ORDER SHEET

IN THE HIGH COURT OF SINDH AT KARACHI

ITRA 01 of 2023

DATE	ORDER WITH SIGNATURE OF JUDGE(S)

For hearing of CMA No.2695/2025

18.11.2026

Barrister S. Ahsan Ali Shah, advocate for the applicant
Mr. Nadeem Iqbal, advocate for respondent

Notice of the application was given; no opposition to the same has been received. Application is allowed. Reference is restored.

Per learned counsel for the applicant the only question before the Court is as follows:

> "Whether the ATIR was correct and justified in application of Section 221 of the Income Tax Ordinance, 2001 while rectifying its Order leading to change in substance of Order where initially the case was remanded back and then subsequently annulled through rectification?"

He relies upon the judgment of the honourable Supreme Court in the case of Chaudhry Steel Furnace reported as 2025 SCMR 1505, to state that the same is impermissible under the law. Learned counsel for respondent remains unable to displace the aforesaid. In view hereof and in mutatis mutandis application of the binding authority the question is answered in favour of the applicant department and against the respondent. The reference application is allowed.

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

Amjad