

**BALUCHISTAN SALES TAX ON SERVICES**

**APPELLATE TRIBUNAL, QUETTA**

**STA 90/2026**

M/S Farooq Ghee and Oil Mills

Versus

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

**ORDER**

Date of hearing: 08.06.2026

Date of order: 11.06.2026

Appellant by:

Mr. Munir Ahmed

ITP & Others

Respondent by:

Mr. Amin Ullah Khan,

Adv & Others

**JUSTICE (R) NAZIR AHMED LANGOVE, CHAIRPERSON:**

This is an appeal filed by the Appellant against the order in original dated 3<sup>rd</sup> March, 2026 passed by the Learned Commissioner-II (Operations) Balochistan Revenue Authority (BRA) whereby the Appellant's claim for deducted amount was declined.

2. The relevant facts for disposal of instant appeal are that the Appellant is a private limited company engaged in manufacturing of ghee and cooking oil. The Commissioner observed that the Appellant was required to pay impugned amount of BWWF under sub-section 14 of Section 4 of the Balochistan Workers Welfare Fund Act, 2022 but failed to make payment of the said amount. Hence, the show-cause notice issued under Section 52(1) of the Balochistan Sales Tax on Services Act, 2015

(‘Act’) on 22-08-2024, followed by a couple of reminders. Presuming no compliance on the part of Appellant; the Learned Commissioner passed an order dated 23-06-2025 under Section 52(3) of the Act.

3. Assailed before this Tribunal; after hearing the parties and going through the record, it transpired that facts involved in the matter were not properly thrashed out and the earlier order was passed mainly on the basis of non-compliance, therefore the matter was remanded back to the Learned Commissioner BRA with the directions to provide a fair opportunity of hearing to the parties, examine all the facts and relevant provisions of law and decide the matter on merit with the further directions to the Appellant to appear before the Learned Commissioner and participate in the proceedings accordingly.

4. In compliance of the order passed by this Tribunal, the Learned Commissioner once again noticed the Appellant to appear and participate in the proceedings, however, the Appellant did not appear despite having been served provided U/S 80 (1) of the BSTS Act, therefore, the Learned Commissioner once again passed the order impugned based on the relevant record and income tax returns filed by the Appellant with the FBR along with a penalty U/S 48 and default surcharge U/S 49 of the Act read with Section 4 of the Balochistan Workers Welfare Fund (BWFF) Act, 2022.

5. Hence, this appeal with the contention that the impugned order in original is bad in law and facts of the case because the Learned Commissioner was not justified to pass an order without providing proper opportunity of hearing to the Appellant which in fact is based on presumption that the Appellant has filed return of income and declared total income as RS: 1,530,633,572/- according to the Appellant is not correct. He next contended that the Workers Welfare Fund Act, 2022 came into force W.E.F 22-06-2022 therefore its application to the financial year commenced from 1<sup>st</sup> day of July, 2022 was not legal because it could not have been charged for the financial year 2021-22. It was further contended that Section 52 of

the Act relates to the issue of recovery of tax not levied or short levied. Similarly, Section 2 of the Act defines the meaning of tax with the following language: -

*“(a) The sales tax, additional tax or default surcharge levied under the Act;*

*(b) A penalty, fine or fee imposed or charged under the Act;*

*(c) Any other sum payable or receivable under the provisions of the Act or the rules made thereunder.”*

6. He added that the afore-quoted Section is chargeable only to the extent of sales tax on services which did not apply in the matter under consideration, therefore, the order impugned passed by Learned Commissioner is not sustainable and is liable to be reversed.

7. We have heard the Learned Counsel for the parties and gone through the record with their assistance. The instant appeal has been filed against the judgment dated 3<sup>rd</sup> March, 2026 passed by the Learned Commissioner (Operations) Balochistan Revenue Authority mainly based on data collected and calculated from income tax returns filed with the FBR.

8. It is important to mention that in earlier round, vide order dated 23-06-2025 passed by this Tribunal, the matter was remanded to the Learned Commissioner with certain directions including the parties especially the Appellant to appear before the Learned Commissioner, participate in the proceedings and assist the forum as per the law, however, despite service of notice the Appellant once again opted to avoid joining proceedings by using delay tactics for the reasons best known to him, in such circumstances the lower forum had no option except to decide the matter on the basis of available record.

9. Now the matter has once again come before us with the earlier position i.e. before remand, mainly on account of the Appellant's non-appearance; such a practice cannot be encouraged.

10. Keeping in view the facts and circumstances of the case and in the best interest of justice, during the pendency of appeal the parties were afforded several opportunities to reconcile the respective documents in the light of relevant law provisions, particularly sub sections (14) and (15) of Section 4 of the BWWF Act, 2022 wherein mode of payment by, and recovery from establishment has been mentioned including failure of an industrial establishment to make a payment under this section with a detailed process, tax period and consequences of non-payment.

11. So far as the applicability of Balochistan Workers Welfare Fund Act 2022 is concerned, left to be decided by this Tribunal.

12. On last date of hearing the parties sought time to reconcile the matter in the light of returns submitted before Federal Board of Revenue (FBR), on 08-06-2026, Mr. Munir Ahmed, ITP, representative of the appellant filed a statement of certified copy of the appellant's declared income for the Tax Year 2022, issued by FBR with the following language: -

*"Subject: Verification of declared income for the TY-2022*

*Please refer to your letter received in this office on 02-06-2026, wherein you have requested verification your declared income for the tax year 2022.*

*2. Your income as of the date per your declarations (Income Tax Return dated 31.12.2022) available with this office is verified as below:*

*a) Income Declared Rs. 513,635,427/-*

*b) Amendments/ Rectifications/ Revision Nil as on 04.06.2026*

*3. Your declared income as per your deemed assessment order under section 120 of the Income Tax Ordinance, 2001, as of 04.06.2026, is as indicated above.*

*4. This certificate is being issued at your specific request."*

- (a) Supported by an acknowledgment slip with respect to return of income filed voluntarily for complete tax year 2022, (1<sup>st</sup> July, 2021 to 30<sup>th</sup> June, 2022) wherein chargeable tax, taxable income and total income has been shown as RS: 169,534,255/-, 513,635,427/- and 513,653,427/- respectively.

13. The respondent's learned counsel expressed his consent and verified the validity/genuineness of the statement submitted by the representative of the appellant and raised no objection if the appeal filed by the appellant is allowed.

Since the matter has been reconciled and settled down between the parties which is evident from the documents referred above. Therefore, with the consent of the parties, the appeal stands disposed-of.

Orders accordingly.

SD  
CHAIRPERSON

SD  
MEMBER

SD  
MEMBER

Dated: 11<sup>th</sup> June, 2026