



# EMPLOYERS' FEDERATION OF PAKISTAN

A Company Setup Under Section 42 Of The Companies Act 2017  
The Apex Body of Employers of Pakistan

29 January 2021

## AFP BULLETIN # 3 ON SRB CASE

Greetings from the Employers' Federation of Pakistan.

As you are very well aware the Honourable High Court of Sindh vide order dated 17-10-2020 has allowed a bunch of petitions filed by companies in the following words.

*"In view of hereinabove facts and circumstances of the case and the law so discussed we are of the view that the impugned action and interpretation arrived at by SRB is contrary to the Act itself, whereas, even if the proviso stands omitted, in our considered view it is only the quantum and value of service which is taxable in these cases and not the amount being reimbursed by the service recipient and therefore by means of a short order dated 17.11.2020 we had allowed all listed petitions and these are the reasons thereof."*

As a result, the industry which was burdened by SRB with payment of Sindh Sales Tax on services on the gross amount is now required to pay sales tax only on the quantum of service.

SRB in the exercise of its right to appeal has approached the Honourable Supreme Court of Pakistan by filing a petition. Each company will receive individual notice from the AOR of the government in a day or two.

As soon as you receive such notice, you need to take steps to appear in court by engaging AOR.

As you know that EFP had earlier assisted the industry by providing legal service through Mr. Zaheer Minhas Advocate Supreme Court who charged a reasonable fee.

EFP again has requested Mr. Zaheer Minhas ASC to facilitate the industry by providing legal assistance and charge a reasonable professional fee.

Mr. Zaheer Minhas ASC agreed to provide legal services to EFP's members against a total sum of Rs. 275,000/- from each company.

Please take notice that this amount covers his professional fee as well as the fee for Advocate on Record and misc. expenses.

**If you wish to avail of this facility kindly send a duly signed and stamped vakalatnama along with an authority letter on the company's letterhead and a cheque of Rs. 275,000/- net in the name of M/s Zaheer & Zaheer Advocates at EFP office address.**

With warm regards,

**Syed Nazar Ali**  
**Director EFP Board / Officer in charge**