

ORDER SHEET  
IN THE HIGH COURT OF SINDH AT KARACHI  
Sult No. 1882 of 2016

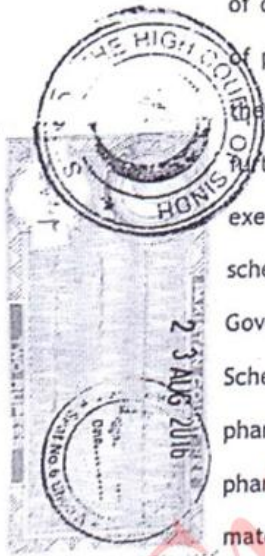
Date \_\_\_\_\_  
Order with signature of Judge \_\_\_\_\_

1. For orders on CMA No.12020 /16
2. For orders on CMA No.12021 /16

24.08.2016

Mr. Arshad Tayabally for the plaintiff  
.X.X.X.X


1. Urgency application granted.
2. Learned counsel submits that they are pharmaceutical company and concerns with the import, manufacture, sale of a number of pharmaceutical products. In pursuit of their business they are also engaged in import of certain raw material being used in manufacturing of different products/medicines. Learned counsel submits that in terms of provision of section 3 of Sales Tax Act which is chargeable section they falls under category 3(b) concerning with imported goods. He further submits that section 13 of the Sales Tax Act provides an exemption to the supply of goods or import of goods specified in VI schedule subject to such conditions as may be specified by the Federal Government to be exempted from tax under this Act. Entry 105 in Schedule VI provides that raw material for the basic manufacture of pharmaceutical active ingredients and for manufacture of pharmaceutical products, provided that in case of import only such raw material shall be entitled to exemption which are liable to customs duty not exceeding ten percent advalorem. Learned counsel submits that there is a list annexure-G that provides the duty of the raw material including packing material which provides different percentage of sales tax levied thereon. Such products are then segregated in terms of its custom duty which does not exceed 10% which list is attached as annexure-G to G-9. Learned counsel submits that this list in fact is a list which caters Entry 105 however he added that such list also includes the



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packing material such as PVC/lamination etc. As per learned Counsel the manufacturing process includes the packing material as well and has relied upon definition of "Manufacture" available as Section 2(xvi) which includes any process in which an article singly or in combination with other articles materials, components, is either converted into another distinct article or product or is so changed, transformed or reshaped that it becomes capable of being put to use differently or distinctly and includes any process incidental or ancillary to the completion of a manufactured product, process or printing, publishing, lithography and engraving, and process and operations of assembling, mixing, cutting, diluting, bottling, packaging, repacking or preparation of goods in any other manner and hence articles/material mentioned in the list are to be exempted from such taxes. Learned counsel has relied upon the order dated 03.5.2016 passed in Suit No.1073/16.

Let notice be issued to the defendants as well as the learned DAG. In the meantime interim order, as prayed, is granted. To come up along with suits No. 1073/2016 and 2331/14 in the third week of September, 2016 in case no other date is assigned.

  
S. J. Judge

