

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

ITRA 277 of 2022
ITRA 278 of 2022
ITRA 279 of 2022

DATE	ORDER WITH SIGNATURE OF JUDGE(S)
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1. For hearing of main case.

08.12.2025

Mr. Hamza Waheed, advocate and Mr. Samir ur Rehman, advocate for the applicant.
Mr. Mukesh Kumar Khatri, advocate for the respondent.

It is jointly stated that these reference applications are squarely covered by earlier order of this court as demonstrated from order dated 14.03.2024 passed in ITRA 03 of 2015 and connected matters, which is reproduced herein below:

“14.03.2024

Ms Hyder Ali Khan, Ali Almani and Sami-ur-Rehman advocates for the Applicants
Ms. Zakia Jatoi advocate, holding brief for Mr. Ameer Bakhsh Metlo advocate for the respondent-department

In all these Reference Applications and Constitutional Petitions, there is only one common question involved i.e. “whether in calculating the depletion allowance under Rule 3 of Part-1 of the 5th Schedule to the Income Tax Ordinance, 2001, the amount of royalty is to be deducted from the well-head value or not”.

The above question has now been settled by the Honorable Supreme Court vide its judgment dated 29.11.2023 passed in Civil Petition No.2007 of 2002 and other connected matters in the case of Deputy Commissioner of Income Tax versus Ms Mari Gas Company Limited Islamabad, (though in the context of erstwhile Income Tax Ordinance, 1979; however, the provisions are pari-materia) whereby the judgment of the learned Islamabad High Court in the case reported as 2023 PTD 455 (Attock Oil Co. Ltd v. Central Board of Revenue) has been maintained. All learned counsel concede for disposal of the cases in the above terms.

In view of the above, all these Reference Applications and Constitutional Petitions are allowed / disposed of by holding that the amount of royalty paid by a tax payer to the government has to be viewed as a separate component which is entirely independent on its own and is not to be deducted while computing the well-head value.

All listed cases stand disposed of in the above terms, whereas office is directed to place copy of this order in all listed files.”

Counsel seek that these reference applications may be disposed of for the same reasons and upon same terms. Order accordingly.

A copy of this decision may be sent under the seal of this Court and the signature of the Registrar to the learned Appellate Tribunal, as required per section 133(8) of the Income Tax Ordinance, 2001. Office is instructed to place copy hereof in the connected files.

Judge

Judge

Khuhro/PS