

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI
Income Tax Reference Application No. 210 to 214 of 2010

Date

Order with signature of Judge

For hearing of main case.

07.08.2025.

Mr. Ghazi Khan Khalil, Advocate for Applicant.
Mr. Usman Tufail Shaikh, Advocate for Respondent.

Mr. Ghazi Khan Khalil has filed Vakalatnama on behalf of Applicant / department in these matters which are taken on record.

All these Reference Applications have been filed by Commissioner (Legal) now The Commissioner Inland Revenue Zone-I, LTO, Karachi against Pakistan International Airlines Corporation (PIAC) in respect of order dated 17.11.2009 passed by the Appellate Tribunal Inland Revenue, Karachi in ITA No. 1297/KB/2006 and connected matters. 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, all 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, all 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/