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ORDER SHEET

IN THE LAHORE HIGH COURT LAHORE  
JUDICIAL DEPARTMENT

Exempt per  
Copy Supply Section  
Lahore High Court, Lahore

19/7/24

Case No. W.P. No.45014 of 2024

Shahzad Textile Mills Ltd. & 05 others **Versus** Federation of Pakistan & others

S. No. of order/ Proceeding	Date of order/ Proceeding	Order with signature of judge, and that of parties or counsel, where necessary.
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19.07.2024

Barrister Osama Zafar, Sheikh M. Akram and Raza Ahmed Cheema, Advocates for the petitioners.  
Mr. Asad Ali Bajwa, Deputy Attorney General, on Court's call.

Learned counsel for the petitioners contends that the impugned notification S.R.O. 350(1)/2024 could not have been issued under section 50 of the Sales Tax Act, 1990 as that provision merely gives the power to the Board by notification in the official Gazette to make rules for carrying out the purposes of the Act. The impugned amendment amends the rule 18 of the of the Sales Tax Rules, 2006 and takes away the right of the petitioners directly under section 7 of the Sales Tax Act for input tax adjustment to determine the tax liability of a registered person. The impugned amendment also makes the filing of the return and for the deduction of the input tax as contingent upon the filing of the return by the respective seller for the same tax period. In short according to learned counsel for the petitioners, the said amendment impinges upon the rights of the petitioners to be dealt with in accordance with law

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and the rights guaranteed under the Constitution and in particular Article 18 of the Constitution of the Islamic Republic of Pakistan, 1973.

2. This petition raises important questions of law and is admitted to regular hearing. Notices on behalf of respondents No.1 to 4 are accepted by the learned D.A.G., present on Court's call, who shall inform the respondents No.2 to 4 to file their written statements and to make their legal representation on the next date of hearing. Notice shall also be issued to the Attorney General for Pakistan under Order XXVII-A, C.P.C. which too is accepted by the learned D.A.G. Adjourned to **08.10.2024**.

C.M. No.1 of 2024.

3. Dispensation sought for is **allowed** subject to all just and legal exceptions.

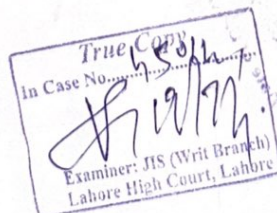
C.M. No.2 of 2024.

4. Till the next date of hearing, it is directed that the returns filed by the petitioners for the months of May and June, 2024 as well as subsequent returns till the next date of hearing shall be accepted by the respondent No.2 and shall not be blocked. This shall be subject to the notices and hearing on the next date of hearing.

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Auth. filed  
Qanun-e-Shahadat Order 1984  
Article 87 of  
19/10/24

Umar



(SHAHID KARIM)  
JUDGE



- 1 -

IN THE LAHORE HIGH COURT, LAHORE

Writ Petition No. 45014 / 2024

1. **Shahzad Textile Mills Limited** through its Manager Taxation, Mr. Maqsood Shahid Najmi, having its office at 19- A off Zafar Ali Road, Gulberg V, Lahore
2. **H.A. Haq Spinning Mills (Pvt) Limited** through its G.M Finance, Mr. Tahir Ayub, having its office at P-3, Tangianwala Chowk, Islam Nagar, Jail Road, Faisalabad
3. **U.S. Denim Mills (Pvt) Limited** through its Group CFO, Mr. Afnan Mansoor, having its office at 3-KM Defence Raiwind Road, Lahore
4. **Nagra Spinning Mills (Pvt) Limited** through its Company Secretary, Mr. Mian Muhammad Usman Yasin, having its office at 101, First Floor, Lyallpur Regency Plaza, Regency Road, New Civil Line, Faisalabad
5. **C.A Textile Mills (Pvt) Limited** through its Company Secretary, Mr. Muhammad Saleem Akhtar, having its office at 8K, Commercial Area, K Block, Model Town, Lahore
6. **Shafi Texcel Limited** through its Sr. Deputy Manager Tax, Mr. Faraz Ali, having its office at 4.5 km Raiwind-Manga Road, Raiwind, District Kasur

...Petitioners

Versus

1. **Federation of Pakistan** through Secretary Revenue Division, Pakistan Secretariat, Islamabad
2. **Federal Board of Revenue** through its Chairman, Constitution Avenue, Islamabad
3. **Chief Commissioner Inland Revenue, Large Taxpayers Office, Lahore**, 10-Babar Block, Garden Town, Lahore
4. **Chief Commissioner Inland Revenue, Corporate Tax Office, Lahore**, Tax House Nabha Road, Lahore

...Respondents

ATTESTED

Copy Supply Section  
Lahore High Court, Lahore



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IN THE LAHORE HIGH COURT, LAHORE

PAKISTAN  
COURT FEE

15000

PAKISTAN  
COURT FEE

FIVE RUPEES

D# 101672/24

C.M. No. 2 / 2024

Writ Petition No. In 45014 / 2024

Shahzad Textile Mills Limited and others

Vs.

Federation of Pakistan, etc.

APPLICATION FOR GRANT OF INTERIM RELIEF UNDER ORDER 39, RULE 1 AND 2 OF CPC READ WITH SECTION 151 OF CPC AND ALL OTHER ENABLING PROVISIONS OF THE LAW

*Respectfully Sheweth:*

1. That the titled petition has been filed before this honourable Court wherein appropriate orders are yet to be passed; the contents thereof may kindly be read as an integral part of this application.
2. That the Applicants have a prima facie case and there is every likelihood that the same will be decided in their favour; the balance of convenience and inconvenience also lies in their favour.
3. That the petitioners are blocked from filing their sales tax returns for the month of June, 2024, and if they are not de-blocked, the petitioners will not be able to file their sales tax returns for the month of June, 2024 for which the due date is 18-07-2024 and will be regarded as Non-Active Taxpayer in terms of Rule 12A of Sales Tax Rules, 2006 read with Section 2(1) of the Act resulting in complete halt in their business activity, coupled with imposition of penalties, default surcharge and further tax.

ATTESTED  
Cop. Registrar  
Lahore High Court, Lahore



