

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

ITRA 397 of 2022

DATE	ORDER WITH SIGNATURE OF JUDGE(S)
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1. For orders on office objections No.24 & 25.
2. For orders on CMA No.452/2022.
3. For hearing of main case.

02.04.2026

Mr. Faheem Ali Memon, advocate for the applicant.

1. Deferred.
2. Exemption granted subject to all just exceptions.
3. Matter is pending since 2022 without any progress. Diary demonstrates that in the last four years no effort has been made by the applicant to have the matter listed or hearing. Even on the last date time was sought. Today we have seen question of law which are as follows:

- a. Whether on the facts and in the circumstances of the case, the learned ATIR was justified to say that principle of audi alteram partem is compromised when sufficient opportunities were provided and order was passed after taking into consideration the reply of taxpayer on all issues?
- b. Whether on the facts and in the circumstances of the case, the learned ATIR was justified to knock down the invocation of section 111(1)(a) of the Income Tax Ordinance, 220001 by the department on account of unexplained bank credits when the same was also upheld by the first appellate authority giving cogent reasons thereof?
- c. Whether on the facts and in the circumstances of the case, the learned ATIR was justified to knock down the invocation of section 111(1)(d)(i) of the Income Tax Ordinance, 2001 by the department on account of suppressed sales worked out on the basis of consumption of lime in production of sugar when the same was also upheld by the first appellate authority giving cogent reasons thereof?
- d. Whether on the facts and in the circumstances of the case, the learned ATIR was justified to delete the additions made u/s 111 of the Income Tax Ordinance, 001 being conjectures and surmises when order was based on record and material justifying additions against which no satisfactory explanations furnished?
- e. Whether on the facts and in the circumstances of the case, the learned ATIR was justified to delete in one stroke the additions made u/s 20, 21, 22, 23, 34(3), 39, 174(2) of the Income Tax Ordinance, 2001 as no evidence were furnished to the effect before the both forums below?

Prima facie, the issue is covered against the applicant department by virtue of Supreme Court judgment passed in *Commissioner Inland*

Revenue Lahore vs. Millat Tractors Limited, Lahore and others reported as 2024 SCMR 700. Therefore, in mutatis mutandis application of the binding precedent, the reference application is dismissed in limine.

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

Khuhro/PS