ORDER SHEET

THE HIGH COURT OF SINDH KARACHI

SSTRA No. 03 of 2026

DATE	ORDER WITH SIGNATURE OF JUDGE(S)

1. For orders on office objection.
2. For hearing of CMA No. 67 of 2026.
3. For hearing of main case.
4. For hearing of CMA No. 68 of 2026.

04-11-2026

Mr. Taimoor Ahmed Qureshi, advocate for the applicant.
Mr. Mukesh Kumar Khatri, advocate for the respondent.

Following questions of law are proposed for determination.

i. Whether denial of input tax adjustment on purchases from suppliers who were subsequently suspended/blacklisted was justified?

ii. Whether learned ATIR was justified to hold that u/s 8(1)(ca) of the Sales Tax Act, 1990 the applicant was not entitled to claim input tax adjustment in respect of goods on which supplier failed to deposit sales tax into government treasury?

It is stated that the said questions are decided in favour of the applicant and against the respondent department by virtue of judgments reported as 2025 SCMR 728 (Eagle Castle), PTCL 2021 CL 576 (Total Parco Pakistan), 2023 SCMR 1797 (Al-Abid Silk Mills) and 2025 SCP 369 (Allama Iqbal Open University vs. Commissioner Inland Revenue, Withholding Tax Zone RTO, Islamabad. Therefore, the questions be answered in favour of the applicant and against the department. 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 63 (5) of the Sindh Sales Tax on Services Act, 2011.

Judge

Judge

SADAM