

THE BALOCHISTAN SALES TAX ON SERVICES
APPELLATE TRIBUNAL QUETTA.

Sales Tax Appeal No.45,46,47,48 of 2024
M/s Ammiza Transport (PVT) Limited,
Gulberg-III, Lahore.
versus

Commissioner III Balochistan Revenue Authority Quetta.

ORDER

Appellants by: Mr. Jameel Agha
Respondents by: Mr. Wasil Jan Adv
Date of hearing: 31/07/2025
Date of Order: 16/08/25

JUSTICE (R) NAZEER AHMED LANGOVE, CHAIRMAN. The above titled Sales Tax Appeals have been filed by the appellant calling in question, the orders-in-original Nos.101, 106, 99 and 98 all dated 26.06.2024, for tax periods related to July 2018 to June 2019, July 2019 to June 20, January 2018 to June 2018 and July 2020 to December 2020 passed by the learned Additional Commissioner Unit 5 of Balochistan Revenue Authority ('BRA') and rejection of review applications filed by the appellant all dated 31-7-2024, by the learned Commissioner III ('Commissioner') of the BRA vide orders passed under section 61 of the Balochistan Sales Tax on Services Act, 2015 ('Act') on 26-08-2024. In the orders in original the appellant has been required to pay Balochistan Sales Tax on Services ('BSTS'), amounting to Rs.37,034,985, Rs.17,647,238, Rs.14,658,125 and Rs.12,050,647 respectively.

2. The relevant facts for disposal of instant appeal are that the appellant having BNTN: 3123438 is registered with the BRA under tariff heading 9804.1000 providing transportation service. Perusal of the record available with the BRA revealed that the appellant has rendered services to M/s MAERSK (Private) Limited having NTN: B0711020 but failed to make payment of BSTS on said services into government treasury and claimed such amount as exempt under the Act. The Additional Commissioner ('ADC') accordingly issued show-cause. In response the appellant contended that the said amount was detention charges paid on account of temporary holding/ delay of cargo which is distinct from transportation services taxable under the Act hence exempt from BSTS. The learned ADC did not agree with the appellant and passed impugned order. The appellant filed review application before the learned Commissioner but the same was also rejected. The appellant, being aggrieved with the said impugned orders has come up before this forum in terms of section 60 sub-section (2) of the Act. The appellant has taken grounds of appeal as per memo of appeal.

3. On behalf of the appellant, case was argued by Mr. Jameel Agha who contested the impugned order on various grounds. Firstly, he argued that the impugned orders are non-speaking orders. Secondly the appellant was not provided sufficient opportunity of being heard. Thirdly the learned ADC and Commissioner have unlawfully treated detention charges as part of transportation services because such charges were paid due to delay in release of cargo which

was beyond control of the appellant. The learned counsel therefore prayed for declaring the impugned orders as void ab initio.

4. Mr. Wasil Jan Adv learned counsel appearing on behalf of respondent supported the orders of the learned ADC and the Commissioner and stated that the section 7 of the Act is very much clear which defines value of service to be considered for imposition of BSTS. He further argued that the appellant was provided ample opportunity of being heard and the impugned orders are speaking orders based on provisions of the Act. Summing up his arguments the learned counsel prayed for dismissal of appeal.

5. We have gone through the impugned order of the learned ADC and commissioner, examined the relevant provisions of law and considered arguments of both the counsels. The crux of the issue involve is whether detention charges are exempt from or liable to BSTS. The scheme of sales tax law is that tax is charged on value of goods or services. Section 10 of the Act is charging section which is reproduced as under:

*“10. Scope of Tax and Allied Matters.-(1) Subject to the provisions of this Act and the rules, there shall be charged, levied, collected and paid the tax on **the value of a taxable service** at the rate or rates specified in the Second Schedule.” (Emphasis is ours)*

6. The value of a taxable service is defined in section 2(184) and section 7 of the Act. We therefore deem it appropriate to reproduce said sections as under:

“2(184) “Value of a Taxable Service” shall have the same meaning given to it under section 7 of the Act;”

“7. Value of a Taxable Service.-(1) The value of a taxable service is the gross amount of consideration (by whatever name called such as charges or price) in money including all the Federal and the Provincial duties, taxes or charges, if any, which the person rendering or providing a service receives from the recipient of the service but does not include the amount of the tax under this Act.”

7. Perusal of above section clearly provide that value of taxable service shall include all charges like the Federal and the Provincial duties, taxes or charges but does not include the amount of the tax under this Act. The detention charges paid to Customs are Federal tax, duties or charges which are to be included in the value of taxable service.

8. We also find that the appellant has been provided ample opportunity of being heard to which the appellant has presented his contention which was considered by the learned ADC and Commissioner. After rebutting the same the ADC and the Commissioner have passed speaking orders.

9. In the light of above discussion and clear provisions of the Act we find no substance in the contention of the learned counsel of appellant. The appeal being devoid of merits stands dismissed.

Order accordingly.

Announced
Dated, the 11/08 2025.

— sd —

Chairperson

— sd —

Member

— sd —

Member