

ORDER SHEET
IN THE HIGH COURT OF SINDH KARACHI
Special F.E.R.A. No. 51 & 53 of 2016

Date

Order with signature of Judge

Hearing of case.

For hearing of main case.

07.08.2025.

Mr. Faheem Ali Memon, Advocate for Applicant.
Mr. Fareed Ahmed Dayo, Advocate for Respondent.

Mr. Faheem Ali Memon has filed Vakalatnama on behalf of Applicant / department in both the cases which are taken on record. Whereas. Mr. Fareed Ahmed Dayo undertakes to file Vakalatnama on behalf of the Respondent. He may file the same in the office.

Both these Reference Applications have been filed by Commissioner Inland Revenue Zone-I, LTU, Karachi against Pakistan International Airlines Corporation (PIAC) in respect of order dated 22.07.2016 passed by the Appellate Tribunal Inland Revenue, Karachi in ITA No. 05/KB/2012 and connected matter. PIAC is a State Owned Enterprise in terms of State Owned Enterprises (Governance and Operation) Act, 2023 and pursuant to Section 134A of the Income Tax Ordinance, 2001 a mechanism has been provided for State Owned Enterprises ("SOE") to approach FBR in respect of adverse orders passed by the Inland Revenue Department. The most significant and the relevant amendment made, which in our view is fully applicable to the present Applicant, is that now it is **mandatory** for SOE to go for ADR, whereas the limit of Rs. 50 million is also not applicable.

It further appears that the Honourable Supreme Court has referred the matters filed by the Commissioner Inland Revenue to the Dispute Resolution Committee through various orders

passed in **Civil Petition No. 2106 of 2024** (*Commissioner Inland Revenue, Corporate Zone, Regional Tax Officer, Islamabad v. M/s Islamabad Electric Supply Company Limited, (IESCO), Islamabad*), Civil Appeals No. 649, 650, 651, 652 of 2022 (*M/s. State Life Insurance Corporation of Pakistan v. The Assistant Commissioner of Income Tax, Karachi & others*) and Civil Petition Nos. 886-K, 887-K and 888-K of 2023 (*M/s. Trading Corporation of Pakistan v. The Commissioner of Income Tax, Karachi*).

In view of such position, both these Reference Applications are disposed of, whereas, in terms of Section 134A of the Income Tax Ordinance, 2001, matter stands referred to FBR to form a Committee as required under the new amended provision and till such time the matter is finally decided by the said Committee, no coercive measures be adopted against the applicant for recovery. Once a decision has been given by the Committee, the applicant if aggrieved, may seek further remedy, if so available in accordance with law.

With these observations, both these Reference Applications are hereby disposed of. Office to place copy of this order in connected Reference Applications.

CHIEF JUSTICE

J U D G E

Arshad/