

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

Special STRA 68 of 2021

DATE	ORDER WITH SIGNATURE OF JUDGE(S)
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- 1. For orders on office objection.
- 2. For hearing of CMA No.1096/2021.
- 3. For hearing of main case.

04.11.2025

Rana Sakhawat Ali, advocate, for the applicant.

Counsel presses following questions of law for determination:

- A. Whether under the facts and circumstances of the case, the learned Tribunal was justified in holding that further tax under Section 3(1A) of the Sales Tax Act, 1990 is not applicable in the cases falling in the scope of Rule 58H of the Sales Tax Special Procedure Rules, 2007?
- B. Whether the Appellate Tribunal has not erred in law by holding that further tax is not applicable in the case of registered person ignoring the express provisions of section 3(1A) which provides that where taxable supplies are made to an unregistered person, there shall be charged further tax at the rate of one percent of the value in addition to the rate specified in sub sections (1), (1B), (2), (5), (6) of section 3 of the Sales Tax Act, 1990?
- C. Whether the Appellate Tribunal has not erred in law by not appreciating that sub-section (6) of section 3 of the Sales Tax Act, 1990 confers power to the Federal Government or Board to levy tax in lieu of sub-section (1) of section 3 and not in lieu of sub-section (1A) rather further tax is levied in addition to tax rate provided in sub-section (6) ibid?

On 21.10.2025, following order was passed:

“21.10.2025

Rana Sakhawat Ali, advocate for the applicant

Per learned counsel the impugned order had been rested on the ratio enunciated by Division Bench of this Court in Digicom Trading case reported as 2016 PTD 648. He states that the honourable Supreme Court has been pleased to take contrary view vide order dated 15.09.2022 in C.A. No.2019/2016. Learned counsel also placed copy of order passed in the case of Zak Re-Rolling Mills reported as 2020 PTD 382, to submit that the questions framed for determination are squarely covered in favour of the department.

The reference application is admitted; notice to the respondent for 04.11.2025 through first two modes as well as courier. Learned counsel to place tracking report of courier on record.”

Learned counsel places tracking report on record demonstrating that services has been effected.

Learned counsel states that authority of the Supreme Court cited in the last order is squarely applicable to the present facts and circumstances and in view of the binding nature thereof, the questions framed for determination be decided in favour of the applicant department and against the respondent. 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 47(5) of the Sales Tax Act, 1990.

Judge

Judge