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**APPELLATE TRIBUNAL INLAND REVENUE OF
PAKISTAN, KARACHI BENCH, KARACHI**

Present: **MR. M. AMINULLAH SIDDIQUI, J.M**
DR. ABDUL LATEEF MIAN, A.M.

STA No.747/KB/2022
U/S. 11(2) of the S.T.A

**M/S. WEAVE & KNITS (PVT) LIMITED,
KARACHI**

...Appellant

VERSUS

The Commissioner Inland Revenue,
Enf-II, CTO, Karachi

...Respondent

Appellant by : Ms. Riffat Naeem Jan, Advocate
Respondent by : Mr. Haroon Islam. D.R

Date of hearing : 16-02-2023
Date of Order : 22-02-2023

ORDER

MOHAMMAD AMINULLAH SIDDIQUI, J.M:-The captioned Sales Tax appeal has been filed by the appellant/taxpayer assailing the Order No. 1615/2015-16 dated 27-10-2015, passed by the Commissioner Inland Revenue Zone-II, Regional Tax Office, Karachi on the following grounds:

1. That, the order passed under the Sales Tax Act, 1990 by the learned Commissioner-IR, CTO, Karachi dated 27-10-2015 is bad both in Law and on facts of the case which warrants to be annulled.
2. That, while issuing notices/letters, the learned Commissioner (Inland Revenue) did not check the correct corresponding address of the taxpayer company and sent them at incorrect address i.e. Plot No. 152, Sector No. 15, Korangi Industrial Area, Karachi and passed the suspension and blacklisting orders in haste & hurry which was not justified.

3. That, while making the orders, the learned Commissioner (Inland Revenue) ignored the correct address appearing in change in particular application submitted online i.e; Plot No. 7, Sector 7A, Korangi Industrial Area, Karachi.
4. That, Pizza Hut exists at the address i.e. Plot No. 152, Sector No. 15, Korangi Industrial Area, Karachi at which the whole correspondence was done by the learned Commissioner (Inland Revenue). This Pizza Hut is on rent with the title MCR (Pvt) Limited since 1st day of July, 2012.
5. That, the brief of the whole correspondence made by AR of the Appellant is as follows:

Date	Correspondence	Remarks
01-09-2015	Application for change in particulars was submitted on 01-09-2015 with address: Plot No. 7, Sector 7A, Korangi Industrial Area, Karachi having Bar Code: TRF-01-53452673	Annex-A
03-09-2015	Suspension order was issued	Annex-B
27-10-2015	Blacklisting order was issued	Annex-C
22-02-2016	It was requested to remove the suspension status	Annex-D
25-03-2016	On receiving the true certified copy of order, we found that the learned Commissioner has written a letter (C.No. 3623/2015-16/ dated: 25.03.2016) to Chief Commissioner for confirmation of blacklisting order, ignoring the above request of taxpayer company	Annex-E
31-03-2016	The Additional Commissioner (HQ) ignored the facts and issued a letter to upload the blacklisting order vide letter C.No. 01(527)Tech/SO-legal/RTO/2015/8432 Dated: 31.03.2016	Annex-F
28-08-2018	It was again requested by the taxpayer company to remove the suspension / blacklisting order but no response was received	Annex-G
12-10-2022	It was again requested by the taxpayer company to remove the suspension / blacklisting order but no response was received	Annex-H
10-11-2022	True certified copy of suspension / blacklisting order	Annex-I

Due to the above stated legal flaws & factual lacunas, the order passed is not justified, hence, warrants to be annulled to meet the end of justice.

Your appellant craves permission to add / alter / amend or disregard the above grounds of appeal and till the hearing of Appeal. The appellant may kindly be allowed to add/amend/ substitute grounds of Appeal at the time of hearing.

PRAYER

In the light of above said legal and factual position, it is humbly requested:-

- That, the active status of the appellant may kindly restored and the suspension / blacklisting order may kindly be annulled to meet the end of justice.
- Any other relief which the Honorable Appellate Tribunal-IR considers appropriate under the facts and circumstances of the case.

2. Brief facts of the case gathered from record are that the appellant/taxpayer is a Private Limited Company vide registered NTN: 0712609-3 and registered in sales tax vide registration No. 12-00-6001-023-46 with the name and style of **M/s. Weave & Knits (Pvt) Limited**, having NIL sales tax activity since last several years (Tax year-2012) at Plot No. 7, Sector 7A, Korangi Industrial Area, Karachi despite of the fact, FBR authorities have sent all the letters/ notices for correspondence at the incorrect address i.e. Plot No. 152, Sector No. 15, Korangi Industrial Area, Karachi instead of the sending at the correct postal address i.e. Plot No. 7, Sector 7A, Korangi Industrial Area, Karachi which is also appearing on (all the correspondence) on the letter heads of the taxpayer/company. Several times it was intimated that the correct address of taxpayer is Plot No. 7, Sector 7A, Korangi Industrial Area, Karachi but the authorities never bothered to respond positively. The FBR authorities suspended the registration vide order dated 03-09-2015 and subsequently blacklisted the taxpayer/company vide order dated 27-10-2015 with the reason that **"The registered person is not found**

traceable on the declared address: Plot No. 152, Sector No. 15, Korangi Industrial Area, Karachi”.

3. Being aggrieved and dissatisfied with the action of the Zonal CIR, the appellant/taxpayer has come to this forum for redressal of his grievances.
4. On the date of hearing, Ms. Riffat Naeem Jan, Advocate appeared in the case proceedings on behalf of the Appellant/Taxpayer while Mr. Haroon Islam, Additional Commissioner-IR represented the department.
5. The learned counsel of the appellant/taxpayer argued that the order passed under the Sales Tax Act, 1990 by the learned Commissioner-IR, CTO, Karachi dated 27-10-2015 is bad both in Law and on facts of the case which warrants to be annulled. She further argued that while issuing notices/letters, the learned Commissioner (Inland Revenue) did not check the correct corresponding address of the taxpayer/company and sent them at incorrect address i.e; Plot No. 152, Sector No. 15, Korangi Industrial Area, Karachi and passed the suspension and blacklisting orders in haste & hurry which was not justified.
6. The learned AR of the appellant/taxpayer contested that while making the orders, the learned Commissioner (Inland Revenue) ignored the correct address appearing in change in particular application submitted online i.e. Plot No. 7, Sector 7A, Korangi Industrial Area, Karachi. She further contested that Pizza Hut exists at the address i.e. Plot No. 152, Sector No. 15, Korangi Industrial Area, Karachi at which the whole correspondence was done by the learned Commissioner (Inland Revenue). This Pizza Hut is on rent with the title MCR (Pvt) Limited since 1st day of July, 2012. According to her, the brief/table of the whole correspondence made by the AR of the appellant has already been mentioned in above grounds. Accordingly, she prayed that the active status of the appellant/taxpayer may kindly be restored and the suspension /

blacklisting order may kindly be annulled to meet the end of justice.

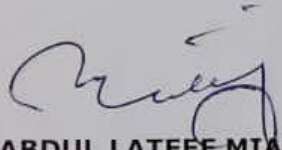
7. On the other hand, the learned D.R supported the order of the learned Commissioner and went on to submit that the order of the Commissioner is legal and valid as per provision of law; therefore, the registration of the taxpayer was rightly blacklisted by the Commissioner.

8. We have heard the arguments of representatives from both sides and perused the orders of suspension and blacklisting dated 03-09-2015 and 27-10-2015 respectively passed by the learned Commissioner Inland Revenue, Zone-II, RTO, Karachi. It is observed that the order passed under the Sales Tax Act, 1990 by the learned CIR dated 27-10-2015 is bad both in Law and on facts of the case and while issuing notices/letters, the learned CIR did not check the correct corresponding address of the taxpayer/company and sent them at incorrect address i.e. Plot No. 152, Sector No. 15, Korangi Industrial Area, Karachi and passed the suspension order and subsequently blacklisted the registered person in haste & hurry which was not justified.


9. It is further observed that while making the orders, the learned CIR ignored the correct address appearing in change in particular application submitted online i.e. Plot No. 7, Sector 7A, Korangi Industrial Area, Karachi. It is noted that Pizza Hut exists at the address i.e. Plot No. 152, Sector No. 15, Korangi Industrial Area, Karachi at which the whole correspondence was done by the learned Commissioner Inland Revenue. This Pizza Hut is on rent with the title MCR (Pvt) Limited since 1st day of July, 2012. The brief/table of the whole correspondence made by the learned AR has already been mentioned in above grounds. The taxpayer repeatedly intimated the department about the correct address of taxpayer i.e. Plot No.7, Sector 7A, Korangi Industrial Area, Karachi but the authorities never bothered to respond positively.

10. In view of the above legal and factual serious infirmities impugned suspension order dated 03-09-2015 and subsequent blacklisting order dated 27-10-2015 are declared to be illegal, void *ab-initio* and thus hereby **set-aside/annulled** with the direction to restore the sales tax registration of the appellant/taxpayer as an Active and Operative taxpayer from the date of his registration immediately. Resultantly, the appeal of the appellant/taxpayer is **allowed**.

11. The appeal filed by the appellant/taxpayer is disposed of in the manner discussed supra.



(DR. ABDUL LATEEF MIAN)
ACCOUNTANT MEMBER



(M. AMINULLAH SIDDIQUI)
JUDICIAL MEMBER

Fayaz/APS*

