

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI
C. P. NO. D-1096 to 1099 / 2025

Date

Order with signature of Judge

FRESH CASE.

- 1) For orders on Misc. No. 5653/2025.
- 2) For orders on office objection No. 01 & 05.
- 3) For orders on Misc. No. 5654/2025.
- 4) For orders on Misc. No. 5655/2025.
- 5) For hearing of main case.

18.03.2025.

M/s. Ahmed Masood & Syed Naveed Wasti,
Advocates for Petitioner.

- 1) Granted.
- 2) Deferred for the time being.
- 3) Granted subject to all exceptions.
- 4 & 5) Through these Petitions, the Petitioners have impugned respective Notices / Summons dated 25.02.2025 and 26.02.2025 issued under Section 37 of the Sales Tax Act, 1990. Learned Counsel submits that prior to filing of these Petitions, the Petitioners premises was searched by initiating proceedings under Section 40 of the Sales Tax Act, 1990 and the said premises was sealed vide order dated 20.02.2025 which was impugned by way of C. P. No. D-881/2025 and on 03.03.2025 the Sealing Order was suspended, whereas, the said Petition is still pending. He submits that thereafter, the Petitioners in C. P. No. D-1096 of 2025 has already been issued a Show Cause Notice under Section 11E of the Sales Tax Act, 1990 which has been responded and the said proceedings are still pending and no final order has been passed. Learned Counsel submits that the entire exercise carried out by the Respondents is in violation of the various Judgments of this Court as well as the learned Lahore High Court in the cases reported as **Taj International (Pvt.) Ltd**

and others Vs. Federal Board of Revenue and others (2014 PLD 1807), Waseem Ahmed & Another Vs. Federation of Pakistan & Others (2014 PTD 1733) and Agha Steel Industries Ltd. Vs. Directorate of Intelligence and Investigation & 2 Others (2019 PTD 2119). Learned Counsel submits that insofar as the impugned notices / summons are concerned, now it has been settled by the learned Lahore High Court in the case of *Taj International* (supra) that no proceedings either under Section 37 or for that matter any criminal proceedings can be initiated until the liability of a taxpayer is adjudicated by way of a prior order through a Show Cause Notice. He submits that the order passed by the learned Lahore High Court in the case of *Taj International* has been maintained by the Hon'ble Supreme Court in Civil Appeal No. 350/2016 (*Directorate of Intelligence & Investigation FBR, Vs. Taj International (Pvt) Ltd etc.*) and other connected matters vide a short order dated 04.12.2024 whereby, the Judgment of the Lahore High Court has been maintained. Per learned Counsel, the entire exercise carried out is an attempt to implicate the Petitioners in criminal proceedings, whereas, once a Show Cause Notice has been issued no further proceedings could have taken place including the impugned Notices.

Let notice be issued to the Respondents as well as DAG for **21.04.2025**. Till then, the impugned Notices / Summons dated 25.02.2025 & 26.02.2025 shall remain suspended. Office to place copy of this order in connected Petitions.

ACTING CHIEF JUSTICE

J U D G E

Arshad/