TAXATION VOLUME XXIX—1974

JUDGMENTS OF THE SUPREME COURT OF PAKISTAN AND HIGH COURTS OF PAKISTAN AND INDIA

TABLE OF CASES REPORTED	Page
Alyani Cotton Ginning & Pressing Factory, Rahimyarkhan v. Assistant Income Tax Officer and another (H.C. Lahore)	238
Batala Engineering Co. Ltd. v. Income Tax Officer, Lahore (S.C. Pak)	190
Commissioner of Agricultural Income Tax, East Bengalv. B.W.M. Abdur Rahman (S.C. Pak)	212
Commissioner of Gift Tax, Lahore Zone, Lahore v. Mst. Ifat Iqbal, Lahore (H.C. Lahore)	. 135
Commissioner of Income Tax, Karachi v. Ashfaq Ahmad Khan and others	149
Commissioner of Income Tax, Rawalpindi Zone, Rawalpindi v. Ch. Fazal Din & Sons, Sialkot (H.C. Lahore)	110
Commissioner of Income Tax, North Zone (West Pakistan), La- hore v. Cresent Textile Mills Ltd., Lahore (H.C. Lahore)	242
Commissioner of Income Tax v. Dawood Cotton Mills Ltd. (H.C. Karachi)	123
Commissioner of Income Tax, Lahore Zone, Lahore v. Lahore Textile & General Mills Ltd., Lahore (H.C. Lahore)	236
Commissioner of Income Tax, Lahore Zone (West Pakistan), Lahore v. Malik & Co., Lahore (H.C. Lahore)	165
Commissioner of Income Tax, Lahore Zone, Lahore v. Mir Hassan Khan & Sons, Lahore (S.C. Pak)	187
Commissioner of Income Tax, North Zone (West Pakistan), Lahore v. Mst. Wazirunnisa Begum (S. C. Pak)	188
Commissioner of Income Tax v. Nagina Talkies (Property), Karachi (H.C. Karachi)	115
Commissioner of Income Tax, Lahore v. Nazir Bugum (H.C. Lahore)	230
, British	

		Page
	Commissioner of Income Tax, Karachi v. Pak Thread Ball Manufacturers' Association, Karachi (H.C. Karachi)	179
V	Commissioner of Income Tax, Rawalpindi Zone, Rawalpindi v. Public Medical Hall, Lyallpur (S.C. Pak)	192
	Commissioner of Income Tax, North Zone (West Pakistan), Lahore v. Qazi Abdul Hamid, Advocate, (H.C. Lahore)	129
	Commissioner of Sales Tax, North Zone (West Pakistan), Lahore v. H. Muhammad Hussain & Co., Lahore (H.C. Lahore)	44
,	Commissioner of Sales Tax (West), Karachi v. Kruddsons Limited (S. C. Pak)	203
	Commissioner of Sales Tax, Rawalpindi Zone, Rawalpindi v. Rashid Burner, Sialkot (H.C. Lahore)	221
	Commissioner of Sales Tax, Rawalpindi Zone, Rawalpindi v. Shafiq Corporation Ltd., Gujrat (H.C. Lahore)	103
	Controller of Estate Duty, Lahore v. Muhammad Bashir Muhammad Nazir and others (H.C. Lahore)	91
	Government Jallo & Rosin Turpentine Factory, Lahore v. Com- missioner of Income Tax, Lahore Zone, Lahore (S.C. Pak)	247
	Haripur Rosin & Turpentine Factory Ltd., Lahore v. Commissioner of Income Tax, North Zone (West Pakistan), Lahore (H.C. Lahore)	248
	Hunza-Asian Textile & Woollen Mills Ltd., Rawalpindi v. Com- missioner of Sales Tax, Rawalpindi Zone, Rawalpinni (H.C. Lahore)	1
	K.L. Sethi v. Commissioner of Income Tax, North Zone (West Pakistan), Lahore (H.C. Lahore)	226
	Master Noor Nussain, Sialkot v. Income Tax Commissioner, Lahore (H.C. Lahore)	88
	Mustafa R.C.C. Pipe Works, Karachi v. Commissioner of Income Tax, Karachi (H.C. Karachi)	125
	National Products Co., Karachi v. Commissioner of Sales Tax (H.C. Karachi)	111
	Nishat Textile Mills Ltd. v. Commissioner of Income Tax (Investigation), Karachi (H.C. Karachi)	143
	Pak Marble Industries Ltd., Peshawar v. Central Board of Revenue Islamabad and others (S.C. Pak)	197

		Page
Paramount Electric Company v. Income Tax Officer, Circle Lahore (H.C. Lahore)	II, 	77
Premier Cloth Mills Ltd., Lyallpur v. Sales Tax Officer, Invegation Circle II, Lahore and Another (S.C. Pak)	sti-	199
R.B. Jessaram Fatehchand v. Commissioner of Income Tax (H.C. India)		161
Rehmat-Ullah & Sons v. Commissioner of Sales Tax (S.C. Pak)		193
Raja Habib Ahmad Khan v. Income Tax Officer (S.C. Pak)	•••	208
S.M. Yousuf & Brothers v. Commissioner of Income tax, Kara- (H.C. Lahore)		120
Sh. Ihsan Ilahi & Co., Lyallpur v. Commissioner of Income tax Rawalpindi Zone (West Pakistan) (H.C. Lahore)	, 	64
Walayat Flour Mills, Lyallpur, v. Commissioner of Income tax (H.C. Lahore)		31
West Pakistan Road Transport Board, Lahore v. Commission of Income tax, Lahore (H.C. Lahore)	ner 	53
ORDERS OF THE PAKISTAN INCOME TAX APPELLATE TRIBUNAL		
NUMERICAL INDEX OF CASES REPORTED		
A.C. Nos. 12 and 13		1
I.T.A. No. 1027 of 1971-72		37
I.T.A. No. 1573 of 1971-72		17
I.T.A. No. 4054 of 1971-72		25
I.T.A. No. 10669 of 1971-72		. 37
S.T.A. No. 319 (V-B) of 1971-72	Ψ.	16
S.T.A. No. 23 of 1972-73		7

Page

TABLE OF CASES CITED	
A.G. v. Beech	92
Abdul Aziz and another v. Income Tax Officer and another	127
Abdul Ghani & Co. v. Commissioner of Income Tax	32
Abdur Rashid v. Central Board of Revenue and others	44
Abdur Razzak Malik v. The Water & Power Development	
Authority and others	54
Ahmad Khan v. Controller of Estate Duty	136
Amarnath Khurana & Sons v. Appellate Assistant Commissioner	
of Income Tax	78
Amrita Lal Basack and another v. Secretary of State of India in	
Council	136
Arvind N. Mafatlal v. Income Tax Officer	26 (Trib)
Attorney-General v .Avelino Aramayao & Co	
Attorney-General v. Quixly	. 92
Bachu Bhai F.U. Dinshaw v. Commissioner of Income Tax	32
Bacus S.R.L. v. Servicio National Del Trogo	54
Badrul Haque Khan v. Election Tribunal	
Baig Shib v. Muhammad Abdul Hakim	92
Bangalore Woollen, Cotton and Silk Mills Co. Ltd. v. Commis-	
sioner of Income Tax	227,228
Banjamin Brook & Co. v. Commissioners of Inland Revenue	92
Barada Prasanna Lod v. Kubbad Mia	238
Bhagwandas v. Rivett Carnac	92
Cap Brandy Syndicate v. Inland Revenue Commissioner	213
Cassimbazar Raj Wards Estate v. Commissioner of Income Tax	130
Chandra Kanta Das v. Parasullah Mullick	92
Chatturam Horilram Ltd. v. Commissioner of Income Tax	66
Chenniappa (S.) Mudaliar v. Commissioner of Income Tax	31
'hettiammal and others v. Collector of Coimbatore hief Commissioner v. Mrs. Dina Sohrab Katrak	136
ommissioner of Income Tax v. Asiatic Industries Ltd	78
ommissioner of Income Tax w Assessed a Pharman	78 45
(Dacca) Ltd.	43
Commissioner of Income Tax v. Baijunath Prasad Mahadeo	12 1
Prasad	. 78
Commissioner of Income Tax v. Bijli Cotton Mills Ltd.	144
Commissioner of Income Tax v. Calcutta Stock Exchange	180
Commissioner of Income Tax v. Currimbhoy Ebrahim & Sons	100
Ltd	227,228
Commissioner of Income Tax v. D. Arokiswami Chetti & Co.	168
Commissioner of Income Tax v. D.R. Naik	26(Trib)
Commissioner of Income tax v. E.V. Miller	54
Commissioner of Income Tax v. Fazlur Rahman	78
Commissioner of Income Tax v. Habib Insurance Co. Ltd	32
Commissioner of Income Tax Hunza Central Asian Textile &	
Woollen Mills Ltd	5
Commissioner of Income Tax v. Khatija Begum	8 (Trib)
Commissioner of Income Tax v. National Mutual Life Associa-	
tion of Australia Ltd.	227

	1.7
A service of the control of the cont	0
5	
	Doge
	Page
Commissioner of Income Tax v. Pakistan Standard Oil & Gin-	
ning Mills	. 66
Commissioner of Income Tax v. Royal Western India Turf	er Tur
Club Ltd	180
Commissioner of Income Tax v. Scindia Steam Navigation Co.	4,32, 230
Commissioner of Income Tax v. Surridge and Beechano	168
Commissioner of Income Tax v. Swimming Bath Trust	180
Commissioner of Income Tax v. Tea Producing Co. of India Ltd.	144
Commissioner of Income Tax v. Tribune Trust	. 190
Commissioner of Inland Revenue v. Muller & Co.'s Margarine	3 - 353
Ltd.	92
Commissioner of Sales Tax v. Raja Abdul Razzaq Ziaul Qamar	2
Commissioner of Sales Tax v. Sh. Muhammad Hussain & Co.	105
Dailmer Co. Ltd. v. Continental Tyre & Rubber Co. (Great	103
Britain) Ltd.	54
Daryao v. State of U.P.	150
	121
Dhakeshwari Cotton Mills Ltd. v. Commissioner of Income Tax	2
Dilworth and others v. Commissioner of Stamps	
Election Commissioner v. Sajjad Ali Khan	204
Emperor v. Jind and another	- 2
Gurmukh Singh v. Commissioner of Income Tax	. 4
Habib and others v. Haji Muhammad and others	92
Hedayatullah v. Muhammad Kamil	92
Haripur Rosin and Turpentine Factory Ltd. v. Commissioner of	
Income Tax	144
Hilal Jute Press Ltd. v. Commissioner of Income Tax	26
Hira Singh v. Puran and others	150
Hunza Asian Textile & Woollen Mills Ltd. v. Commissioner of	
Income Tax	231
Income Tax Officer v. Sh. Nasim Anwar	209
In re. Cowley's Estate	92
Ismailia Grain Merchants Association Ltd. v. Commissioner of	
Income Tax	150
Jacoby v. Whitmore	92
John Lemm v. Thomas Alexender Mitchell	204
Kammala Seshagiri Rao v. Kammala Somasundaramma	128
Karachi Municipality v. Narsindas	136
Lakhmir Singh v. Commissioner of Income Tax	32
Latif Bhawany Jute Mills Ltd. and others v. Sales Tax Officer	45,105
Lydney & Vigpool Iron Ore Co. v. Bird	. 144
M. Rahman, Income Tax Officer v. Narayanganj Co. (Pt.) Ltd. 2	
Madanlal Dharnidhara v. Commissioner of Income Tax	.0(1110),230
Madanial Hiralal v. Commissioner of Income Tax	4
Madras Central Urban Bank Ltd. v. Corporation of Madras	
Manufacturers' Life Insurance Co. of Canada v. Commissioner	
of Income Tax	
Marimuthu Pillai v. Commissioner of Income Tax	31
Marimutat Final v. Commissioner of Income 1ax	227,228
Meharlal Hiralal v. Commissioner of Income Tax	230
Mrs. R.B. Alvi v. Custodian of Evacuee Property	150
Muhammad Idrees Barry & Co. v. Commissioner of Income Tax	
Muhammad Saddiq v. Government of Pakistan	150

	Page
Muhammadi Steamship Co. Ltd. v. Commissioner of Incor	me '
Tax	194
Mukerji v. Ram Narain	204
Municipal Council of Colombo v. Kuna Mana Navanna Sun	
Pana Letchiman Chettiar	136
Munshi Gulab Singh & Sons v, Commissioner of Income Tax	100.2
Nagina Silk Mills v. Income Tax Officer	199,
Nandram Motiram v. Katcha Bhao	
Narayana (Y) Chetty and others v. Income Tax Officer	66
National Mutual Life Association of Australia Ltd. v. Commi sioner of Income Tax	
Native Share and Stock Brokers v. Commissioner of Income To	32
Nawabzada (LtCol.) Muhammad Amir Khan Malik v. Con	
roller of Estate Duty and others	
Nawabzada Malik Habibullah Khan Tiwana and others v. Th	45
Province of West Pakistan and another	2
Nityananda Das and others v. Secretary of State	136
Managi Catton Corneration v. Salar Tow Offices	
	2,45,1 9
Development Syndicate Ltd.	& 249
Octobious Steel & Co. Itd. v. Commissioner of Income Ton	22 (77.25)
Odeon Cinema v. Commissioner of Income Tax	32 (1710) 5,32
Odlum and others v. City of Vancouver and other	126
Pakistan Medical Stores v. Commissioner of Income Tax .	32
Pandharinath v. Shankar	238
Pandit Bros v Commissioner of Income Toy	121
Potter and others w Commissioners of Inland Devenue	0.7
Province of East Pakistan v. Muhmmad Mehdi Ali Khan & other	
Province of West Pakistan v. Muhammad Akhtar Qureshi an	
others	168
Punjab Province v. Federation of Pakistan	. 54
Radhashyam Agarwala u Commissioner of Income Tax	66
Raghu Nath and others v. Controller of Dacca	136
Rahmat-Ullah & Sons v. Commissioner of Sales Tax	222
Rahat Woollen Mills Ltd. v. Sales Tax Officer	2
Raja Bahadur Sir Rajendra Narayan Bhanjdeo v. Commissione	
of Income Tax	. 4,32
Rajkali and another v. Gopi Nath Naik	128
Raleigh Investment Co. Ltd. v. Gavernor-General-in-Council	
Ramakrishna v. P. Muthusami	02
Ramchandra Naidu and others v. Malang Hayat Bacha Saib	. 92
Ram Ditta Sita Ram, In re.	32
Rani Amrit Kunwar y. Commissioner of Income Tax	. 130
Rathnamaaru and others v. Secretary of State	126
Rayula Suba Rao and others v. Commissioner of Income Tax	31
Renolds v. Bullock	92
Rev. Father Prier, Sacred Heart's Monastery v. Income Tax	. 130
Officer ,	
S.A. Rahim and others v. Commissioner of Punjab & N.W.F.P	. 66
Saeedur Rahman v. Chief Election Commissioner	204
Sales Tax Officer v. Budh Prakash Jai Prakash	

	I ago
Scindia Steam Navigation Co. Ltd. v. Co n ssioner of Income	
1ax 4.5	,32,66,230
Secretary of State for Foreign Affairs v. Charlessworth Pilling &	50.0
Co	136
Seth Badridas Daga and another v. Commissioner of Income Tax	
Shukrullah and others v. Mst. Zohra Bibi	92
Shri Bhangwandas Radha Kishan, v. Commissioner of Income	
Tax	26 (Trib)
Siyadut-un-nisa v. Muhammad	238
Sree Meenakshi Mills Ltd. v. Commissioner of Income Tax	222
Stevan (Surveyor of Taxes) v. Durban-Roodepport Gold Min-	LLL
ing Co. Ltd.	
	. 66
Sugar Syndicate v. Excise and Taxation Commissioner	204
Suleman v. Abdul Latif	92
Sutlej Cotton Mills Ltd. v. Commissioner of Income Tax	5,32
Tarlocknath Mookerjee and others v. Cowree Cemer Mookerjee	128
Trustee for the Improvement of the City of Bombay v. Karamdas	
Nathu and others	136
Tukaram Gopal v. Pandurang Sadaram	238
Usmania Glass Sheet Factory v. Sales Tax Officer	198,199
Valiakath Kunhi Seethi Koya Thangal v. Kizekkitathi Koyilakath	a. 5 1 4
Ravi Varma	128
Vatcha Sreeramumurthy v. Income Tax Officer	78
Vyricherala Narayana Gajapatitaju v. Revenue Divisional Officer	136
Wali Muhammad v. General Manager Electricity	54
Wallace Brothers & Co. Ltd. v. Commissioner of Income Tax	66
Wedderburn v. Wedderburn	92
West London Syndicate v. Commissioners of Inland Revenue	92
Whitney v. Commissioners of Inland Revenue	44
William Cory & Sons Ltd. v. Dorman Long & Co. Ltd.	54
W-1-0	54
Works Corporation v. Karachi Development Authority	12 × C
Works Corporation Housing Society v. Karachi Development	204
Authority	: 204
Yousuf Jan Sahib v. Additional Income Tax Officer	78

INDEX TO STATUTES, RULES, NOTIFICATIONS, ORDINANCES, JURISDICTION, CIRCULARS, ETC.

AGREEMENT FOR AVOIDANCE OF DOUBLE TAXATION	Page
Agreement for Avoidance of Double Taxation between Pakistan and United Kingdom (Amendments in Article XIV)	16
Convention between the Government of Pakistan and the Government of Ireland for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to taxes on income (Subsequently rescinded)	1,64
Supplementary Convention between the Government of Pakistan and the Government of Federal Republic of Germany for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to taxes on income	53,55
	33,33
ARTICLES	
The need for measuring Tax Evasion	1,
Public Administration	14
The Rule of Law	11
CASH AWARD TO INFORMERS	
Instructions relating to Cash Award to Informers	104
CIRCULARS	
SECURITY AND EXCHANGE AUTHORITY OF PAKISTAN	
Circular No. 1 of 1974.—Instructions regarding correspondence with the Securities and Exchange Authority of Pakistan	68
Circular No. 3 of 1974.—Furnishing of information regarding production capacity and actual production	104
CIRCULAR LETTERS	
SALES TAX ACT, 1951 (III of 1951)	
C. No. 16(123)-T-1/73, dated 24-11-1973.—Sales tax liability	
on cotton and rubber fabrics-Instructions regarding	. 19
EQUITY PARTICIPATION FUND RULES, 1970	1
Amendments in rules, 3, 4 and 5 of Equity Participation Fund Rules, 1970	67
INCOME TAX ACT, 1922 (XI of 1922) NOTIFICATIONS Numerical Index	1
S.R.O. 1606(I)/73, dated 19-11-1973 (s. 15D] S.R.O. 1623(I)/73, dated 22-11-1973 [s. 5(6)]	17 20

			(4.77)			7. 140	20 20 1		Page
	S.R.O.	1626(I)/73.	dated	22-11-1973 [s. 5(6)1		h		20
	S.R.O.	1627(I)/73.	dated	22-11-1973 [s. 5(6)1	1.0	. `-	•••	20
				24-11-1973 (•••	18
				29-11-1973		3)			18
				30-11-1973		-,			25
	S.R.O.	1683(1)/73.	dated	29-11-1973	s. 60(1)1			•••	17
				1-12-1973					17
	S.R.O.	1722(1)/73	dated	11-12-1973 (s. 49AA)	15		16
				18-8-1973					1
9	S.R.O.	1764(1)/73	dated	19-12-1973 [s. 5(6)1				25
	S.R.O.	1774(1)/73	dated	22-12-1973	s. 15D)	1	* * * .		17
	S.R.O.	1791(1)/73	dated	26-12-1973	Is. 2(14A	V)1			68
	S.R.O.	1792(1)/73	dated	26-12-1973	s. 2(14A	Ni -			69
	S.R.O.	1793(1)/73	dated	26-12-1973	[s. 2(14A	101	1 4 7		. 71
	SRO	1794(1)/73	dated	26-12-1973	I.T. Re	c. r.)	7		64
	SRO	1795(I)/73	dated	26-12-1973	I.T. Re	с. г.)			65
	SRO	1796(I)/73	dated	26-12-1973	(s. 5(6))				71
	SRO	1797(1)/73	. dated	26-12-1973	(s. 15D)				63
	S R O	1798(1)/73	dated	26-12-1973	(s. 5(6))			3,	72
	SRO	1799(1)/73	dated	27-12-1973	(s. 5(2))	4			72
	S R O	2805(1)/73	dated	28-12-1973	[s. 5(2)]			•••	24
	S.R.O.								17
	S.R.O.								72
	S.R.O.								73
	S.R.O.								53
							1-		55
	S.R.O.	151(1)/74	dated	28-12-1973			100 1 100 100	•••	62
	S.R.O.	225(1)/74	dated	18-2-1974 ((S. 15D)	9	1	•••	63
	S.R.O.					1000	4 7		73
	S.R.O.						Agrical Control	•••	73
	S.R.O.						**	•••	63
	S.R.O.							•••	63
	S.R.O.	333(1)/74	dated	7-3-1974				•••	. 63
	S.R.O.		dated					•••	64
,	S.R.O.		dated	11-3-1974					64
	S.R.O.							••••	6
	S.R.O.							•••	62
	S.R.O.		, dated	-14-3-1974 2-4-1974		n	4.4	•••	100
	S.R.O.					- 41	100	•••	99
	S.R.O							•••	99
	S.R.O.							***	95
	S.R.O.	· //						•••	99
	S.R.O.							•••	99
	S.R.O.					\1 '		•••	100
	S.R.O	. 577(1)/74	4, dated	10-5-1974	[s, out)]	•	•••	100
			7.7	SUBJEC	T INDEX				
	S	ection 2/11	/:\/ E \	Determinati	on of n	revious v	ear in r	es-	
	pect o	f business	(1)(0).	Life Insura	nce Core	poration	of Pakist	an.	
	Karac	hi	n state	PILE TROUTE	100 CO1	,	7		6
							handara.	-6	1
	D	eterminatio	n of p	revious yea	r in res	pect of	DUSIDESS	01	2.
	export	of rice			5 1		F. C. 194	***	6.
	8								

	Page
Section 2(14A)-Jurisdiction of Tax Recovery Officer, Rawal-	
pindi	68
Jurisdiction of Tax Officer, Circle VI, (West), Karachi	69-70
Jurisdiction of Tax Recovery Officer, Circle I, Lahore	71
Section 5(2): - Appointment of Mr. Nisarun Nabi as Commissioner of Income Tax (Revision), Karachi (East) and Karachi (West)	24
Appointment of Mr. A.A. Chughtai, as Commissioner of In-	. =
come Tax (Revision), Lahore and Rawalpindi Zone	72
Section 5(3), (6).—Appointment of Mr. I. U. Sandhu, FCA., as Special Officer	72
Section 5(6).—Jurisdiction in special cases 2	20,25,73
Section 15BB -Approval of Industrial Undertakings :-	
Fasaka Industries Ltd., Karachi	62
Section 15C—Approval of Companies :-	. 02
Pak Punjab Woollen Mills Ltd.	00
Progressive Tobacco Ltd.	99
Section 15D—Approval of Institutions Funds:	
Anjuman Khawateen Shia, Islamabad	17
Darul Uloom Qadria Rizvia, Karachi	63
Medicos Library, Dow Medical College, Karachi	17
Sir Syed Maratib Ali Charity Trust	17
Society for the Promotion of Arabic	17
Syed Abid Hussain Memorial Hospital, Jhang	63
Cencellation of approval of Institutions Funds:-	
Bhandara Foundation, Lahore	63
Education Society, Lahore Cantt.	63
Imamia Educational Society (Regd.), Montgomery	63
West Pakistan Social Welfare Council, Lahore	99
—Change of the name of Madrisa Arabia, Gujranwala to the	
Jamia Arabia Regd	99
Section 49AA-Convention between the Government of	
Pakistan and the Government of Ireland for Avoidance of Double	
Taxation (Subsequently rescinded)	1,64
-Agreement for Avoidance of Double Taxation between	
Pakistan and United Kingdom (Amendments)	16
-Supplementary convention between the Government of	
Pakistan and the Government of Germany for Advoidance of	122
Double Taxation	53,55
Section 60(1)—Assessibility of salary and allowances received	
y a Government servant for a period of 13 months at the rate	(8597)
pplicable to 12 month's salary and allowances	17