

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

Income Tax Reference Application No. 109 of 2022

DATE	ORDER WITH SIGNATURE OF JUDGE
------	-------------------------------

1. For order on office objection.
2. For order on CMA No. 139/2022.
3. For hearing of main case.

22.10.2026

Mr. Irfan Mir Halepota, advocate for the applicant.

The following questions of law had been proposed for determination:-

- i. Whether under the facts and circumstances and of the case, the honourable ATIR was justified to hold that the loan amount of Rs. 267,656,793 waived by sponsors as gift of capital nature and not income, hence, not chargeable to tax, despite the fact that wavier of loan / debt is specifically charged to tax under section 18(1)(d) and the explanation attached therewith as being income from business?
- ii. Whether under the facts and circumstances of the case, the honourable ATIR was justified by holding that loan waived by sponsors as being capital in nature based upon the accounting treatment has indirectly overridden / repealed the clear provisions of section 18(1) (d) and explanation of Income Tax Ordinance, 2001 by accounting treatment in financial statement as per accounting standards?
- iii. Whether under the circumstances and facts of the case, the learned ATIR was justified to delete the additions by holding that the opportunity was not provided whereas the same were given and reflected in the order.

Learned counsel demonstrates that pursuant to order for the substituted service, service has been effected through publication and the relevant excerpt of the newspaper is on file.

Learned counsel states that the impugned order has apparently abdicated its duty to discuss and / or deliberate upon the relevant issue as may be seen in the relevant part of the impugned order, being pages- 21 to 41 thereof. Learned counsel states that the entire order in this regard is reproduction leading to an unqualified and undeliberated conclusion. Learned counsel states that the same is *prima facie* perfunctory and cannot be considered as a speaking order of the last fact finding forum in the statutory hierarchy. Learned counsel states that the impugned order to the extent stated supra be set-aside and the said issue be remanded back

to the learned Tribunal for adjudication afresh in accordance with law. The plea raised is well reasoned. Order accordingly.

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

Ayaz P.S.