

BALOCHISTAN SALES TAX ON SERVICES

APPELLATE TRIBUNAL, QUETTA

STA 69/2025

M/S Al-Aziz Daewoo and Goods Transport Company

Versus

The Commissioner (Operations) & one another, Balochistan Revenue Authority, Quetta

ORDER

Date of hearing: 15.12.2025

Date of Order: 22.12.2025

Appellant by:

Mr. Rehmat Ullah Khan, Adv

Respondent by:

Mr. Amin Ullah Khan, Adv

JUSTICE (R) NAZIR AHMED LANGOVE, CHAIRPERSON:

This is an appeal filed by the Appellant against the order in original dated 18th July, 2025 passed by the Learned Commissioner III (Operations) where in the Appellant has been declared as defaulter of Balochistan Sales Tax (BSTS) amounting RS 5,583,086/- on Services.

2. Facts in brief are that the Appellant is registered with the Balochistan Revenue Authority with the principal activity of domestic transportation/carriage of goods under tariff heading 9804.1000 of the Balochistan Sales Tax on Services Act 2015.

3. The respondent department received an information from the office of the Post Master General on 13th November 2024 wherein it was mentioned that the Appellant (Registered Person) has rendered services to Pakistan Post Office Department amounting RS 46.52 million but the name was not declared in the monthly sales tax returns, and he has also failed to make payment of the Balochistan Sales Tax on Services amounting RS 5,583,086/-.

4. As a result, the Respondent issued a notice to the appellant U/S 52(2)(a) of the Act for recovery of Tax short paid amount. The Said provision provides with the following language:

“52. Recovery of the Tax not Levied or Short-levied.

(2). Where by reason of some collusion, abetment, deliberate attempt, mis-statement, fraud, forgery, false or fake document:--

(a) any tax or charge has not been paid or is short paid ¹[, assessed or collected,] the person liable to pay such tax shall be served with a notice within ²[five years from the end of the financial year to which the relevant tax period relates,], requiring him to show cause for non-payment of such tax;”

5. In response thereof the Appellant paid various visits to the Respondent's office. Reportedly admitted the liability against him, sought time for its fulfillment; ample opportunity was afforded but he failed to do the needful.

6. Hence the initiation of proceedings and the order impugned passed by the Learned Commissioner Operations III.

7. Assailed in the appeal under consideration with the contention that the order impugned passed by the Learned Commissioner is contrary to the law, facts and principles of natural justice, therefore is not sustainable under the law because no notice U/S 52(2)(a) of the Act had ever been served upon the Appellant; Thus he was condemned unheard, moreover he subsequently appeared before the Respondent and sought time to produce relevant documents but no proper opportunity was provided by the Respondent. He maintained that while imposing Sales Tax the department did not consider the terms and conditions of the agreement executed between the Appellant and the Pakistan Post department wherein it has been mentioned that all the prevalent taxes will be paid by the department but this important aspect of the matter also went unattended by the Respondent which caused miscarriage of justice.

8. He prayed for setting aside the judgment and remand of the matter with the directions to the lower forum to provide a fair opportunity of hearing to the Appellant and decide the matter on merits.

9. On the other hand, the Learned Counsel for the Respondent strongly opposed the appeal with the contention that the order impugned passed by the Learned Commissioner is based on proper appreciation of the facts and relevant provisions of the law. He added that a proper opportunity of hearing was afforded to the Appellant which is evident from his frequent visits of the office and seeking time therefore allegation of providing no proper opportunity is baseless. He urged that advertisement by the Pakistan post office or agreement executed between the Appellant and the Post office department if any, have no biding effect

upon the replying Respondent; The Appellant's responsibility towards payment of sales tax is a separate issue, rightly decided by the lower forum in accordance with the law by applying judicial mind. Therefore, the appeal filed by the Appellant being meritless is liable to be dismissed.

10. We have heard the Learned Counsels for the parties at length and gone through the record with their able assistance.

11. The Appellant's main stance is that since the Pakistan post department did not make him payment of due amount with Connection to the Services rendered, therefore, he is unable to fulfill his obligation towards the payment of sales tax against him; according to the Appellant in this context he filed a civil suit against the Pakistan post office Department for recovery of a huge amount which is still pending. Such a plea, even if believed, does not absolve the Appellant from his liability for making payment of sales tax, for the simple reason that non-payment of an agreed amount by a department does not allow a Tax payer to discontinue his payment of tax, both the issues are separate and distinguishable with their own facts, liabilities and obligations therefore cannot be amalgamated or confused to linger on the instant case resulting in heavy loss to the exchequer. It is a settled principle of law that each and every case should be decided on its own merits in accordance with the relevant law provisions without being influenced of the merits or demerits of the other.

12. It is relevant to mention here that the notices issued by the Respondent U/S 80(1) of the Act were properly served upon the

Appellant, therefore question of providing no opportunity of proper hearing does not arise.

13. During the course of arguments the Respondent's Learned Counsel strongly opposed the submissions made by the Appellant in support, thereof he placed various documents wherein it has been mentioned that the Appellant's plea in respect of non-payment of due amount by the Pakistan post department is also groundless because meanwhile a huge amount of RS 43 million has been paid to him by the Pakistan Post Department, which further belies his invalid and illogical stance.

14. It is relevant to note that during the pendency of this appeal the Appellant's Learned Counsel sought time for reconciliation; which was granted but could not be materialized for one reason or the other. In such circumstances we have left with no option but to decide the matter purely on merit.

15. As discussed above the Appellant has badly failed to pay sales tax due against him, notices issued by the Respondent were properly served which is obvious from the record, therefore a lame excuse of providing him no opportunity of hearing is not justified; the Respondent provided him a fair opportunity of hearing to fulfill his obligation but no needful had been done which resulted the initiation of proceedings, after following due course and the order dated 18th July, 2025 rendered by the Learned Commissioner III Operations which in our view point is based on sound legal and factual grounds, neither based on non-reading or misreading of the documentary evidence nor suffers from

any illegality or irregularity, warranting interference by this Tribunal.
hence is maintained.

16. As a result, the appeal filed by the appellant being devoid of
merit stands dismissed.

17. Orders accordingly.

____ SD ____

Chairperson

____ SD ____

Member

____ SD ____

Member

Dated: December, 2025