GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE
(Legal-IR Wing)
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Subject: **REQUEST FOR UPLOADING THE JUDGMENT OF THE HON'BLE SUPREME COURT OF PAKISTAN IN CIVIL APPEALS NO. 1443 TO 1447 OF 2018 DATED 23.06.2026 (COMMISSIONER OF INCOME TAX, LAHORE V. M/S SUI NORTHERN GAS PIPELINES LIMITED, LAHORE) REGARDING LEVY AND RECOVERY OF WORKERS WELFARE FUND UNDER THE WORKERS WELFARE FUND ORDINANCE, 1971-GUIDING PRINCIPLES ON FBR WEBSITE**

I am directed to enclose herewith a judgment dated 23.06.2026 of the Hon'ble Supreme Court of Pakistan in Civil Appeals No.1443 of 2018 titled (COMMISSIONER OF INCOME TAX, LAHORE V. M/S SUI NORTHERN GAS PIPELINES LIMITED, LAHORE).

2. It is requested that the said judgment be uploaded on the official FBR website under the relevant section for judgments and legal updates. The availability of the judgment on the website will assist field formations, tax practitioners, and taxpayers in understanding and complying with the law as interpreted by the Hon'ble Supreme Court.

Encls:-**(As Above)**

(Fahad Faizan Khan)
Second Secretary (Lit-SC-IR)

The Chief (Taxpayer Services), Federal Board of Revenue, Islamabad.
Legal-IR Wing's U.O. No.9/9/S/Lit-SC/2018/ 85199-R dated 05th August, 2026.

SUPREME COURT OF PAKISTAN
(Appellate Jurisdiction)

PRESENT:
Justice Muhammad Ali Mazhar
Justice Irfan Saadat Khan
Justice Aqeel Ahmed Abbasi

Civil Appeals No.1443 to 1447 of 2018
Against the Order dated 21.09.2016 passed by the Lahore High Court, Lahore in PTRs. No. 242, 243, 244, 245 and 246 of 2009

Commissioner of Income Tax, Lahore (in all cases) ...Appellant(s)

Versus

M/s. Sui Northern Gas Pipelines Ltd. Lahore (in all cases) ...Respondent(s)

For the Appellant (s)	:	Mrs. Asma Hamid, ASC (in all cases)
For the Respondent(s)	:	Mr. Shahbaz Butt, ASC (in all cases)
Date of Hearing	:	23.06.2026

JUDGMENT

Irfan Saadat Khan, J.- These civil appeals, by way of grant of leave to appeal, are directed against the order passed by a Division Bench of the Lahore High Court, Lahore, in P.T.Rs. No. 242 to 246 of 2009 dated 21 September 2016, whereby the Income Tax Reference Applications filed by the present appellant department were dismissed and the order of the learned Income Tax Appellate Tribunal was maintained. Leave to appeal in the instant case was granted vide order dated 08.11.2018, which is reproduced below, for ease of reference:

> *"These leave petitions relate to different tax years of the same taxpayer and were disposed of by the learned High Court by means of a common judgment since the questions involved were the same. The impugned judgment dismissed Tax References that had been filed by the department against an order of the learned Appellate Tribunal whereby the appeals filed by the respondent taxpayer were accepted.*
>
> *2. Briefly stated the facts are that the respondent, which is Sui Northern Gas Pipelines Ltd., had its assessment orders for the tax years 2003 to 2006 amended in term of s. 122(5A) of the Income Tax Ordinance, 2001 ("2001 Ordinance"). After such amendments had been made, the department took the position that the respondent was also liable to make payment of the levy under the Workers Welfare Fund Ordinance, 1971 the 1971 Ordinance. The rectification proceedings were resisted on the grounds firstly, that the company was not an "industrial establishment" within the meaning of s. 2(1) of the 1971 Ordinance. Secondly, the respondent contended that in any case the attempt to impose the levy under the 1971 Ordinance by means of rectification proceedings under s. 221 was outside the*

scope of the said provision and hence patently illegal and without jurisdiction. The respondent ultimately met with success before the learned Appellate Tribunal against which the department filed the Tax References which were dismissed by means of the impugned judgment. The learned Appellate Tribunal held that the claim with regard to the levy under the 1971 Ordinance lay beyond the scope of rectification proceedings under s. 221. The learned High Court upheld this conclusion. Although it is apparent from the record that the respondent throughout pressed its stand that it was not an "industrial establishment" within the meaning of s. 2(f), this point was not, as such, specifically addressed either by the learned Appellate Tribunal or the learned High Court.

3. Be that as it may, when the matter was taken up before us another point emerged. It is of course now established by means of the judgment of this Court in Workers Welfare Funds and others v. East Pakistan Chrome Tannery (Pvt) Ltd. and others PLD 2017 SC 28 that the levy imposed under the 1971 Ordinance is a fee and not a tax. However, the proceedings with which we are concerned were prior to the aforementioned judgment and proceeded on the basis that the levy (imposed in terms of s. 4) was a tax on income. When s. 4 is considered as a whole it is clear that although (as noted, at the relevant time) it was to be considered as a tax on income, it was a levy separate and distinct from the income tax levied in terms of what might be called the general income tax legislation in the field. This was the Income Tax Act, 1922 when the Ordinance 1971 was promulgated and then, successively, the Income Tax Ordinance, 1979 and the 2001 Ordinance. It was for this reason that s. 4 in its various sub-sections provided for its own mechanism for the recovery of the levy under the 1971 Ordinance, if any entity liable to pay the same failed or refused to do so. Although the said sub-sections incorporate, by reference, into the 1971 Ordinance the machinery provisions of income tax legislation relating to the recovery and collection, and in that sense may be regarded as assimilating the position of the former with the latter, it is important to keep in mind that conceptually the two levies remain distinct. It therefore seems to us that if at all the department was correct that in the facts and circumstances of the case the respondent was liable to pay the levy under the 1971 Ordinance but had failed to do so, then the proper course would have been to invoke the relevant sub-sections of s. 4 of the 1971 Ordinance itself. Prima face the department could not seek to impose or recover the levy by means of proceedings seeking to rectify the (amended) assessment orders made with regard to the income tax payable under the general income tax legislation i.e. the 2001 Ordinance. A failure (if it be as such) to keep in mind this conceptual distinction seemingly led the department into an error. It conflated and intermingled what, in law, were and ought to have been two separate streams, which no doubt ran in parallel but could not be forced into one and the same channel,

4. We may note that the point just referred to, which arose during the course of the hearing of leave petitions, was not as such taken in the proceedings below. The leave petitions arise out of departmental tax proceedings and Tax References, which have their own peculiar characteristics. However, keeping in view the principles enunciated by this Court in Squibb Pakistan Pvt. Ltd. and another v. Commissioner of Income Tax and another 2017 PTD 1303, the point is a question of law which can be said to arise out of the order of the Appellate Tribunal. Furthermore, it apparently does not require any other or further factual query or consideration. We are therefore of the view that it can and ought to be taken up. This is all the more so since the point is of general importance and one which goes to be very root of the present matter. In view of the foregoing, leave to appeal is granted in all these petitions, to inter-alia, consider the following questions:

> *i). Whether in the facts and the circumstances of the case the respondent-company was at any material time an "industrial establishment" within the meaning of section 2(f) of the 1971 Ordinance?*
>
> *ii) Whether in the facts and circumstances of the case the department could invoke rectification proceedings under s. 221 of the 2001 Ordinance in respect of the amended assessment orders made under the 2001 Ordinance to recover the levy under 1971 Ordinance?"*
>
> *iii) Whether, in seeking to impose or recover the levy under the 1971: Ordinance, the department ought to follow and apply the provisions of s. 4 thereof, or can combine and conflate that recovery with assessments (whether by way of amendment, rectification or otherwise) under the 2001 Ordinance?.*

2. Briefly stated, the facts of the case are that the respondent is a public limited company involved in the compression, blending, and distribution of natural gas, as well as the construction of pipelines. The assessment for Tax Year 2003 was initially completed under the deeming provision of Section 120 of the Income Tax Ordinance, 2001 ("**Ordinance**"), which was subsequently amended under Section 122(5A) of the Ordinance, and the total income was assessed at Rs. 2,197,058,389/- vide Order dated 22.10.2007.

3. Thereafter, the Additional Commissioner Inland Revenue observed that while calculating the Tax liability, Workers' Welfare Fund ("**WWF**") @ 2% was not charged or levied as per Section 4 of the Workers' Welfare Fund Ordinance, 1971. Treating this omission as a mistake apparent from the record, a notice under Section 221 of the Ordinance for rectification of mistake was issued to the respondent on 26.04.2008. The respondent submitted its reply, which was found unsatisfactory by the assessing authority. Consequently, the proceedings under Section 221 culminated in a rectification order dated 23.09.2008, whereby a fresh demand for WWF amounting to Rs. 43,941,168/- was created against the assessed income.

4. Aggrieved by this rectification order, the respondent preferred an appeal before the Commissioner Inland Revenue (Appeals), who maintained the order of the assessing officer and dismissed the appeal vide order dated 15.11.2008. The respondent then approached the learned Income Tax Appellate Tribunal, which accepted the appeal of the taxpayer and vacated the rectification orders passed by the lower authorities. The appellant department challenged the Tribunal's decision by filing a Tax

Reference under Section 133 of the Ordinance before the Lahore High Court, Lahore, which too, through the impugned judgment, dismissed the reference and ruled against the revenue. Dissatisfied with the same, the appellant department moved this Court. Somewhat similar treatments were given to those of Tax years 2004 to 2007 as well, which are not discussed separately, as the main issue involved in Tax year 2003 is akin to the rest of the Tax years under appeal before this Court.

5. Ms. Asma Hamid, learned ASC, appeared on behalf of the appellant department and argued that the High Court failed to appreciate that the non-charging of WWF @ 2% at the time of calculating tax liability was a mistake apparent from the record, which was rectifiable within the parameters of Section 221 of the Ordinance. She contended that the assessing officer is fully authorized to rectify any mistake discernible from the plain reading of the assessment record. She next stated that the High Court unduly restricted the scope of Section 221 of the Ordinance, which explicitly empowers an adjudicating officer to correct errors floating on the surface of the record. She relied upon the judgment reported as ***2012 SCMR 371.***[1] She concluded that the impugned orders suffer from this legal infirmity and are liable to be set aside.

6. Mr. Shahbaz Butt, learned ASC, appeared on behalf of the respondent taxpayer and vehemently defended the impugned judgment. He submitted that Section 221 of the Ordinance is limited exclusively to the correction of clear, obvious, patent, and unarguable errors or mistakes. He argued that the initial assessment (Tax year 2003) stood accepted and settled under the deeming provisions of Section 120 of the Ordinance and the creation of a fresh fiscal liability under the garb of rectification is a jurisdictional defect. He further argued that to determine whether the respondent qualifies as an "industrial establishment" under the WWF Ordinance, 1971, involves an investigation into its working procedures, shareholdings, and detailed factual inquiry, which requires long-drawn, debatable arguments, whereas such an exercise was not undertaken at the time of assessment under section 120 of the Ordinance or even when the assessment was subjected to amendment under section 122(5A) of the Ordinance, wherein detailed scrutiny of the case was made. He contended that where an issue is debatable and admits more than one reasonable view, it ceases to be a mistake apparent from the record. In support of his

[1] COMMISSIONER OF INCOME TAX and another V. Messrs PAKISTAN PETROLEUM LTD. and 2 others (*2012 SCMR 371*).

contention the learned counsel relied ***1992 SCMR 687.***[2] He finally prayed for dismissal of the present appeals.

7. We have heard both the learned counsel for the parties at considerable length and have perused the record with their able assistance.

8. The core controversy lies within a narrow compass: whether the omission to levy WWF in the original deemed assessment could be treated as a "mistake apparent from the record" so as to justify the invocation of rectification jurisdiction under Section 221 of the Ordinance. To properly evaluate this, it is necessary to examine the statutory language of Section 221 alongside Section 120 of the Ordinance, which are reproduced below:

> *"**120. Assessment.**— (1) Where a taxpayer has furnished a complete return of income for a tax year organic to this Ordinance,— (a) the Commissioner shall be deemed to have made an assessment of taxable income and tax due thereon for that tax year equal to the respective amounts specified in the return; and (b) the taxpayer's return shall be deemed to be an assessment order issued to the taxpayer by the Commissioner on the day the return was furnished..."*
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> ***221. Rectification of mistakes.**— (1) The Commissioner, the Commissioner (Appeals) or the Appellate Tribunal may, by an order in writing, amend any order passed by [him] to rectify any mistake apparent from the record on [his or its] own motion or any mistake brought to [his or its] notice by a taxpayer or, in the case of the Commissioner (Appeals) or the Appellate Tribunal, the Commissioner."*

9. The law on the scope of rectification jurisdiction under revenue law is no longer *res integra*. Section 221 of the Ordinance, is strictly a rectificatory provision; it is not an independent charging assessment or review provision. A chronological review of tax legislation reveals that Section 221 of the Ordinance, 2001 finds its statutory roots in Section 156 of the repealed Income Tax Ordinance, 1979, which in turn succeeded Section 35 of the erstwhile Income Tax Act, 1922 and Section 154 of the Indian Income Tax Act, 1961. For over a century, the legislative intent behind these *in pari materia* provisions has remained entirely uniform: the power of rectification is strictly confined to the correction of mistakes that are glaring, patent, and obvious on the face of the tax record. This principle has been explicitly recognized in tax jurisprudence, notably in *National Foods Ltd.* (Supra), establishing that rectification under income tax law

[2] COMMISSIONER OF INCOME-TAX COMPANY'S II, KARACHI. V. Messrs NATIONAL FOOD LABORATORIES (1992 SCMR 687).

cannot be extended to matters requiring elaborate discussion or a discovery process. Where the determination of a tax issue requires long-drawn arguments, a fresh process of reasoning, interpretation of complex provisions, or factual inquiry into the nature of a business, the matter instantly escapes the limited confines of an "apparent mistake" and enters the prohibited domain of a substantive review, reassessment or debate.

10. To declare any establishment as "industrial establishment" for the purposes of Workers Welfare Fund, it requires detailed scrutiny of facts regarding its status, shareholding and operations, to bring the same within the definition of "industrial establishment" as provided under Section 2(f) of Workers' Welfare Fund Ordinance, 1971 ("Ordinance, 1971"). Such determination can be made only through proper assessment proceedings under the relevant law, therefore, the omission to determine the status of an establishment in terms of Section 2(f) of the Ordinance, 1971 cannot be treated as a mistake apparent from the record which could be rectified while invoking provisions of Section 221 of the Income Tax Ordinance, 2001 ("Ordinance, 2001").

11. There is a plethora of judgments on the issue that debatable points involving interpretation of the Act do not constitute a mistake apparent from the record. Reference in this regard may be pertinently made to the following precedents:

1. *Commissioner of Income Tax Vs. Calcutta Steel Co. Ltd. (1988) 174 ITR 521 (Cal.);*
2. *Jaipur Udyog Ltd. Vs. Income Tax Officer (1985) 156 ITR 377 (Raj.);*
3. *Commissioner of Income Tax Vs. HERO Cycles Pvt. Ltd. and others (1997) 228 ITR 463 (S.C);*
4. *Commissioner of Income Tax Vs. SMT. Anita Ghosh (1993) 202 ITR 991 (Cal.);*
5. *T.S. Balaram, Income Tax Officer, Company Circle IV, Bombay Vs. Volkart Brothers and others (1971) 82 ITR 50 (S.C);*
6. *Commissioner of Income Tax, Karachi Vs. Abdul Ghani (2007 PTD 967);*
7. *Islamuddin Vs. Income Tax Officer (2000 PTD 306);*
8. *Baqar Vs. Muhammad Rafique and others (2003 SCMR 1401);*
9. *Commissioner of Income Tax, Karachi Vs. M/S Shadman Cotton Mills Ltd. Karachi through Director (2008 PTD 253);*
10. *Dr. (Mrs.) Beena Rahul Mishra Vs. V.K. Shrivastava, Commissioner of Income Tax and others (1990) 185 ITR 361 (Bom.);*
11. *CIT Vs. P.K. Bhardwaj (2005) 279 ITR 326;*
12. *CIT Vs. Gujarat State Export Corp. Ltd. (2005) 279 ITR 477 (Guj); and*
13. *CIT Vs. K. Subnani Construction Co. (1989) 177 ITR 219 (Bom.).*

Moreover, a mistake apparent on the record must be an obvious and patent mistake, and not something which can be established by a long-drawn process of reasoning on points on which there may conceivably be two opinions. As established by the Apex Court of India in T.S. Balaram Vs. Volkart Brothers (supra), a decision on a debatable point of law is completely outside the purview of a mistake apparent from the record. As articulated in Calcutta Steel Co. Ltd. (supra), if the determination of an alleged error depends entirely on the interpretation of the provisions of the Act, it cannot be deemed a mistake apparent from the record. Thus, it is not open to the A.O to delve into the true scope or extensive construction of the relevant provisions of the Act in a proceeding under Section 154 of the Income-tax Act, 1961 (which is *pari materia* to section 221 of the Ordinance).

12. Furthermore, as ruled by the Bombay High Court in Dr. (Mrs.) Beena Rahul Mishra (supra) and CIT Vs. K. Subnani Construction Co. (supra), a matter about which there could conceivably be two views or opinions can never form the subject-matter of rectification under Section 154 of the Indian Income Tax Act, 1961. As established by the Apex Court of India in HERO Cycles (Supra), rectification is entirely impermissible if the underlying issue is highly debatable and involves questions that cannot be resolved without a complex examination of facts or the law.

13. Hence in our view, this section has a limited application and scope; It provides strictly for the rectification of any mistake apparent from the record, as observed in CIT V. Mysore Breweries Ltd. (2013) 356 ITR 346. This benchmark is also mirrored in Jaipur Udyog Ltd. (supra), which held that where an issue is not free from doubt and debate, rectification proceedings cannot be sustained to substitute a different opinion. Hence, an order re-appreciating facts and law under the garb of rectification falls outside the scope of rectification as enumerated under section 221 of the Ordinance. Thus, where an enquiry is conducted and certain additions or re-appraisement of the facts or legal proposition are made, which deviates from the earlier finding or observation of a tax authority, then such observations surely cannot be considered to be a mistake floating from the surface of the record, so as to invoke the provisions of Section 221 of the Ordinance.

14. It was held by Aqeel Ahmed Abbasi, J. (when he was a Judge of the High Court of Sindh) in the decision given in the case decision reported as **2013 PTD 508**[3] that:

> *"... We do not find any error or illegality in the order passed by the CIT (Appeals), while rejecting the rectification application moved by the applicant, whereas the Tribunal has rightly concurred with such findings which otherwise depicts correct legal position. The Hon'ble Supreme Court of Pakistan, in the case of Messrs National Foods v. CIT reported as 1992 SCMR 687 = 1992 PTD 570 while defining the scope of rectification, has held that a mistake should be apparent from record. floating on surface and may not require any investigation or further evidence. It has been further held that a mistake which is sought to be rectified must be so obvious and apparent from record that it may immediately strike on the face of it. It may not be something which may be established by a long drawn process of reasoning on issues on which there could be conceivably two views or opinions. We may further observe that the scope of rectification is limited to the extent of rectification of an "error apparent from record" hence the said provision cannot be invoked as an alternate or substitute of an appeal, revision or review...."*

In another decision given by Sayed Saeed Ashhad, J. (when he was a Judge of the High Court) in the case of ***Islam ud Din***,[4] the court while elaborating upon the statutory limits of such power, observed:

> *"...As to what is a mistake or error apparent from the record and what are the essential conditions which enable the same to be rectified under section 156 of the Income Tax Ordinance, was considered by the Hon'ble Supreme Court in the case of Commissioner of Income-tax v. M/s. National Food Laboratories, reported in 1992 SCMR 687. In this case the Supreme Court after examining in detail the provisions of section 156 of the Income Tax Ordinance made the following observations:--*
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>> *"Section 35 of the repealed Income-tax Act, 1922, hereinafter referred to as 'The Act' confers a power of - rectify any mistake in the order which is apparent from the record. Such power can be exercised Suo Motu or if it is brought to the notice by an assessee. Therefore, essential condition for exercise of such power is that the mistake should be apparent on the face of record; mistake which may be seen floating on the surface and does not require investigation or further evidence. The mistake should be so obvious that on mere reading the order it may immediately strike on the face of it. Where an officer exercising power under section 35 enters into the controversy, investigates into the matter, reassesses the evidence or takes into consideration additional evidence and on that basis interprets the provisions of law and forms an opinion different from the order, then it will not amount to 'rectification' of the order. Any mistake which is not patent and obvious on the record, cannot be termed to be an order which can be corrected by exercising power under section 35-: In this regard reference can be made to Shaikh Muhammad Iftikharul Haq v. Income-tax Officer,*

[3] COMMISSIONER INLAND REVENUE, KARACHI V. Messrs E.N.I. PAKISTAN (M) LTD., KARACHI (2013 PTD 508).

[4] Islam ud din and 3 others V. The Income-Tax Officer and 4 others (2000 PTD 306).

> *Bahawalpur PLD 1966 SC 524 and Pakistan River Steamer Limited v. Commissioner of Income-tax, 1971 PTD -204. In the present case the mistake pointed out by the petitioner was not of a nature to attract. section 35 and, therefore, the High Court has correctly answered the first question in the negative."*

> *From the above observations of the Hon'ble Supreme Court, it is to be seen that a mistake or an error to be rectifiable under section 156 must be a mistake in the order which is apparent from the record, i.e., to say a finding which is absolutely contrary or in ignorance or in disregard of the evidence and material on record or a finding which could not have been arrived at on the basis of the material on record or a mistake or error which may be seen floating and it should be so obvious that on reading of the order surfaces on the face of it. The other requirement for a mistake or an error to be apparent from the record is that in exercising power under section 156 of the income Tax Ordinance the concerned assessing officer would not be required to undertake reappraisal of the evidence and interpretation of any provision of law for coming to a different opinion. If such an exercise was to be undertaken then it would not amount to rectification of the order and the concerned officer could not exercise power under section 156 of the Income Tax Ordinance for modifying and/or amending the finding or opinion expressed originally."*

15. A parallel look at standard comparative jurisprudence further illuminates this principle, authoritatively laid down in ***Globe Transport Corporation***,[5] rectification provisions have an inherently limited application and are strictly structured for the correction of mistakes, that are readily ap5parent from a plain reading of the record. This restriction is further solidified through the authoritative rulings in ***P.K. Bhardwaj***,[6] ***Netaji Chandra Rarhi***,[7] and ***Gujarat State Export Corporation Ltd.***,[8] which set forth the clear test that a mistake must be obvious, clear, and patent, and must completely exclude situations involving two plausible opinions. This rule is reinforced by the landmark decision of the Supreme Court of India in ***T.S. Balaram, Income Tax Officer***,[9] which established that:

> *"A mistake apparent on the record must be an obvious and patent mistake and not something which can be established by a long drawn process of reasoning on points on which there may conceivably be two opinions...*
> *A decision on a debatable point of law is not a mistake apparent from the record..."*

16. This principle was further affirmed in **(2013) 356 ITR 346**[10] that rectification is intended to correct an existing error, it is never intended to serve as a mechanism to create a fresh tax liability where none was initially recorded. A distinction must always be maintained between an error in

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[5] Commissioner of Income Tax V. Globe Transport Corporation (1992) 195 ITR 311.
[6] Commissioner of Income Tax V. P.K. Bhardwaj (2005) 279 ITR 326.
[7] Netai Chandra Rarhi & Co. V. Income Tax Settlement Commission (2003) 263 ITR 186.
[8] Commissioner of Income Tax V. Gujarat State Export Corporation Ltd. 279 ITR 477.
[9] T.S. Balaram, Income Tax Officer V. Volkart Brothers ((1971) 82 ITR 50 (SC)).
[10] Commissioner of Income Tax V. Mysore Breweries Ltd (2013) 356 ITR 346.

computation and the dynamic creation of liability itself. While an arithmetical or clerical error may legitimately fall within the scope of rectification, the creation of a fresh fiscal liability stands on an entirely different footing. It is however clarified that an assessment which falls under the scope of 122A, 122B, 122(5), 122(5A) or 1225AA of the Ordinance as the case may be, can be re-opened subject to fulfillment of the parameters as mentioned in these provisions of law.

17. When the facts of the present case are measured against these established legal tests, it becomes abundantly clear that the omission to levy WWF was not a simple arithmetical or clerical error as before any liability under the WWF Ordinance, 1971 can be created or sustained, the authority must first determine whether the taxpayer falls within the definition of an "industrial establishment," scrutinize its specific shareholdings, examine its nature of working, and identify the exact taxable income base and since each of these issues is debatable, which requires a proper adjudication/evaluation process, falls outside the scope of rectification. It thus reveals from the facts that the return filed by the respondent stood accepted under the deeming provision of Section 120 of the Ordinance, and the subsequent attempt to levy WWF, by way of invoking Section 221 of the Ordinance, necessarily involved a fundamental alteration of the tax basis adopted in that deemed assessment. Such an exercise required a fresh determination of liability and, therefore, lay outside the limited jurisdiction of rectification as the moment an issue requires investigation and admits more than one legally sustainable view, it automatically falls outside the narrow scope of rectification.

18. The High Court, thus, after meticulous appraisal of the case files, rightly thrashed out the matter and correctly observed that trying to resolve such multi-layered, debatable legal issues through the mechanism of Section 221 of the Ordinance is a patent misuse of rectification jurisdiction.

19. Hence, for the reasons discussed above, we do not find any illegality, irregularity, or jurisdictional defect so as to warrant interference with the concurrent findings of the lower fora and the well-reasoned impugned judgment of the High Court. It is a settled principle of law that this Court will not disrupt concurrent findings of fact unless they are demonstrably shown to suffer from a gross misreading or non-reading of evidence, perversity, or arbitrariness. No such infirmity has been pointed out by the learned counsel for the appellant. The decisions relied upon by the learned

counsel appearing for the department, filed by her via CMA No.7500 of 2022, are found to be quite distinguishable from the facts obtaining in the instant matter.

20. In view of the facts and circumstances of these cases hereinabove and the legal position which has emerged in these appeals, we are of the considered view that the impugned judgment passed by the High Court does not suffer from any error or illegality which may require any interference by this Court under Article 185(3) of the Constitution of the Islamic Republic of Pakistan, 1973, which, otherwise, is based on proper appreciation of the facts and the law attracted thereon. While upholding the decision of the High Court, we answer Questions No. (ii) and (iii) proposed through the instant civil appeals in the negative, against the petitioner-department and in favour of the respondent. Since the learned counsel for the parties have only argued on the scope and application of rectification under Section 221 of the Ordinance, 2001 in these cases, therefore, we need not dilate upon question No.1. Consequently, the above civil appeals are dismissed.

Islamabad
23.06.2026
'APPROVED FOR REPORTING'
Arshed/Zainab Qazi, Judicial LC