THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

Complaint No.03583/KHI/ST/2026
Dated 20.02.2026* R.O. Karachi.

Mr. Syed Ain Ullah, ...Complainant
M/s. Shah Ice Traders
NTN No. 6958355
Plot No.05-F, Unit No.11, SITE, Karachi

Versus

The Secretary
Revenue Division
Islamabad. ....Respondent

Dealing Officer : Mr. Badruddin Ahmad Quraishi, Advisor
Appraisal by : Muhammad Tanvir Akhtar, Advisor
Authorized Representatives : Mr. Mazhar Ali Jamali, Adv
Departmental Representatives : Mr. Abdullah Noor, SAIR, RTO-I, Khi

Federal Tax Ombudsman Secretariat HQs FTO Islamabad

FINDINGS

The complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against the illegal void suspension of sales tax registration (STRN) in view of the non-issuance of a Blacklisting notice/order within the prescribed time period.

2. Briefly, M/s. Shah Ice Traders is an individual registered with the Department under the Sales Tax Act, 1990 (the Act) since 06.04.2023 under the business name of **"Shah Ice Traders".** As per the complaint, the sales tax registration was suspended on 02.05.2025 without issuance of any pre-suspension notice or opportunity of hearing in violation of Section 21 of the Sales Tax Act, 1990, read with Rule 12 of the Sales Tax Rules, 2006, as well as the case law laid down by the Honourable High Court of Sindh in C.P. No. D-8101 of 2017 (reported as 2021 PTD 1813). The Complainant stated that under Rule 12(b)(iii) suspension of registration is only a temporary measure

and if no blacklisting order is passed within ninety (90) days, the suspension automatically becomes void ab initio. However, despite the lapse of more than ninety days from the date of suspension, the department neither issued any blacklisting order nor restored the STRN, and the continued suspension has allegedly caused financial loss and disruption of business; hence, this complaint with the request to restore registration of the complainant.

3. The complaint was referred to the Secretary, Revenue Division, for comments, in terms of Section 10(4) of the FTO Ordinance, read with Section 9(1) of the Federal Ombudsman Institutional Reforms Act, 2013. In response, the CIR Zone-II, RTO-1 Karachi submitted parawise comments on 26.03.2026, which are reproduced below:

> "The complainant's sales tax registration was suspended vide order No. CIR/Zone-II/RTO-I/KHI/2024-25/1938 dated 02.05.2025 upon non-existence at the registered address reported by the physical team and non-submission of reply/defense documents against pre-suspension notice issued to the complainant and affixed copy on the notice board. **The complainant declared huge carry forward amounting to Rs.19,145,514/- in sales tax returns but no sales tax payment was made by him being a manufacturer of Ice blocks and involved in tax evasion of Rs. 70,638,076/-.**
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> **PARAWISES COMMENTS:**
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> 1. That the instant complaint is beyond the jurisdiction of this honorable FTO under section 9(2)(a) of the Federal Tax Ombudsman Ordinance, 2000 as in this case, a huge revenue of Rs. 70 million is involved, which remains unpaid on behalf of the complainant.
> 2. That the complainant has filed wrong/incomplete returns and has not declared sales in annexure-C and details of goods manufactured or produced and goods supplied in annexure-J to the sales tax returns required under section 26 of the Sales Tax Act,1990, read with Rule-14 of the Sales Tax Rules,2006.

3. That the complainant's sales tax registration has been rightly suspended in accordance with section 21(2) of the Sales Tax Act 1990 read with Rule-12 of the Sales Tax Rules,2006, hence no maladministration found. However, the complainant filed a CP in the Sindh High Court as well, which is pending in the Honorable High Court of Sindh Karachi vide C.P No.1362 of 2026."

4. Hearing held on 05.03.2026, 12.03.2026 and records perused.

5. FINDINGS:

i. The STRN of the complainant was suspended due to nonexistence of a huge closing stock/ carry forward amounting to Rs. 19,145,514 declared in the return, attracting sales tax liability of Rs.73,638,076. **The claim of a huge closing stock in case of an ice factory is beyond comprehension because of the melting nature of ice.**

ii. During the hearing, the AR submitted that he has also filed C.P. No.1362/2026 on 02-03-2026, after lodging this complaint before FTO on 20.02.2026, for the vacation of suspension order of the CIR dated 02.05.2025 till final adjudication of this complaint pending before the FTO, as the Honourable FTO cannot provide interim relief of immediate stay against the impugned suspension order. Thus, it is an admitted fact that first the Complainant approached this forum for the vacation of suspension order and then filed a CP with the same prayer. Though the AR of the complainant tried to prove that the nature of the issue pending before the Honorable Sindh High Court is different yet for all purposed both petitions aim at the same end i.e. vacation of impugned departmental order of suspension. In terms of section 9(2(a) of FTO Ordinance, 2000 this office doesn't hold jurisdiction over an issue which is subjudice at a competent court of law.

6. In view of above investigation is closed and files consigned to record.

Federal Tax Ombudsman Secretariat HQs
FTO
Islamabad

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 28 APR 2026

Approved for [illegible]