ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

Spl. Sales Tax Reference Application No. 51 of 2026

DATE	ORDER WITH SIGNATURE OF JUDGE

Hearing / Priority case.

1. For hearing of CMA No. 1049/26 (Ex)
2. For hearing of main case.
3. For hearing of CMA No. 1050/26 (stay)

<u>11.08.2026.</u>

Mr. Qazi Umair Ali, advocate for the applicant.
Mr. Mukesh Kumar Khatri, advocate for the respondent.

On 11.05.2026, following order was passed:-

"Learned counsel proposes following questions of law for determination:

> "A. Whether on the facts and circumstances of the case, the learned Tribunal erred in law and fact by failing to appreciate that the Applicant was entitled to claim input tax adjustment on its stock held on 30.06.2019 under the normal Federal Excise Duty regime by virtue of the benefit provided in Sales Tax General Order No. 105 of 2019 dated 13.09.2019 as well as under Section 7 and 8 of Sales Tax Act, 1990 (the "1990 Act")?
>
> B. Whether on the facts and circumstances of the case, the Tribunal erred by failing to give any finding in respect of the merits of the case as required under Section 24-A of the General Clauses Act, 1897 read with Article 4 of the Constitution of the Islamic Republic of Pakistan, 1973?
>
> C. Whether on the facts and circumstances of the case, the learned Tribunal erred in law and fact by maintaining the penalty under Section 33(1) of the Act, 1990 in respect of input tax on purchase of vehicles and parts of vehicles, buildings and construction material etc whilst deciding the issue in favour of the Applicant and remanding the issue back to the Respondent?
>
> D. Whether on the facts and circumstances of the case, the learned Tribunal erred in law by upholding the imposition of default surcharge under Section 34 of 1990 Act without any findings in respect thereof?
>
> E. Whether, in the facts and circumstances of the case, the learned Tribunal erred in law by passing a self-contradictory and internally inconsistent order, thereby violating the settled principles of judicial propriety, consistency, and reasoned adjudication, rendering the Impugned Order unsustainable in the eyes of law?"

Learned counsel states that notwithstanding the foregoing the impugned order appears to be contradictory inter alia as even an issue that has been remanded back for adjudication afresh the penalty has been maintained. He further refers to paragraph-08 and states that the one issue was already decided that once has been done which cannot qualify in the ambit of due discussion and deliberation befitting the last fact-finding forum in the statutory hierarchy.

> Admit reference. Notice to the respondent through first two modes as well as courier. Learned counsel to place tracking report of courier on record. To come up on 18.05.2026."

Learned counsel for the respondent does not controvert the record and states that it would be just and proper if the impugned judgment is set-aside and matter is remanded to the learned Adjudicating Officer for adjudication afresh. 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 subsection 5 of Sales Tax Act, 1990.

Judge

Judge

Ayaz P.S.