

ORDER SHEET  
IN THE HIGH COURT OF SINDH AT KARACHI

Special Customs Reference Application No. 608 of 2011

| DATE | ORDER WITH SIGNATURE OF JUDGE |
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1. For orders on CMA No. 142/17 (withdrawal of power)
2. For hearing of main case.

**28.10.2026**

Mr. Darvesh K. Mandhan, advocate for the applicant.  
Mr. Masooda Siraj, advocate for the respondent.

This reference is pending since 2011 and after discussion and deliberation, the learned Tribunal was pleased to hold as follows:-

- “5. After hearing the arguments and examining the record it is observed that-
- (i) Specific Rubber Grade 1502 was exempted vide SRO 525(1)/2006 and 621(1)/2005 and not Rubber Grade 1712 imported by the appellant therefore, the appellant is liable to pay duty and taxes as required under the law.

(ii) The customs authorities under section 6 of the Sales Tax Act. 1990 read with SRO 232(1)/91 dated 10.3.91 are authorized to collect the sales tax on the imported goods.

(iii) That the show cause notice described the charge against the appellant properly and no bias has been caused to the appellant, therefore, the show cause notice has been issued validly.

(iv) The proceedings have been initiated rightly as the section 32 and 195 of the Customs Act are independent of each other and the scheme of both the sections is different. Therefore, the recovery proceedings can be initiated under section 32 of the Customs Act. 1969 without adopting the procedure mentioned under section 195 of the Customs Act, 1969.

Learned counsel for the applicant has not been able to demonstrate any infirmity in the rationale relied upon in the impugned judgment and has also not been able to demonstrate that the conclusion could not have been rested thereupon. The primary question pressed was whether the Customs Department was competent to initiate proceedings for short levied of tax, in the present instance sales tax, however, the said question has already been decided against the applicant and in favour of the respondent department by the Supreme Court by virtue of judgment in the case of *Nestle Pakistan* reported as *2025 SCMR 1974*.

In view hereof, since no other questions are articulated to be arising here from, reference is dismissed.

A copy of this order may be sent under the seal of this Court and the signature of the Registrar to the learned Customs Appellate Tribunal, as required per section 196(10) of the Customs Act, 1969.

Judge

Judge