

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

ITRA 329 of 2024

DATE	ORDER WITH SIGNATURE OF JUDGE(S)
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- 1. For orders on office objection
- 2. For hearing of main case

27.01.2026

Messrs. Atir Aqeel Ansari and Muhammad Ajmal Khan, advocates
for the applicant

Barrister Ahsan Ali Shah, advocate for respondent

Pursuant to order dated 13.12.2024, learned counsel submits that the question before the court has already been deliberated before the honourable Supreme Court in the case of *Commissioner Inland Revenue, Legal Zone, LTO Lahore vs. Seven Star Sugar Mills (Private) Limited Karachi (Civil Petition No.339-L of 2023)*. Paragraph No.6 thereof reads as follows:

“6. Before we could conclusively interpret the provisions of section 129 of the Ordinance, we need to trace its history. Two provisions are important to be discussed. Under section 122(5A) of the Ordinance (as it stood in 2014), the Commissioner was empowered to amend or further amend an assessment order if he considered it erroneous and prejudicial to the interest of revenue, after making or causing necessary enquiries. However, this power was limited to amendment of an existing assessment and did not extend to remanding or directing a fresh assessment. This relevant provision was inserted vide Finance Act, 2003, which is relevant. Similarly, following the Finance Act, 2005, the powers of the Commissioner Appeals under section 129 were confined to confirming, modifying, or annulling an assessment, with the express remand power deleted. Therefore, under section 129 post-2005, the Commissioner Appeals lacked jurisdiction to remand for a fresh assessment and was bound to decide matters. For the purposes of present controversy, we are discussing the powers of Commissioner Appeals as available under section 129(1)(a) only.”

In view hereof it is jointly sought that the impugned judgment may be set aside and the matter be remanded back to the learned Commissioner (Appeals) for adjudication afresh in accordance with law. 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.

Judge

Judge