

**ORDER SHEET  
IN THE HIGH COURT OF SINDH AT KARACHI**

ITRA 185 of 2023  
ITRA 186 of 2023

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DATE	ORDER WITH SIGNATURE OF JUDGE(S)
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1. For orders on office objection No.26.
2. For orders on CMA No.244/2023.
3. For hearing of main case.

**04.02.2026**

Rana Sakhawat Ali, advocate for the applicant.

Following questions have been framed for determination :-

- i. Whether under the facts and circumstances of the case, the learned Appellate Tribunal Inland Revenue, Karachi was justified in holding that the expenses and payments made by the respondent (holding Company) and its subsidiary company ought to be separated irrespective of the fact that holding and subsidiary companies to be taxed as one fiscal unit having consolidated group accounts in terms of section 59AA(1) of the Income Tax Ordinance, 2001 as well as specifically confronted the respondent?
- ii. Whether under the facts and circumstances of the case, the learned Appellate Tribunal Inland Revenue, Karachi was justified to annul the order passed by the learned Commissioner (Appeals) by holding that the learned Commissioner (Appeals) passed the order in just one word "confirmed" despite remanding the case to the learned Commissioner (Appeals) for recording its own finding?"
- iii. Whether the learned Appellate Tribunal Inland Revenue, Karachi was justified on giving findings for the first time with respect to availing the option of Group Taxation under section 59AA(1) of the Income Tax Ordinance, 2001 by the respondent and its subsidiary company, in absence of adjudication in this regard by the lower fora?

Notwithstanding the foregoing learned counsel states that the impugned judgment is predicated on the lack of reasons given in the order in appeal. Learned counsel states that if the same to be sustained the correct course of action ought to have been remand and not to vitiate the proceedings un-adjudicated.

Learned counsel states that respondent has been served through courier and places tracking report of courier on record.

The Appellate Tribunal is the last fact finding forum in the statutory hierarchy, therefore, it is incumbent upon the same to render independent deliberations and findings on each issue. The manner in which the appeal is to be addressed to be emphasized by the Supreme Court in judgments

reported as 2019 SCMR 1726. This High Court has consistently maintained that the Appellate Tribunal is required to possess independent reasons and findings and in the absence thereof a perfunctory order could not be sustained. Reliance is placed on judgment dated 02.10.2024 in SCRA 1113 of 2023 and judgment dated 27.08.2024 in SCRA 757 of 2015. Earlier Division Bench judgment has also maintained that if the impugned order is discrepant in the manner as aforesaid even grant to remand the matter for adjudication afresh. Reliance is placed on judgment dated 10.12.2024 in ITRA 342 of 2024.

We are of the considered view that the impugned order could not be treated to be a speaking order *prima facie* devoid of relevant discussion and deliberation. In view hereof, the impugned order is hereby set aside and the matter is remanded back to the Appellate Tribunal for adjudication afresh.

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. Office is instructed to place copy hereof in the connected file.

Judge

Judge

Khuhro/PS