

ORDER SHEET
IN THE HIGH COURT OF SINDH KARACHI
Income Tax Reference Application No. 271 of 2017

Date	Order with signature of Judge
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Hearing of case.

1. For orders on office objection No. 18.
2. For hearing of main case.

13.08.2025.

Mr. Muhammad Aqeel Qureshi, Advocate for Applicant.
Mr. Atir Aqeel Ansari along with Mr. Muhammad Ajmal Khan, Advocate
for Respondent.

This Reference Application has been filed by Commissioner Inland Revenue Zone-III, LTU, Karachi against Pakistan Reinsurance Company Ltd. in respect of order dated 13.04.2017 passed by the Appellate Tribunal Inland Revenue, Karachi in ITA No. 101/KB of 2016. Pakistan Re-insurance Company Limited 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. However, Counsel appearing for Respondent objects for referral of this matter to the ADR Committee on the ground that cases filed by the Commissioner Inland Revenue are to be decided by this Court and cannot be referred to ADRC.

To this we may observe that the the Honourable Supreme Court has also 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, this Reference Application is 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 Respondent for recovery. Once a decision has been given by the Committee, the Respondent, if aggrieved, may seek further remedy, if so available in accordance with law.

With these observations, this Reference Application is hereby disposed of.

CHIEF JUSTICE

J U D G E

Ayaz