

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI
Special Sales Tax Reference Application No.72 of 2021

Date Order with signature of Judge

Fresh Case.

1. For Orders on CMA No. 1153/2021 (Urgent)
2. For Orders on CMA No. 1154/2021 (Exemption)
3. For hearing of main case.
4. For Orders on CMA No. 1155/2021 (Stay)

20.05.2021.

Chaudhry Atif Rafiq, Advocate for Petitioner.

1. Granted.
2. Granted subject to all just exceptions.
- 3-4. Through this Special Sales Tax Reference Application the Applicant has impugned order/judgment dated 04.03.2021 passed in STA No.401/KB/2017, by the Appellate Tribunal Inland Revenue Karachi, proposing various questions of law. Learned counsel submits that the Applicant is a Production House engaged in rendering services as a producer of various programs and Dramas and is duly registered for such purposes with Sindh Revenue Board. In support he has referred to Sales Tax Returns filed with the Sindh Revenue Board. He submits that a Show Cause Notice was issued on 06.01.2017 for Tax Years 2012 to 2015 which culminated in passing of an Order-in-Original against the Applicant on 10.04.2017, against which Appeal before the Commissioner failed and so also finally the Appeal before the Tribunal has also been dismissed. According to him, the Tribunal as well as authorities below have erred in law to arrive at a conclusion that production of programs and dramas is not rendering of services but amounts to sale of goods under the Sales Tax Act, 1990. He submits that all along the Applicant has paid the Sales Tax on services to Sindh Revenue Board, whereas, the withholding tax has been regularly deducted from the Applicant under Section 153 of the Income Tax Ordinance, 2001 which applies to service providers; hence, the impugned the order of the Tribunal as well as of the authorities below cannot be sustained. He lastly submits that after passing of the impugned order a demand notice has been issued on 06.05.2021 under Section 48 of the Sales Tax Act, 1990; hence, an ad-interim order be passed.

Let notice be issued to the respondents for a date to be fixed by the office. Till then the respondents are restrained from taking any coercive measures against the Applicant pursuant to impugned demand notice dated 06.05.2021 at page No.507.

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