ORDER SHEET

IN THE HIGH COURT OF SINDH AT KARACHI

Special Sales Tax Reference Application No. 98 of 2025

DATE	ORDER WITH SIGNATURE OF JUDGE(S)

1. For orders on office objection.
2. For hearing of main case.
3. For hearing of CMA No. 1359/25 (stay)

05.11.2026.

Mr. Qazi Umair Ali, advocate for the applicant.
Mr. Asad Aftab Solangi, advocate for the respondent alongwith Mr. Manzoor Ali Jokhio, Commissioner (Appeals-II), Karachi.

While numerous questions of law had been proposed, learned counsel states that the matter is clinched if the following three questions are decided:-

A. Whether on the facts and circumstances of the case, the learned Commissioner erred in law and fact by failing to appreciate that the Applicant can only claim adjustment of input tax under Section 8 of the Sales Tax Act, 1990 (the "1990 Act") against suppliers who were registered and appeared as active tax payers with the Federal Board of Revenue at the time of issuance of purchase orders and supply of goods?

B. Whether on the facts and circumstances of the case, the learned Commissioner erred in law and fact by failing to appreciate that the subsequent blacklisting/suspension of registration of the supplier on 05.07.2023 by the order of the Commissioner IR, Zone-III, RTO-1, Karachi does not negate the right of the Applicant to claim adjustment of input tax against the purchases made under Sections 7 and 8 of the 1990. Act, prior to the blacklisting/suspension of the said supplier in violation of settled principles of law and therefore the reliance on Section 21(3) of the 1990 Act is misconceived in the circumstances?

C. Whether on the facts and circumstances of the case, the learned Commissioner erred in law and fact by failing to appreciate that the Respondent failed to place any material evidence whatsoever on record to justify that the Applicant had obtained input tax adjustment on the strength of fake and flying invoices issued by its supplier as required under Section 8A of the 1990 Act?

He adverts to Order dated 27.05.2025, wherein, it was observed that the said matter is already clinched in favor of the applicant and against the respondent department by virtue of judgment of the Supreme Court in the case of *Eagle Cables (Pvt.) Ltd. Lahore* reported as 2025 SCMR 728. Pursuant to the said order Mr. Manzoor Ali Jokhio, Commissioner (Appeals-II), Karachi is present and states that the

questions are in fact covered in the manner observed, therefore, they may be answered in favor of the applicant and against the respondent department. His explanation is also placed on record. Order accordingly.

The presence of the learned officer is appreciated and dispensed with.

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

Ayaz p.s.