

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

Spl. STRA 1229 of 2023

DATE	ORDER WITH SIGNATURE OF JUDGE(S)
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- 1. For order on office objection
- 2. For hearing of main case

27.11.2025

Rana Sakhawat Ali, advocate for the applicant
Mr. Muhammad Ramzan Awan, advocate for respondent

On 13.10.2025, following order was passed :

“13.10.2025

Mr. Rana Sakhawat Ali, advocate for applicant.

- 1. Deferred.
- 2. Exemption application is granted subject to all just exceptions.
- 3. Per learned counsel, the following questions of law are proposed for determination:-
 - i. Whether under the facts and circumstances of the case, the learned Appellate Tribunal Inland Revenue, Karachi was justified in deciding the case against department by relying upon the provisions of section 177(6) and 177(6A) read with provisions of section 122 of the Income Tax Ordinance, 2001 despite the fact that section 177(6A) is not parimateria with section 25(3) of the Sales Tax Act, 1990, which was introduced/inserted through Finance Act, 2019?
 - ii. Whether under the facts and circumstances of the case, the learned Appellate Tribunal Inland Revenue, Karachi was justified to ignore the findings of the learned Commissioner-IR (Appeals) and Deputy Commissioner Inland Revenue on disallowance of input tax adjustments being inadmissible in violation of Article 24-A of General Clauses Act?"
 - iii. Whether under the facts and circumstances of the case, the learned Appellate Tribunal Inland Revenue, Karachi justified to annul the orders of the lower fora without giving its own findings and deciding the issues in a slipshod manner in violation of Article 24-A of the General Clauses Act?"

Learned counsel also states that matter is covered in favour of the department by the division bench of this Court vide Order dated 25.08.2021 passed in *ITRA No. 32/2020 (The Commissioner Inland Revenue vs. Mahvash and Jahangir Siddiqui Foundation)*.

Admit reference; notice to the respondent through first three modes as well as courier. Learned counsel is directed to place on record tracking report; to come up on 27.10.2025. In the meanwhile, operation of the impugned judgment dated 16.03.2023 passed in STA No. 571/KB/2022 is suspended”

Learned counsel for the applicant states that the entire judgment is predicated on reiteration / reproduction and is devoid of any independent reasoning or deliberation. He states that even otherwise the concept of Sales Tax has been inexplicably applied in the context of Income Tax to substantiate the order renders. He states that the impugned judgment is *prima facie* not befitting the last fact-finding forum in the statutory hierarchy. Learned counsel for the respondent is present and opposes the same.

The Appellate Tribunal is the last fact-finding forum in the statutory hierarchy; therefore, it is incumbent upon it to render independent deliberations and findings on each issue. The manner in which the appeals in general are to be addressed has been emphasized by the Supreme Court in the judgment reported as 2019 SCMR 1626. This High Court has consistently maintained that the Appellate Tribunal is required to proffer independent reasons and findings, and in the absence thereof a perfunctory order could not be sustained. Reliance is placed on the judgment dated 02.10.2024 in SCRA 1113 of 2023 and judgment dated 27.08.2024 in SCRA 757 of 2015. Earlier Division Bench judgments have also maintained that if the impugned order is discrepant in the manner as aforesaid, the correct course is to remand the matter for adjudication afresh. Reliance is placed on the judgment dated 10.12.2024 in ITRA 343 of 2024.

We are of the considered view that the impugned judgment could not be considered to be a speaking order and is *prima facie* devoid of any independent reasoning etc. The entire judgment comprises essentially of reproduction and is crowned with a dissonant conclusion. Hence, no case is set forth to sustain the impugned judgment, which is hereby *set aside* and the matter is remanded back to the Appellate Tribunal for adjudication afresh in accordance with law.

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 47 subsection 5 of Sales Tax Act, 1990.

Judge

Judge