

**ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI
SSTRA No. 1239 to 1243 of 2023**

Date	Order with Signature of Judge
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Hearing of Case

1. For orders on office objection
2. For hearing of CMA No. 2955/2023
3. For hearing of Main Case

20.02.2026

Mr. Munawar Ali Memon, Advocate for the Applicant
Dr. Muhammad Tariq Masood, Advocate for the Respondent

Learned counsel for the Applicant presses the following questions of law for determination:

- (1) Whether the learned Appellate Tribunal Inland Revenue was justified to delete the demand raised on zero-rated supplies made to non-active/blacklisted/suspended units and allow benefit of condition-XIII of SRO. 1125(1)/2011 dated 31.12.2011, to the registered person?
- (2) Whether the learned Appellate Tribunal Inland Revenue has failed to consider that register person was obliged to pay sales tax on its supplies to inactive/black listed/suspended buyers in terms of Section 6 (1) & (2) of Sales Tax Act, 1990?

Relevant part of the impugned judgment dealing with said questions is paragraph-19, that reads as follows:

“We have heard the learned two representatives. A perusal of the impugned order of the DCIR shows that he issued a show cause notice to the taxpayer confronting him with the observations that the taxpayer made supplies to one M/s. Sahil Industries during the tax periods July 2016 to December 2016 and January 2017 whereas the buyer was blacklisted by the FBR. The AR of the Appellant filed reply to the show cause along with supporting documents and claimed that the buyer was not blacklisted but was active during the period sales transaction took place. The DCIR did not find the reply convincing and proceeded to disallow the adjusted input tax. The taxpayer filed appeal before the CIR(A) who vide his impugned order No. 373 dated 08.01.2019 annulled the impugned order of the DCIR having been passed in disregard of the reply filed by the AR. Since the issue involved is the same which has been discussed and decided by us hereinabove in cross appeals in STA No. 467, 468 & 469/KB/2019 and STA No. 30, 31 & 32/KB/2020 as well as in Department’s appeal in STA No. 33/KB/2020. Accordingly no exception can be taken and it is held that the Department has failed to identify any legal infirmity in the impugned order of the learned CIR(A) in STA No. 169/KB/2019. The same is upheld. Appeal filed by the Department fails.

The aforementioned paragraph demonstrates that the conclusion reached by the learned Tribunal was on due appreciation of evidence and record and no *de novo* determination in such regard is merited in reference jurisdiction. Even otherwise, the findings and the rationale relied upon has not been controverted by the learned counsel for the Applicant. It is noted that reference of several appellate judgments has been given by the learned Tribunal in the aforementioned paragraph and reliance has been placed thereupon. No case has been set forth before us to suggest that said reliance was unmerited and/or the said judgments has been overruled.

Under such circumstances, it is the considered view of this Court that no question of law has been overruled before this Court, therefore, these reference applications are hereby dismissed. Office is instructed to place copy of this order in connected matters.

A copy of this decision may be sent under the seal of this Court and the signature of the Registrar to the learned Appellate Tribunal, as required per section 47 subsection 5 of Sales Tax Act, 1990.

Judge

Judge

Amjad PS