

ORDER SHEET  
**IN THE HIGH COURT OF SINDH AT KARACHI**

Special STRA 406 of 2022

---

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

---

1. For orders on office objection.
2. For hearing of main case.

**09.04.2026**

Mr. Munawwar Ali Memon, advocate for the applicant.

Mr. Muhammad Din Qazi, advocate files Vakalatnama on behalf of respondent, same is taken on record. On 26.03.2026 following order was passed:

**“26.03.2026**

Mr. Munawwar Ali Memon, advocate for the applicant.

1. Deferred.
2. Following questions have been proposed for determination:
  1. Whether on the facts and circumstances of the case the learned Appellate Tribunal was justified to delete the demand adjudged by disallowing input tax on supplies made to unregistered person in bulk in violation of clause (c) of sub-section (4) of section 73 of the Sales Tax Act, 1990?
  2. Whether on the facts and circumstances of the case, the learned ATIR was justified to hold that individual threshold of sales was not identified when the registered person declared supplies to un-registered person in the sales tax returns in bulk without mentioning details of the buyers in violation of section 23, 26 and 73(4) of the Sales Tax Acct, 1990 read with Circular No.01 of 2020 dated 06.03.2020 issued by Federal Board of Revenue?
  3. Whether in the facts and circumstances of the case, the Appellate Tribunal was justified to delete the disallowance of input tax under section 73(4) of the Sales Tax Acct, 1990, when the registered person failed to prove that supplies were made in bulk through commission agents and the burden of proof was upon the registered person?
  4. Whether, on the facts and circumstances of the case, the learned ATIR was justified to delete the default surcharge and penalty under section 34 and 33 of the Sales Tax Acct, 1990 when the registered person failed to pay due taxes in violation of section 73(4) of the Sales Tax Acct, 1990?

Be that as it may, learned counsel adverts to the penultimate paragraph of the impugned order which demonstrates that the learned Appellate Tribunal while observing that the conclusion would require evidential probe failed to conduct the same or to have the same conducted. Learned counsel states that the same is not befitting the final fact finding forum in the statutory hierarchy.

Admit reference application, issue notice to the respondents through first two modes as well as courier. Learned

counsel to place tracking report of courier on record. To come up on 09.04.2026. In the meanwhile, operation of the impugned order dated 29.03.2022 is suspended.”

Learned counsel for the respondent states that it may be just and proper to set aside the impugned order and remand the matter to the Appellate Tribunal for adjudication afresh in accordance with law, preferably within 90 days and pending aforesaid no coercive action be taken against the respondent arising here from.

Learned counsel for the applicant articulates no cavil to the aforesaid and states that the reference application may be disposed of in the said terms. 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