

**ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI
Spl. FERA No.367 of 2019**

Date	Order with Signature of Judge
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Hearing of case

1. For orders on office objection
2. For hearing of main case

04.03.2026

Mr. Ghazi Khan Khalil Advocate for the Applicant

This matter is pending since 2019 and the Respondent has de jure appearance till date. Learned counsel places Courier Tracking Receipts on record to demonstrate that service has been effected, however, the Respondent has opted to not appear before the Court.

The following questions of law were proposed for determination:

- (i) Whether under the facts and circumstances of the case, the learned: Appellate Tribunal Inland Revenue was justified to allow adjustment of input tax against excessive claim of input tax on purchase of goods which has actually not been used/consumed in the manufacturing of taxable supplies?
- (ii) Whether on the facts and circumstances of the case, the learned Appellate Tribunal Inland Revenue was justified to allow taxpayer's appeal mere on technical ground without considering the merit of the case despite the fact that it is settled principle of law that revenue cannot be compromised on the altar of technicalities?

Learned counsel states that issue before the court is demonstrably of input tax. He states that in paragraph 26 of the impugned order, learned Appellate: Tribunal has rendered findings based on Lahore High Court wherein SRC 450 was declared illegal. Learned counsel states that while no cavil is articulated in such regard, however, same treatment could not be given to the actions taken pursuant to SRO 490. He states that such issue has not been discussed by the Appellate Tribunal, hence, to such extent the impugned order ought not to be sustained.

In view hereof, it is sought that it may be just and proper for the impugned portion of the impugned judgment to be set aside and the matter be remanded back to the learned Appellate Tribunal for adjudication afresh in so far as the aforementioned questions are concerned. Order accordingly.

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 34A (2) of the Federal Excise Act, 2005.

Judge

Judge

Amjad PS