IN THE SUPREME COURT OF PAKISTAN
(APPELLATE JURISDICTION)

PRESENT:
MR. JUSTICE MIAN SAQIB NISAR, HCJ
MR. JUSTICE FAISAL ARAB
MR. JUSTICE SAJJAD ALI SHAH

CIVIL APPEAL NOs. 992 TO 1017, 1206 & 1207 OF 2013, 21 & 22 OF 2015, 57 TO 59 OF 2015

(On appeal against the judgments dated 12.11.2012, 11.02.2013, 13.11.2012, 06.05.2014, 25.03.2014, 26.03.2014 passed by the Lahore High Court, Rawalpindi Bench in ITR Nos. 14, 18, 19, 21, 22, 23, 24 to 34, 43, 69 to 72, 74, 75, 76 of 2012, 02, 03, 04, 05, 11, 15 & 16 of 2013)

S.No.	Parties' names	Case No.
1.	Commissioner Inland Revenue Zone-I, RTO, Rawalpindi **Vs.** M/s Khan CNG Filling Station, Rawalpindi and others	CAs 992, 997 & 998/2013
2.	Commissioner Inland Revenue Zone-II, RTO, Rawalpindi **Vs.** M/s Badhan CNG Filling Station, Rawalpindi and others	CA 993/2013
3.	Commissioner Inland Revenue Zone-III, RTO, Rawalpindi **Vs.** M/s Zam Zam CNG Filling Station, Rawalpindi and others	CAs 994 & 1010 of 2013
4.	Commissioner Inland Revenue Zone-I, RTO, Rawalpindi **Vs.** M/s Techno Gas Service CNG Station, Rawalpindi and others	CAs 995-996/2013
5.	Commissioner Inland Revenue Zone-III, RTO, Rawalpindi **Vs.** M/s Khan Gee CNG Filling Station, Rawalpindi and others	CAs 999 to 1001 of 2013
6.	Commissioner Inland Revenue Zone-III, RTO, Rawalpindi **Vs.** M/s Azizid and Alyees Associates CNG Station, Rawalpindi and others	CAs 1002 & 1009 of 2013
7.	Commissioner Inland Revenue Zone-III, RTO, Rawalpindi **Vs.** M/s Rehman Associates CNG Station, Rawalpindi and others	CAs 1003, 1206 & 1207 of 2013
8.	Commissioner Inland Revenue Zone-III, RTO, Rawalpindi **Vs.** M/s Rawal Gas Co. CNG Station,	CA 1004/2013

	Rawalpindi and others	
9.	Commissioner Inland Revenue Zone-I, RTO, Rawalpindi **Vs.** M/s Rawal Gas Co. CNG Filling Station, Rawalpindi and others	CA 1005/2013
10.	Commissioner Inland Revenue Zone-I, RTO, Rawalpindi **Vs.** M/s Gas Ways CNG Station, Rawalpindi and others	CA 1006/2013
11.	Commissioner Inland Revenue Zone-I, RTO, Rawalpindi **Vs.** M/s Shaheen CNG Station, Rawalpindi and others	CA 1007/2013
12.	Commissioner Inland Revenue Zone-I, RTO, Rawalpindi **Vs.** M/s Al Burhan CNG Station, Rawalpindi and others	CA 1008/2013
13.	Commissioner Inland Revenue Zone-III, RTO, Rawalpindi **Vs.** M/s Rizwan and Co. CNG, Rawalpindi and others	CAs 1011 & 1012 of 2013
14.	Commissioner Inland Revenue Zone-III, RTO, Rawalpindi **Vs.** M/s Goodluck CNG Filling Station, Rawalpindi and others	CAs 1013 & 1014 of 2013
15.	Commissioner Inland Revenue Zone-II, RTO, Rawalpindi **Vs.** M/s Fuel Power CNG Filling Station, Rawalpindi and others	CA 1015/2013
16.	Commissioner Inland Revenue, RTO, Rawalpindi **Vs.** M/s Kaka Khel & Co. CNG Station, Rawalpindi and others	CAs 1016 & 1017 of 2013
17.	Commissioner Inland Revenue Zone-I, RTO, Rawalpindi **Vs.** M/s Mecca CNG Gas Enterprises, Rawalpindi and others	CAs 21 & 22/2015
18.	Commissioner Inland Revenue Zone-II, RTO, Rawalpindi **Vs.** M/s Mak Gas Station, Rawalpindi and others	CAs 57 & 58/2015
19.	Commissioner Inland Revenue Zone-II, RTO, Rawalpindi **Vs.** M/s Raja CNG, Gujar Khan and others	CA 59/2015

For the Appellants: Dr. Farhat Zafar, ASC
Mr. M.S. Khattak, AOR
Mr. Javaid Iqbal, Commissioner IR
Mrs. Nafeesa Satti, Commissioner IR
Mr. Tahir Mehmood Bhatti, IRO
Mr. Amir Sultan, Law Officer

For the Respondent (1): Hafiz Muhammad Idris, ASC
Syed Rifaqat Hussain Shah, AOR
(In CAs 992, 995 to 1001, 1004, 1005, 1007, 1012, 1017 of 2013, 21 & 22 of 2015)

N.R.
(In CAs 993, 994, 1002, 1003, 1006, 1007 to 1010, 1013, 1015, 1206, 1207 of 2013 & 57 to 59/2015)

Date of Hearing: 04.04.2017

JUDGMENT

FAISAL ARAB, J.- The respondents are engaged in the business of selling Compressed Natural Gas (CNG). It is produced by compressing the natural gas to less than one percent of the volume it occupies. Economy in space facilitates the storage of CNG in hard containers for use as a fuel. The natural gas is supplied in volume which in Pakistan is measured on the gas meters as well on the monthly bills by its energy content Million British Thermal Unit known by the acronym MMBTU. After it is converted into CNG, it is sold at the CNG stations by mass i.e. in kilograms at a retail price regulated by Oil and Gas Regulatory Authority (OGRA). For the purposes of determining the retail price per kilogram of CNG, OGRA has adopted a formula that converts volume i.e. MMBTUs of natural gas into kilograms of CNG.

2. It appears that the tax authorities of Rawalpindi region took a decision to select CNG stations as a separate class of

business in order to audit their income tax affairs. Their returns of income were thus scrutinized and in the process, disparity between the CNG sales reported by the respondents with the corresponding purchase of the natural gas was noticed in the tax years 2004 and 2007. This conclusion was drawn after the prices of natural gas and its volume (MMBTUs) consumed by the respondents in the tax years in question were procured from Sui Northern Gas Pipelines Limited (SNGPL) and the prices of CNG for the tax years in question and the formula for converting MMBTUs of natural gas into kilograms of CNG were procured from OGRA. Such information was gathered from both the institutions by invoking the provisions of Section 176 of the Income Tax Ordinance, 2001 (Ordinance for short). As to the adoption of conversion formula by OGRA, we may state that internationally, the natural gas after it is transformed into CNG is sold either by mass or on the basis of its energy level or by gasoline gallon equivalent (gge). OGRA had adopted conversion formula that is based on sale of CNG by mass (in kilograms). This conversion formula is used by OGRA in the determination of countrywide retail price per kilogram of CNG. After noticing significant disparity in the consumption of natural gas and the sale of CNG declared in the returns of income on the basis of the data procured from SNGPL and OGRA, the Commissioner, Inland Revenue issued notices under sub-Section (9) read with sub-Section 5 of Section 122 of the Ordinance to confront the respondents with his intention to amend the assessment orders that were deemed to have been issued under the provisions of Section 120(1) of the Ordinance. Finally the Commissioner, Inland Revenue after hearing the representative of the respondents applied OGRA's conversion formula (volume to

mass) to the information procured from SNGPL and OGRA and determined the quantum of CNG produced by each of the respondents in a tax year. After determining the quantum of CNG, an allowance of 11% wastage of natural gas in the process of conversion was also given to the respondents. Then, on basis of actual prices of natural gas as well as of the CNG that were prevalent from time to time in the tax years in question, the quantum of CNG sold in the tax years in question was determined. This exercise was repeated for all the tax years in question and the amended assessment orders were issued accordingly.

3. Keeping aside the determination of quantum of CNG on the basis of OGRA formula for a moment, the Commissioner, Inland Revenue made certain other amendments in the original assessment orders on the basis of discrepancies that were noticed in the returns of income which were separately pointed out in the notices to each of the respondents. One of such discrepancies pertained to the difference between the actual cost of natural gas and the cost that was declared in the returns of income towards the purchase of natural gas. Another discrepancy that was pointed out was with regard to profit and loss expense account. Upon failure of the respondents to substantiate such discrepancies, the Commissioner, Inland Revenue adjusted the expenses which increased the tax liability. The tax liability so imposed was not challenged by the respondents in the departmental appeals and hence no more remained the subject matter of dispute in these proceedings. The only controversy that remained alive was with regard to the application of OGRA's conversion formula that was applied to

determine the quantum of CNG produced from the natural gas consumed in the tax years in question, which resulted in issuance of amended assessment orders.

4. Against the decision of the Commissioner, Inland Revenue to amend the original assessment orders on the basis of application of OGRA's conversion formula, the respondents preferred departmental appeals but remained unsuccessful. Having failed in the departmental appeal as well, the respondents filed their respective appeals before the Appellate Tribunal, Inland Revenue, Islamabad. The Tribunal, however, decided in respondents' favour and annulled the amended assessment orders. The tax department then chose to file Tax References in the Lahore High Court, Rawalpindi Bench under Section 133 of the Ordinance. In all Tax References following legal question was framed:-

> *"Whether 'OGRA formula' constitutes 'definite information' for determination of sales and, therefore the deemed assessment order passed under Section 120 of the Income Tax Ordinance, 2001 could be amended under Section 122(5) of the Income Tax Ordinance, 2001?"*

5. The learned Division Bench of the Lahore High Court vide its judgment dated 12.11.2012 answered the legal question in the negative after holding that the 'OGRA formula' does not constitute 'definite information' within the meaning of Section 122(5) of the Ordinance so as to justify amendments in the original assessment orders. The reasons that mainly prevailed with the Lahore High Court in reaching such conclusion were as follows:-

"12. The term "definite information" in section 122(5) of the Ordinance is not just any information but definite enough to satisfy the concerned officer that income chargeable to tax of an assessee has escaped assessment or total income of an assessee has been under-assessed, etc[6]. "Definite" means indisputable, known for certain, explicitly precise, clearly defined, leaving nothing to implication, established beyond doubt and cut and dried. Definite information is, therefore, that select information which falls within the restrictive meaning of the word "definite" explained above. The law also provides that definite information must be acquired from audit or otherwise. Applying the interpretative tool/doctrine of ejusdem generis which literally means "of the same kind or class" and the doctrine provides that where general words follow an enumeration of two or more things, they apply only to persons or things of the same general kind or class specifically mentioned the word "otherwise" appearing next to the word "audit" in section 122(5) of the Ordinance on the basis of the above doctrine means a methodology akin or similar to audit where some determined, final, certain, indisputable, calculated information is picked up from any available record of the assessee. "Otherwise," therefore, does not mean putting information through further process of calculation by the department. The word "acquired" used in section 122(5) of the Ordinance which literally means to "gain possession of" in the present context connotes that the information already exits and has to be picked up from the records or documents. This acquisition provides no margin for incomplete, imprecise and inexact information to be completed through further calculation or processing as that would not be acquiring information but analyzing it."

6. Having felt dissatisfied, the appellants challenged the decision of the Lahore High Court in the present appeals after obtaining leave of this Court.

7. Learned counsel for the appellants argued that in all these cases, the respondents were given due notice to respond to the determination of quantum of CNG produced in the disputed tax years on the basis of the conversion formula, which was adopted by OGRA in consultation with SNGPL and All Pakistan CNG Association and having received no challenge to the authenticity of the formula, the same was applied. She further submitted that over and above the determination of quantum of CNG by applying the conversion formula, a wastage allowance of 11% was also granted while amending the assessment orders. With regard to the veracity of OGRA's conversion formula, learned counsel for the appellants submitted that this formula has also been accepted by CNG owners in the legal proceeding that culminated upto this Court. In this regard, reference was made to an unreported judgment rendered on 24.06.2016 in Civil Appeal Nos. 1436 to 1450 of 2015 by this Court in the case of Shabbir Husseini vs. Federation of Pakistan and other connected appeals.

8. The leaned Counsel for the respondents on the other hand argued that reliance on OGRA formula was misplaced as it could not be made basis to estimate how much CNG was actually sold by the respondents. It was contended that the actual sales made by the respondents in the tax years in question were duly disclosed in the returns of income alongwith the quantum of natural gas purchased and even the gas bills were provided during the process of investigation and audit yet the OGRA formula was

applied which in law does not constitute 'definite information' so as to warrant amendment to the original assessment orders. In support of his arguments, the counsel for the respondents relied upon the cases reported as Central Insurance Co Vs. Central Board of Revenue, Islamabad (1993 SCMR 1232); Inspecting Assistant Commissioner and Chairman Panel 20 Companies Vs. Pakistan Herald Ltd (1997 SCMR 1256); Edulji Dinshaw Limited Vs. Income Tax Officer (1990 PTD 155); EFU General Insurance Co. Limited Vs. Federation of Pakistan (1997 PTD 1693) and Income Tax Officer Vs. Chappal Builders (1993 PTD 1108) wherein the scope of 'definite information' has been elaborately discussed.

9. We shall first proceed to examine the scope of making amendment to a tax return filed under the provisions of Income Tax Ordinance, 2001, which came into effect from 01.07.2002. Where a return of income filed by a taxpayer is in accordance with the provisions of sub-section 2 of Section 114 of the Ordinance then in terms of Section 120(1) of the Ordinance, it is to be regarded as complete and taken to be an assessment made and order issued by the Commissioner though no assessment is made by him with conscious application of mind. Notwithstanding such deeming provision, Section 120(1A) of Ordinance vests in the Commissioner the power to conduct audit of income tax affairs of a person in the manner prescribed in Section 177 of the Ordinance. Under the provisions of Section 177 of Ordinance, the Commissioner can call from a taxpayer *inter alia* record or documents including books of accounts, examine the same and make enquiries into the

expenditure, assets and liabilities. If deemed appropriate and necessary, he may even order forensic audit to be conducted. Thus the Commissioner can gather necessary information or data for the purpose of investigation and audit. After completing the audit, if the Commissioner considers necessary, he may obtain taxpayer's explanation on all issues raised in the audit and proceed to amend the assessment by virtue of the power contained in sub-section (1) or sub-section (4) of Section 122 of the Ordinance as the case may be. Apart from conducting audit, the Commissioner, Inland Revenue is also vested with the power under sub-section (5A) of Section 122 of the Ordinance to amend an assessment after making or caused to be made such enquiries as he deems necessary if he considers that the assessment order is erroneous in so far it is prejudicial to the interest of the revenue. In cases where a person has either not maintained or failed to produce books of accounts or any document or record required to be maintained under Section 174 of the Ordinance or any other evidence that was required for the purpose of audit or investigation, the Commissioner is vested with the power under Section 121 of the Ordinance to make best judgment assessment based on any available information or material and issue assessment order. Only when the Commissioner, Inland Revenue invoke his powers as contained in the above referred provisions of the Ordinance in order to conduct audit or investigation of the income tax affairs of a person, the original (deemed) assessment order come under scrutiny with conscious application of mind. Thus the Commissioner, Inland Revenue by virtue of and in exercise of the powers contained in Sections 120 (1A), 121, 122 (1)(5A) and 176 and 177 of the Ordinance can initiate

the proceedings for investigating the income tax affairs of a person notwithstanding the fact that such return of income by virtue of Section 120(1) of the Ordinance was taken as an assessment made and assessment order issued by the Commissioner, Inland Revenue. The deemed assessment order after its amendment with conscious application of mind loses its legal effect in terms of sub-section 10 of Section 177 of the Ordinance.

10. The judgments cited by respondents' counsel pertain to disputes arising from the provisions of repealed income Tax Ordinance, 1979. A bare comparison of the provision of Section 65 (2) of the repealed Ordinance and Section 122(5) of the Income Tax Ordinance, 2001 shows that the procedure prescribed for amending an assessment order under the repealed law was not the same as in the present law. In order to appreciate the difference between these provisions of the two laws, it would be advantageous to reproduce Section 65(2) of the repealed Ordinance and Section 122(5) of the present Ordinance:-

Section 65(2) of Income Tax Ordinance, 1979

*"65. **Additional assessment**.- (1) .....*

(2) No proceedings under sub-section (1) shall be initiated unless definite information has come into the possession of the Deputy Commissioner [and] he has obtained the previous approval of the Inspecting Additional Commissioner of Income Tax in writing to do so.

Section 122(5) of Income Tax Ordinance, 2001

"122*(5) An assessment order in respect of tax year, or an assessment year, shall only be amended under sub-section (1) and*

an amended assessment for that year shall only be further amended under sub-section (4) where, on the basis of definite information acquired from an audit or otherwise, the Commissioner is satisfied that —

(i) any income chargeable to tax has escaped assessment; or

(ii) total income has been under-assessed, or assessed at too low a rate, or has been the subject of excessive relief or refund; or

(iii) any amount under a head of income has been mis-classified.……."

(underling is ours to lay emphasis)

11. From the above provisions of the two laws, it is evident that the power to initiate proceedings to amend an assessment order was not available under Section 65(2) of the repealed Ordinance unless some definite information had already come in the hands of the Income Tax Officer. This was so, as under the repealed Ordinance, the initial assessment used to be made by the Income Tax Officer with the conscious application of mind, therefore, second opinion on such assessment was not permissible as a matter of course. The Income Tax Officer had to have definite information in his hands before he could even initiate proceedings for making additional assessment. In the case of Central Insurance Co. Vs. Central Board of Revenue, Islamabad (1993 SCMR 1232) while discussing the scope of Section 65 of the repealed Ordinance, it was held that once the return of income, disclosing all material facts without any concealment has been assessed under Section 59 of the

repealed Ordinance then unless some definite information first became available to the income tax authorities, the assessment order cannot be re-opened for scrutiny. In other words, no change of opinion was held to be permissible on the basis of material on which the Income Tax Officer has already made assessment with conscious application of mind. Thus in absence of definite information, the very initiation of the proceedings with the intent to make additional assessment was prohibited under the repealed law. The ratio of other judgment cited at the bar by the counsel of the respondents is also the same. Under the Income Tax Ordinance, 2001, however, the Commissioner has been given the authority to initiate proceedings such as audit and investigation and in the process if he acquires 'definite information' which satisfies him to form an opinion that any income chargeable to tax has been under assessed or escaped assessment or wrongly classified or assessed at too low a rate then he can proceed to amend the original assessment order, which on account of provisions of Section 120(1) of Ordinance was deemed to have already been issued by him. The main reason behind this change brought about under the Ordinance was that the original assessment orders are not issued with conscious application of mind as was the case under the repealed Ordinance and therefore the question of prohibiting second opinion on a consciously assessed assessment order does not arise under the present Ordinance.

12. Before we examine what 'definite information' came in the hands of the Commissioner, Inland Revenue which

prompted him to amend the assessment orders, it would be advantageous to reproduce the definition of the term 'definite information' as defined in sub-section (8) of Section 122 of the Ordinance. It states "*For the purposes of this section, "definite information" includes information on sales or purchases of any goods made by the taxpayer, receipts of the taxpayer from services rendered or any other receipts that may be chargeable to tax under this Ordinance, and on the acquisition, possession or disposal of any money, asset, valuable article or investment made or expenditure incurred by the taxpayer."* Now, the information available with the tax authorities in the present case was the volume of natural gas purchased by each of the respondents and the rates of the natural gas as well as of the CNG that were prevalent in the tax years in question. Such information was procured from SNGPL and OGRA by exercising powers contained in Section 176(1) (a) of the Ordinance. After applying OGRA's conversion formula to the volume of the natural gas consumed, the tax authorities ascertained the kilograms of CNG produced by the respondents in each tax year in question. A wastage allowance of 11% in the conversion process was also granted. On the basis of the quantum of CNG so ascertained and taking into account the rates of CNG that were prevalent at the relevant time, the tax authorities reached the conclusion that the respondents have not been truthful in their disclosures as they underreported the sale of CNG in their returns of income. Based on such calculations, the amended assessment orders were issued.

13. It is not the case of the respondents that the quantity of CNG produced from a given volume of natural gas is not ascertainable at all. Certainly it can be done with the application of a mathematical or scientific formula and that is exactly what has been done in the present case when conversion formula was applied. For the purpose of determining the correct tax liability, any information falling within the ambit of 'definite information' may not by itself produce an answer unless such information is further processed. The use of any process to ascertain something depends upon the type of information and the result that is sought to be obtained. So the process could be a chemical analysis conducted in a laboratory or the application of some mathematical or scientific formula or simply the use of a calculator. For example need may arise to apply some formula or method which converts volume into weight or vice versa, miles into kilometers or vice versa. The word 'definite' not only means being certain of something but also means that one knows with certainty that something will happen. In the 9th edition of Oxford dictionary by A.S. Hornsby[1] the word 'definite' has been defined as *"something that you are certain about or that you know will happen".* Internationally there are three formulas that are used to convert the volume of natural gas into CNG. Of these, the one that is applied to convert volume of natural gas into kilograms of CNG has been adopted by OGRA. The definite information procured by tax authorities was then processed through this formula to find out how much CNG was produced from the natural gas consumed. To prohibit use of the conversion formula would in

[1] Oxford Advanced Learner's Dictionary, 9th edition, A.S. Hornby

reality amount to prohibiting the tax authorities from ascertaining the quantum of CNG sold by the respondents. If the tax authorities are denied the means to ascertain the quantum of CNG then no matter how disproportionate the sale of CNG to the consumption of natural gas is declared, the same had to be accepted by Income Tax Authorities and the evasion of tax would go undetected. Therefore, application of any scientific or mathematical method to determine the quantum of sale of CNG for the purpose of determining the tax leviable under the Ordinance, by no stretch of imagination can be excluded from consideration. We may point out here that the parameters of conversion formula applied in the present case for the purposes of converting the volume of natural gas into weight of CNG, which were also reproduced in the amended assessment orders, were also never challenged by the respondents to be arbitrary or not sustainable on any mathematical or scientific basis.

14. As to the veracity of the OGRA's conversion formula, it is pertinent to point out that a dispute between CNG station owners and Sale Tax authorities came up for consideration before the High Court of Sindh and with it came up for consideration OGRA's conversion formula. The decision rendered by the Sindh High Court on 06.10.2015 in Constitution Petitions No. 3266 of 2014 (Shakeel Ahmed Vs. Federation of Pakistan alongwith several other connected petitions) was challenged by CNG station owners before this Court. After grant of leave, the appeals of CNG owners were dismissed on 24.06.2016. In this decision the validity of conversion formula adopted by OGRA has been clearly acknowledged by CNG owners. The relevant portion

in paragraph 10 of the said judgment of this Court authored by our learned brother Sheikh Azmat Saeed, J in Civil Appeals Nos. 1436 to 1450 of 2015 'Shabbir Husseini Vs. Federation of Pakistan and other connected cases is reproduced below:-

> *"..... There is an admitted formula for conversion of Natural Gas into CNG, which is employed for determining the tax liability. In pith and substance, it is the case of the Appellants that though such formula may be scientifically correct yet in practicable terms there is some wastage in the process of conversion, as a consequence whereof, Sales Tax is collected on Natural Gas with regard to its levy on CNG, including the Natural Gas, which is lost through wastage and is never supplied by the Appellants to the CNG consumers resulting in collection of the Sales Tax with regard to the supply of CNG which is never made. It is also the case of the Appellants that such wastage is about 11% of the Natural Gas. By way of the impugned judgment, it has been held that the conversion formula has been notified and takes into account the element of wastage."*

15. The above quote from Shabbir Husseini's case supra shows that CNG owners did not dispute the conversion formula and were only seeking that wastage of natural gas, which in their opinion occurs to the extent of 11% in the process of conversion, ought to have also been factored in while fixing the price of CNG. This claim for wastage was based on the ground that it has been historically accepted by Federal Board of Revenue. We do not think it is necessary to deliberate upon the question whether any wastage occurs in the process of conversion or not for the simple reason that in the cases before us wastage to the extent claimed by the CNG

owners i.e. 11%, has already been accounted for by the Commissioner, Inland Revenue while amending the assessment orders. The tax department also chose not to challenge the grant of 11% wastage allowance to the respondents before higher forum and thus never made an issue in the present proceedings.

16. From the above discussion, it is quite apparent that the quantum of CNG produced by the respondents in each of the tax years in question was not determined on the basis of some hypothetical or arbitrary criteria. The tax authorities first procured from SNGPL the volume of natural gas consumed by the respondent and its rates that were prevalent during the tax years in question. Likewise, they procured from OGRA the rates of CNG prevalent in the tax years in question. All such information was procured by exercising powers contained in Section 176 of the Ordinance. Both the sources of information i.e. SNGPL and OGRA are bodies that are competent to divulge such information with absolute correctness as one is the supplier of natural gas and the other fixes the retail price of CNG in the country. To the information so procured, which on the face of it fall within the ambit of ‘definite information’, the tax authorities applied OGRA’s conversion formula to ascertain the quantum of CNG produced from the natural gas consumed in each of the tax years in question. It then transpired that the sale of CNG has been under-reported, which led to issuance of amended assessment order. We find no legal infirmity in the manner in which the tax authorities ascertained the quantum of CNG produced from the volume of natural gas consumed in the process of conversion.

17. In view of what has been discussed above, the answer to the legal question framed by the High Court could only be in the affirmative. We, therefore, allow these appeals, set-aside the impugned judgment passed in all connected cases and restore the amended assessment orders issued to the respondents.

CHIEF JUSTICE

JUDGE

JUDGE

Islamabad, the

Announced on _____ by Hon'ble Mr. Justice Faisal Arab

Approved For Reporting
***K**hurram*