ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI
C.P.No.D-6091 of 2026

DATE ORDER WITH SIGNATURE(S) OF JUDGE(S)

1.For hearing of Misc.No.24101/2026
2.For hearing of main case.

02-11-2026

M/s.Qazi Umair Ali, & Muhammad Inzimam Sharif, Advocates for the Petitioner
Ms.Mehreen Ibrahim, D.A.G.
Mr.Javed Ali Sangi, Advocate for the Respondent No.6

Counter affidavit has been submitted on behalf of the Respondent No.6, enclosing certain documents reflecting that the Petitioner is depositing tax with S.R.B., which is taken on record. Learned counsel in attendance jointly state that this petition is on all fours with C.P.No.D-4318/2024 and connected cases, which were disposed of vide order dated 06.03.2025, (Page 193 of the Court file), the operative paragraph of which reads as follows:

> "Vide order dated 06.02.2025, it was observed as follows:
>
> "It is jointly submitted that sales tax on services rendered by non-resident entities is chargeable pursuant to Section 3(2) of the Sindh Sales Tax on Services Act, 2011. Section 9(2) of the said Act also provides for the same. Per section 7 read with Section 2(14) of the Sindh Tax Act, 1990, the aforesaid payment of tax is adjustable. Such adjustment was being carried out on the Federal Board of Revenue online system, however, recently the system has precluded claims of this nature to be enter. The admissibility of input claim in view of the sales tax on services paid as aforesaid, is not disputed by the respondents, however, the only Impediment appears to be Federal Board of Revenue online system which at presently appears to be unjustifiably denying such claims.
>
> Dr. Shah Nawaz Memon, counsel for the department seeks time to have online system adjusted and to bring it in line with the law. As his request adjourned to 06.03.2025.
> Interim orders passed earlier to continue till the next date. Office is instructed to place copy hereof in each connected file."
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> Dr. Shah Nawaz Memon, advocate has filed a letter of Operation Wing FBR, which states as follows:
>
> "Subject: <u>Input Tax Paid On Behalf of Non-Resident On Franchise Services - - CP No.D-4318/2024</u>
>
> I am directed to refer to the Honourable Sindh High Court's Interim order dated 06-02-2025 whereby it was slated that the adjustment of sales on services rendered by non-residents was carried out in return on online system of FBR but the Honourable court has observed that at present the adjustment "appears to be unjustifiably denying such claims. Hearing has been adjourned till 6th March 2025 apparently to bring the online system in line with law.

2. The matter is of allowing such Input tax in return. The relevant tax authorities can Interpret its admissibility or otherwise under the provisions of Sales Tax Act, 1990 as well as the Judgment of the Honourable Apex Court to determine the vires of such levy by a Provincial Legislature. In the meantime, it is, therefore, requested that PRAL may remove the check to allow input tax adjustment in the sales tax return to the petitioners (list attached as Annox-A) paid on behalf of the non-resident if such tax payment is electronically verified by the system.

Respective learned counsel for the Petitioner state that present grievance of the Petitioners appears to have been addressed, however issue of six months limitation has not been covered in the aforesaid letter, notwithstanding interim orders of this Court.

Mr. Girdhari Mal, Commissioner Inland Revenue, Zone-II LTO, Karachi, is present and states that Insofar as the issue of condoning is concerned, the order of the Court remains paramount, however, procedurally respective Petitioners may make application to such effect and the same shall be entertained and complied with in terms of earlier orders of this Court

It is jointly state that in view hereof, these petitions may be disposed of. Order accordingly. Presence and assistance of the officer present is duly appreciated."

Learned counsel submits that these Petitions may also be disposed in similar terms. Under the circumstances, so ordered. The Petitions stand disposed of accordingly in light of the aforementioned Order, which shall apply mutatis mutandis to this Petition as well.

Judge

Judge

m.nasir