporate Tax Office, Karachi has not assigned any reasons on his own as to why the Sales Tax Registration of the Petitioner has been suspended. The relevant finding regarding reply of the Petitioner and the same being unsatisfactory reads as under: -

"05. On the due date reply was received from the registered person vide letter dated 13.08.2024 was perused and it is noted that the registered person has no satisfactory explanation."

4. From perusal of the aforesaid observation it appears that no reason whatsoever has been assigned by the Commissioner concerned for suspending the Sales Tax Registration of the Petitioner, whereas, in the same paragraph it has been admitted that a reply was filed by the Petitioner. We need not reiterate the settled proposition of law that any order without assigning reasons is in violation of law and Section 24A of the General Clauses Act, 1897. The impugned order does not fulfill the basic minimum requirement of an adverse order against a taxpayer. Not only this, the entire business of the Petitioner is also at stand still, as its Sales Tax Registration has been suspended based on the above observations. We are surprised as to how an officer of Commissioner level can pass such a sketchy and unreasoned order.

5. In view of the above, the impugned order dated 03.9.2024, whereby the Sales Tax Registration of the Petitioner has been suspended, is hereby set aside and the matter stands remanded to the said Officer who shall pass a speaking reasoned order in accordance with law, after affording opportunity of hearing and considering the objections and reply of the Petitioner.

JUDGE

JUDGE

Shakeel, PS.