

BALUCHISTAN SALES TAX ON SERVICES
APPELLATE TRIBUNAL, QUETTA

STA No. 124/2026
M.A. No. 60/2026
M.A. (Condonation) No. 14/2026

M/S Abu Bakar

Versus

1. The Commissioner (Operations) & one another, Balochistan Revenue Authority, Quetta.
2. Balochistan Revenue Authority through its Chairman, Quetta.

ORDER

Date of hearing: 26.10.2026

Date of order: 27.10.2026

Appellant by:

Mr. Daniyal Muhammad
Mohsin, Adv & Others

Respondent by:

Mr. Amin Ullah Khan,
Adv & Others

JUSTICE (R) NAZIR AHMED LANGOVE, CHAIRPERSON:

This appeal has been filed by the appellant against the Order-in-Original dated 1st April 2026, passed by the Learned Commissioner (Operations), Balochistan Revenue Authority (BRA), Quetta, wherein the appellant was declared a defaulter of Balochistan Sales Tax on Services (BSTS) amounting to Rs. 28,532,455/-.

2. The relevant facts of the case are that the appellant, bearing BNTN: 4292674-2, is registered with the Balochistan Revenue Authority (BRA) as a service provider. In this capacity, the appellant rendered construction-related services to M/S Bolan Mining Enterprises but allegedly failed to deposit Balochistan Sales Tax on Services amounting to Rs. 27,173,767/- into the national exchequer.

3. On the basis of the aforementioned default, the respondent Authority issued a statutory notice dated 21st November 2025 under Section 32 of the Balochistan Sales Tax on Services Act, 2015, directing the registered person to produce relevant records and appear to explain their tax position.

4. However, the appellant failed to respond to the initial notice. Consequently, the respondent Authority issued a show-cause notice under Section 24(2) of the Act. Section 24(1) mandates the entire mechanism for the assessment of tax, explicitly prohibiting any assessment order from being passed unless a formal show-cause notice is served upon the person within eight (8) years from the conclusion of the relevant tax period. Such notice must specify the grounds and afford the taxpayer a meaningful opportunity of being heard. Despite subsequent reminders, the appellant failed to participate. Left with no alternative, the Learned Commissioner (Operations), Balochistan, passed the impugned assessment order dated 1st April 2026, holding the appellant liable for short-paid sales tax amounting to Rs. 27,173,767/-, along with a 5% penalty imposed under Section 48 and default surcharge under Section 49 of the Act, totaling Rs. 28,532,455/-.

5. Under Section 67(2) of the Act (as amended by the Finance Act, 2023), an appeal before this Appellate Tribunal must be preferred within sixty (60) days from the date of communication of the order. The instant appeal, however, was filed after a delay of 131 days from the pronouncement of the judgment. The appellant has filed an application for the condonation of this delay, asserting that:

- (i) The impugned order passed by the Learned Commissioner (Operations) violates the principles of natural justice, as no notice or reminder was ever served upon or received by the appellant.
- (ii) The appellant was entirely unaware of the proceedings and only gained knowledge of the matter when the respondent Authority attached his bank account to recover the tax liability.
- (iii) The appellant was condemned unheard, rendering the impugned order legally unsustainable and liable to be set aside.

6. Conversely, Mr. Amin Ullah, Advocate, appearing on behalf of the respondents, strongly opposed the appeal and the condonation application. He

contended that the impugned order passed by the Learned Commissioner (Operations) is firmly grounded on valid, legal, and factual material available on record. He emphasized that despite repeated notices under Sections 32 and 24(2) of the Act, the appellant intentionally chose not to appear or produce the required documents. Therefore, the Learned Commissioner rightly assessed the tax liability on the basis of available, unrebutted records. He argued that a party cannot claim a violation of natural justice when they deliberately choose to boycott statutory proceedings.

7. We have heard the learned counsel for both parties and carefully examined the material available on the record. A scrutiny of the records maintained by the Balochistan Revenue Authority (BRA) confirms that the appellant is a registered person with BNTN: 4292674-2. Furthermore, the record reflects that the appellant rendered taxable construction services to M/S Bolan Mining Enterprises during the tax periods from July 2023 to June 2024 but failed to deposit the corresponding sales tax due against him under Section 24(2) of the Act.

8. The legal formalities regarding the service of notices are governed by Section 80(1) of the Act, which provides that service is complete if a notice is:

- (a) personally served on the individual or their authorized representative;
- (aa) sent electronically through e-mail or to the e-folder maintained for e-filing;
- (b) sent by registered post or courier service to the individual's usual or last known address in Pakistan; or
- (c) served in the manner prescribed for the service of a summons under the Code of Civil Procedure, 1908 (Act V of 1908).

9. Regrettably, the appellant failed to enter an appearance before the respondent Authority either at the time of the issuance of the statutory notices or during the proceedings that culminated in the impugned assessment order. Consequently, the appellant's bank accounts were lawfully attached to secure the state's revenue.

10. It has been repeatedly observed by the superior courts of Pakistan that taxpayers frequently attempt to evade or bypass the initial fora of tax administration. By intentionally avoiding participation in departmental proceedings, they subsequently approach higher appellate fora with the boilerplate plea that they were "condemned unheard." This calculated strategy to seek a remand of cases solely to buy time and delay the recovery of legitimate state dues cannot be encouraged. As held by the **Supreme Court of Pakistan** in **PLD 2022 SC 342** and **2019 SCMR**

1642, the principle of *audi alteram partem* (no one should be condemned unheard) is an essential component of due process, but it cannot be weaponized as a tool of obstruction by a negligent or deliberate defaulter who chose to ignore statutory notices.

11. Adverting to the merits of the case, it is clear that the appellant is a service provider who rendered construction-related services to M/S Bolan Mining Enterprises. The perusal of the record reveals that despite repeated notices and opportunities under Sections 32 and 24 of the Act, no one appeared on behalf of the appellant to submit a reply or produce the relevant financial ledgers. In view of these facts, the Learned Commissioner (Operations) was left with no choice but to proceed with the matter on an *ex-parte* basis, utilizing the best available assessment material.

12. The respondent's counsel urged with vehemence that the appellant intentionally avoided participating in the proceedings before the Learned Commissioner, a trend that is strictly discouraged. Equally, the respondent Authority is duty-bound to maintain a flawless, verifiable record of service with definite dates, times, and modes of service to an authorized person under Section 80 of the Act, whether through a courier service, registered mail, or verified electronic portals.

13. During the course of arguments, the appellant's learned counsel stressed the necessity of remanding the case, pleading that a fair opportunity to produce evidence and cross-examine the tax computations is essential to ensure substantial justice. Confronted with the legal and factual infirmities in the impugned order, the learned counsel for the respondent candidly conceded and fairly requested for remand of the case with the prayer that the lower forum be directed to conclude the proceedings expeditiously.

14. We have considered the arguments advanced by both sides. A meticulous reconciliation of accounts is indispensable for a just, transparent, and fair determination of tax liability—an exercise that was not carried out due to the non-cooperation of the appellant at the initial stage. Nevertheless, it is a settled maxim of Pakistani jurisprudence that the courts should lean in favor of deciding cases on their visual merits rather than technical defaults. To meet the ends of justice and afford the appellant one final opportunity to vindicate his position, we are inclined to remand the case.

15. The condonation application is allowed for the reasons stated therein. Consequently, the main appeal is accepted to the extent that the impugned Order-in-Original dated 1st April 2026 is set aside.

With the consent of the parties, the matter is **remanded to the Learned Commissioner (Operations), Balochistan Revenue Authority, Quetta**, for decision afresh on its merits.

- **The appellant is strictly directed to appear before the Learned Commissioner (Operations) on 4th November, 2026** without expecting any fresh notice, and to participate in the proceedings positively.
- The appellant shall produce all relevant books of accounts, tax invoices, and bank statements on the said date. Similarly, the Learned Commissioner (Operations) is directed to proceed with the matter purely on merits and decide the case within a shortest possible period but not more than two months without being influenced of the observations, if any, made herein above.

The appeal stands disposed of in the above terms.

Orders accordingly.

__SD__

Chairman

__SD__

Member

Dated: 27th October, 2026