

BALUCHISTAN SALES TAX ON SERVICES

APPELLATE TRIBUNAL, QUETTA

STA No. 116/2026

M.A 59/2026

M.A (Condonation) 13/2026

M/S Shehzad Rent a Car Services

Versus

The Commissioner (Appeals), Balochistan Revenue Authority, Quetta

ORDER

Date of hearing: 21.09.2026

Date of order: 21.09.2026

Appellant by:

None Appeared

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: 14th January, 2026 passed by the Learned Commissioner (Operations) and the Order dated: 13th March, 2026 passed by the Learned Commissioner (Appeals), BRA wherein the appellant has been declared as defaulter of BSTS amounting to RS: 886,439/-.

2. Facts in brief are that the Appellant is a registered person with BRA has been providing rent a car service which is taxable; allegedly, failed to obtain registration U/S 25 of the Act which provides that a person shall be registered under this Act who: -

“(a) is resident

(b) provides any taxable service ²[* *] in Balochistan;*

³[(bb) is a withholding agent under this Act;]

(c) is otherwise required to be registered under any of the provisions of the Act or the rules; or

(d) fulfills any other criteria or requirement which the Authority may prescribe under sub-section (2).]”

3. Registration is required for filing monthly sales tax returns, Section 35 of the Act dealing with the returns by a tax payer with the language that every registered person shall furnish to the Authority, not later than the due date, a true, correct and properly filled up return in the form notified by the Authority, including the tax due and paid during a tax period and such other information or particulars as may be notified by the Authority.

4. It is relevant to note that prior to this, the respondent's Authority noticed the appellant for registration on account of its rendering taxable services within the territorial jurisdiction of BRA. However, not complied with; as a result, a penalty amounting to RS: 200,000/- U/S 48 of the Act was imposed against the appellant; that order was challenged in appeal, the amount of penalty was reduced from RS: 200,000/- to RS: 10,000/- by this Tribunal, vide, order dated: 27-04-2026. However, with certain directions including registration, deposit of reduced penalty amount and filing returns without any fail. Reportedly, the appellant shown its reluctance to comply with the directions in later and spirit with the lame excuse of being registered with SRB.

5. In the instant round, objections raised by the appellant could not convince the Learned Commissioner (Operations) and the Learned Commissioner (Appeals). Hence, the order dated: 13th March, 2026 passed by the appellate forum (herein impugned before us).

6. Assailed in the appeal under consideration with the contention that the impugned order-in-appeal as well as the order-in-original are illegal, arbitrary, without lawful Authority, against the facts and law, as such, the same are liable to be set-aside because the Learned Commissioner (Appeals) erred in law by upholding the impugned order-in-original without independently examining the legality, propriety and correctness of the assessment order, thereby failing to exercise the appellate jurisdiction vested in him under the law.

- (i) That the impugned orders are non-speaking as neither the assessing officer nor the Learned Commissioner (Appeals) has recorded proper findings on the material questions of facts and law, nor assigned any cogent reasons in support of the conclusions reached, rendering the impugned orders unsustainable in the eyes of law.
- (ii) That the fora below failed to appreciate that the appellant was registered with the BRA in the year, 2025 whereas the impugned demand relates to the tax period from July, 2022 to June, 2023. Moreover, failed to appreciate the true scope and legal effect of Rule 3(4) of the Balochistan Sales Tax Special Procedure (withholding) Rules, 2018 which governs the deduction and deposit of sales tax in respect of services received from unregistered persons in a prescribed withholding mechanism.
- (iii) That the assessment has been framed solely on the basis of withholding information without establishing the place of provision of services, the nature of taxable activity, the contractual obligations, or any other legally admissible evidence connecting the appellant with the alleged tax liability.
- (iv) That the impugned order-in-original was passed ex-parte in violation of the principles of natural justice and without affording an effective and meaningful opportunity of being heard to the appellant but this important aspect was ignored by the appellate forum which caused miscarriage of justice.
- (v) That new facts regarding deduction of 1/5th (20%) sales tax by Medicines Sans Frontieres (MSF-Holland) surfaced for the first time before the appellate forum, meaning thereby, it was not the part of show cause notice (SCN) and order-in-original rendered by the Learned Commissioner (Operations) but considered by the appellate forum which was a glaring illegality, ultimately caused harm to the appellant.
- (vi) That the appellant produced documentary evidence before the Learned Commissioner (Appeals) showing that 20% of the sales tax had already been deducted by the withholding agent and the remaining 80% had been duly deposited before the Sindh Revenue Board (SRB) but the Learned Commissioner (Appeals)

failed to consider this material evidence. Therefore, on this count as well the impugned appellate order is liable to be set-aside.

(vii) That impugned orders rendered by the fora below suffer from misreading and non-reading of the material available on record, non-application of judicial mind, disregard of the documentary evidence produced by the appellant and are therefore, liable to be reversed.

7. He prayed for acceptance of the appeal and declaration that the remaining 4/5th of the tax liability having already been paid to SRB, therefore, no further sales tax is payable by the appellant to the BRA pertaining to the impugned tax period.

8. The respondent's learned counsel strongly opposed the appeal with the contention that the impugned order passed by the learned appellate forum by upholding the order-in-original passed by the Learned Commissioner (Operations) is based on real facts of the case in the light of relevant provisions of the law and appreciation of the material available on the record. He added that despite proper service provided U/S 80(1) of the Act and participation of the appellant through counsel before the learned appellate forum by availing ample opportunity of being heard and having complete knowledge of the order impugned dated: 31-03-2026 (on very same day of hearing), the instant appeal was filed after an unexplained delay of 108 days which shows the appellant's least interest in the proceedings and fulfillment of his obligations as per the law. He prayed for the dismissal of the appeal.

9. As discussed in supra paras that the appellant is a service provider, now has been registered with the Balochistan Revenue Authority, providing taxable services with the name and style of M/S Shehzad Rent a Car Service. Reportedly, provided services to a medicine company namely, Medicines Sans Frontieres (MSF-Holland), service recipient rightly deducted 1/5th (20%) of the sales tax and deposited in the relevant account accordingly. However, the appellant failed to fulfill its legal obligation with respect to deposit of 4/5th (80%) of the Sales Tax with the inconsistent plea and excuse that since the appellant is registered with SRB and the services were originated from the province of Sindh, therefore, the appellant is not

liable to make payment of remaining sales tax i.e.; 4/5th (80%) which otherwise is not believable and acceptable to a man of prudent mind because 20% has already been deducted and deposited by the service recipient i.e. Medicines Sans Frontieres (MSF-Holland) and the remaining taxable amount i.e. 4/5th (80%) should have been deposited by the appellant with the BRA instead of SRB as claimed by the appellant but without placing any documentary proof in this behalf, even if believed, cannot absolve the appellant from his obligation regarding deposit of aforesaid amount with BRA.

10. The excuse of appellant's non-registration before assessing tax period also does not carry any weight because the registration of a person U/S 25 of the Act provides that a person shall be registered under this Act who: -

“(a) is resident

(b) provides any taxable service ²[* *] in Balochistan;*

³[(bb) is a withholding agent under this Act;]

(c) is otherwise required to be registered under any of the provisions of the Act or the rules; or

(d) fulfills any other criteria or requirement which the Authority may prescribe under sub-section (2).]”

with the explanation that unless otherwise specified, no person shall be absolved of any tax liability for want of registration under this Act or the Rules, as such, there is no escape to avoid tax with invalid and illegal grounds. Moreover, definition of registered person provided under sub-section 134 of Section 2 of the Act provides that a person who is registered or is liable to be registered under the Act and includes a service provider and a withholding agent, or any other person or class of persons notified by the Authority in the official gazette.

11. The appellant's second objection regarding documentary evidence before the Learned Commissioner (Appeals) instead of Commissioner (Operations), pertaining to 1/5th (20%) of sales tax deducted by the withholding agent (service recipient) is also not convincing, the appellant was well aware of its taxable activities and legal obligations by admitting that 20% of the sales tax had already been

deducted by the service recipient i.e. Medicines Sans Frontieres (MSF-Holland). However, the remaining amount was deposited with SRB, such a statement, not only belies the appellant's stance but shows inconsistencies and variations, for instance in one hand, it states that no services have been rendered by the appellant within the jurisdiction of BRA while on the other hand, pleaded that 20% of the sales tax amount had been deducted by the service recipient. But 80% amount was not deposited due to the appellant's non-registration with BRA for that tax period which is also not legally correct, as discussed above non-registration of a person liable to be registered does not absolve him to fulfill his legal obligation. Moreover, the appellant failed to place any document regarding deposit of sales tax with SRB related to the services rendered in Balochistan. Even if believed, at the best, the appellant after following prescribed procedure can claim for return of mistakenly deposited amount to SRB. Another important aspect of the matter brought before this Tribunal was that prior to this, the appellant filed an appeal against the order dated: 18th April, 2025 passed by the Learned Commissioner (Operations) whereby an amount of RS: 200,000/- was imposed against the appellant as penalty U/S 48 of the Act. Challenged in appeal, vide, Order No. 37/2025 dated: 17-11-2025 Passed by the Learned Commissioner (Appeals) wherein the appeal filed by the Appellant was also dismissed. Assailed in appeal before this Tribunal, although the orders rendered by the fora below were upheld but moderately reduced to the tune of RS: 10,000/-. Reportedly, not yet deposited which shows the appellant's non-seriousness in compliance of the order which is not an appreciable trend, at least to say.

12. Leaving aside the merits and de-merits, the instant appeal is pending before this Tribunal since, 17-07-2026 but with no substantial progress. Coupled with the continuous non-appearance of the appellant's learned counsel which too without any intimation what so ever, in such circumstances, the matter cannot be kept pending indefinitely. The respondent's learned counsel placed a covering letter of the order dated: 31-03-2026 by the Learned Commissioner (Appeals) with the date of dispatch and acknowledgment dated: 02-04-2026 which according to the learned counsel negates the appellant's stance regarding non-service of the impugned order upon the appellant and is one of the reasons, he maintained for non-appearance of the appellant's counsel; but we intentionally avoid going to the merits of the appeal, lest it cause any prejudice.

13. In view of above, the appeal filed by the appellant stands dismissed in default and for non-prosecution with no order as to costs.

Orders accordingly.

__SD__

Chairman

__SD__

Member

__SD__

Member

Dated: 21st September, 2026.