

IN THE HIGH COURT OF SINDH, KARACHI

Present:

Mr. Justice Adnan Iqbal Chaudhry
Mr. Justice Muhammad Jaffer Raza

1.	Const. P. 4144/2025	Faran Sugar Mills Ltd VS Federation of Pakistan & Others
2.	Const. P. 4145/2025	Mirpurkhas Sugar Mills Ltd VS Federation of Pakistan & Others
3.	Const. P. 4146/2025	Al-Abbas Sugar Mills Ltd VS Federation of Pakistan & Others
4.	Const. P. 4147/2025	Mehran Sugar Mills Ltd VS Federation of Pakistan & Others
5.	Const. P. 4148/2025	Sindhbadgar's Sugar Mills Ltd VS Federation of Pakistan & Others
6.	Const. P. 4149/2025	Khairpur Sugar Mills Ltd VS Federation of Pakistan & Others
7.	Const. P. 4150/2025	Ranipur Sugar Mills Ltd VS Federation of Pakistan & Others
8.	Const. P. 4151/2025	Digri Sugar Mills Ltd VS Federation of Pakistan & Others
9.	Const. P. 5111/2025	Ansari Sugar Mills Limited VS Federation of Pakistan & others
10.	Const. P. 5112/2025	Habib Sugar Mills Limited VS Federation of Pakistan & others
11.	Const. P. 5113/2025	Matiari Sugar Mills Limited VS Federation of Pakistan & others
12.	Const. P. 5114/2025	Alliance Sugar Mills Limited VS Federation of Pakistan & others
13.	Const. P. 5115/2025	Shahmurad Sugar Mills Limited VS Federation of Pakistan & others
14.	Const. P. 5116/2025	Al Noor Sugar Mills Limited VS Federation
15.	Const. P. 5117/2025	Sakrand Sugar Mills Limited VS Federation of Pakistan & others
16.	Const. P. 5118/2025	Sanghar Sugar Mills Limited VS Federation of Pakistan & others

Petitioners: Through M/s. Abdul Sattar Pirzada & Mamoon N. Choudhry, Advocates.

Respondent No. 1: Through Ms. Mehreen Ibrahim, DAG.

Respondents No. 3 & 4: Through Mr. Asad Ahmed, Advocate.

Date of hearing: 21.11.2025

Date of Judgment: 26.11.2025.

J U D G M E N T

Muhammad Jaffer Raza, J: Succinctly stated, the Petitioners through the instant Petitions seek a declaration against “speaking order” dated 16.06.2025 (“**Impugned Order**”) wherein the Respondent No.3, citing various reasons, “declined” the representation made by the Petitioners for release of Inland Freight Subsidy (“**Subsidy**”). Further, the Petitioners seek directions against the Respondents to approve, settle and release the noted Subsidy.

2. It is the case of the Petitioners that the Economic Coordination Committee (“**ECC**”) granted permission for export of sugar in crushing seasons 2011-2012 and 2012-2013. Various EPD Circulars, details of which are irrelevant for the present adjudication, were issued by the State Bank of Pakistan (SBP) reflecting the noted permission. Under the noted mechanism, Respondent No. 3 publicised the grant of Subsidy for export of sugar in accordance with the approval of ECC, wherein conditions and the eligibility criteria was laid down.

3. It is contended by the learned counsels appearing for the Petitioners that Respondent No. 3 through its Letter dated 30.06.2016, following the direction of the Ministry of Commerce (Respondent No. 1), withheld the grant of Subsidy till finalization of a NAB Inquiry. He has further contended that the Petitioners were oblivious to the said enquiry, which even otherwise was no ground to withhold the Subsidy to which the Petitioners were eligible. He has further contended that irrespective of the same, the NAB Inquiry has now been closed and there remains no impediment in release of the Subsidy to the Petitioners.

4. Prior to delineating on the contentions advanced by the learned counsels, it will be expedient to highlight that earlier Petition bearing C. P. No. D-653 of 2023¹ was filed before this Court seeking directions for release of the

¹ The said petition was taken up along-with other similar petitions, details of which are reflected in order dated 02.05.2025 in C. P. No. D-653 of 2023 and need not be reproduced here for the sake of brevity.

noted Subsidy. The noted petition was disposed of vide order dated 02.05.2025 directing the Petitioners to agitate their grievances before Respondent No. 3. The noted Respondent decided the representation preferred by the Petitioners in compliance of order dated 02.05.2025 by passing the Impugned Order. Learned Counsels further submitted that the Impugned Order is premised on “extraneous” and irrelevant considerations and the same ought to be declared as illegal and unlawful. Consequently, he has argued that directions may be issued to the Respondents to release the Subsidy claim of the Petitioners.

5. Conversely, learned Counsel appearing for Respondent No. 3 has contended that the noted Respondent was following directions of the Ministry of Commerce and could not have released the Subsidy to the Petitioners in light of the directions to halt the same from the concerned Ministry. He has further averred that they are now awaiting instructions from the relevant Ministry and distribution of Subsidy can only be made once such approval is forthcoming and funds are reallocated to Respondent No.3. In this respect he has further submitted that even if the reallocation is made, the disbursement of Subsidy shall commence strictly in accordance with the public notices issued earlier. The claims of the Petitioners, according to learned counsel, shall then be scrutinized as the previous scrutiny process was earlier halted.

6. Learned DAG, relying on the comments furnished by Ministry of Commerce (Respondent No. 1), has apprised us by stating that the noted ministry has already taken steps to reinstate funding through a “Technical Supplementary Grant” for disbursement. The delay, if any, according to the learned counsel, in disbursement, is due to various reasons including budgetary constraints and statutory compliances. She has however conceded that the inquiry by NAB has been closed as of July 2023 and is no longer an impediment in the process.

7. We have heard all the learned Counsels and perused the record with their assistance. It is apparent through the comments furnished by Respondent No. 1 that steps have already been undertaken to reinstate funding for the grant of the noted Subsidy through a supplementary grant. Further, perusal of the Impugned Order reveals that the same does not outright deny the claim of the Petitioners. To our mind, the same only highlights the reasons for halting the process earlier and informs the Petitioners about the prerequisites of grant of Subsidy.

8. The Constitution of Islamic Republic of Pakistan 1973 (**“Constitution”**) envisages that power to issue a supplementary grant lies with the Federal Government under Article 84² of the Constitution. Further, Section 23³ of the Public Finance Management Act, 2019 (**“PFM Act”**) stipulates that every grant approved by the national assembly for a given financial year lapses or ceases to have effect at the close of a particular financial year. It is apparent that the grant earlier approved has lapsed due to the passage of time. Therefore, the question before us is whether the High Court in its jurisdiction under Article

² **Supplementary and excess grants**

84. If in respect of any financial year it is found—

(a) that the amount authorized to be expended for a particular service for the current financial year is insufficient, or that a need has arisen for expenditure upon some new service not included in the Annual Budget Statement for that year; or

(b) that any money has been spent on any service during a financial year in excess of the amount granted for that service for that year; the Federal Government shall have power to authorize expenditure from the Federal Consolidated Fund, whether the expenditure is charged by the Constitution upon that Fund or not, and shall cause to be laid before the National Assembly Supplementary Budget Statement or, as the case may be, an Excess Budget Statement, setting out the amount of that expenditure, and the provisions of Articles 80 to 83 shall apply to those statements as they apply to the Annual Budget Statement.

³ 23. Expenditure from Federal Consolidated Fund [and Public Account].—

(1) No authority shall incur or commit any expenditure or enter into any liability involving expenditure from the Federal Consolidated Fund and Public Account of the Federation until the same has been sanctioned by a competent authority duly empowered and the expenditure has been provided for the financial year through—

(a) schedule of authorized expenditure; or

(b) supplementary grant and technical supplementary grant as per Article 84 of the Constitution; or

(c) re-appropriation as per section [11].

(2) No authority shall transfer public moneys for investment or deposit from government account 1 [including the assignment accounts] to other bank account without prior approval from the Federal Government [.]

[Provided that the principal accounting officer in respect of all the spending units under his control shall submit a certificate to the Finance Division on half yearly basis.]

(3) Every grant approved by the National Assembly for a financial year and every other authority or sanction issued under this Act in respect of a financial year, shall lapse and cease to have any effect at the close of that financial year.

199 of the Constitution can issue a writ to the Federal Government to issue a supplementary grant and/or subsidy.

9. In similar circumstances, we have already held in the case of *Tandiannwala Sugar Mills Ltd.*⁴ that no writ can be issued to the Federal Government to issue a supplementary grant. We see no reason to distinguish the above-noted case from the instant petitions. Further, it is a settled principle of law⁵ that grant of subsidy is a benefit and not a fundamental right, hence no writ can be issued for grant of the same under Article 199 of the Constitution.

10. In light of what has been held the instant petitions are misconceived and dismissed with no order as to costs.

J U D G E

J U D G E

Arshad/

⁴ Tandianwala Sugar Mills Ltd. versus Pakistan through its Secretary Ministry of Commerce Government of Pakistan and others **CPD – 4353 of 2019**.

⁵ Union Fabrics Private Limited and others Versus Federation Of Pakistan through Chairman, Economic Co-ordination Committee, Islamabad and others reported at **PLD 2023 270**.

K-Electric Limited through Chief Executive Officer, Karachi Versus Federation Of Pakistan through Secretary, Ministry of Energy and Secretary, Ministry of Finance, Islamabad and others reported at **PLD 2023 Supreme Court 412**.

Messrs Bolan Steel Industries (Pvt) Ltd. through Managing Director and others Versus Water And Power Development Authority (WAPDA) through Chairman and other reported at **PLD 2014 Balochistan 173**.