

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI.
C.P No. D-6445 of 2026

Dated _____ Order with signature of Judge.

Priority

1. For hearing of CMA No.25621/2026
2. For hearing of main case

19.10.2026.

Mr. Yousuf Khalid Anwar, Advocate for the Petitioner

Mr. Asad Aftab Solangi, Advocate files Vakalatnama along with para-wise comments on behalf of the Department, which are taken on record. Aggrieved of an order dated 28.08.2026 passed under section 122(5A) of the Income Tax Ordinance, 2001 (the **Ordinance**), the Petitioner has preferred an appeal to the Appellate Tribunal Inland Revenue (**Tribunal**) along with an application to stay recovery pending appeal. The grievance of the Petitioner is that while the Tribunal has yet to provide a hearing on the stay application, the Petitioner is exposed to coercive process for recovery of tax. Learned counsel for the Inland Revenue does not dispute these facts. Learned counsel for the Petitioner submits that till such time, the Tribunal provides a hearing on the stay application, coercive action should not be taken against the Petitioner for recovery.

Under sub-section (5) of section 131 of the Ordinance, the Tribunal is vested with discretionary powers to stay recovery of tax should it deem fit. Apparently, the Tribunal has yet to consider the stay application for the appeal filed by the Petitioner. Therefore, we are inclined to allow this petition in the following terms. Until the Tribunal passes an order on the stay application or appeal of the Petitioner, whichever is earlier, officers of Inland Revenue are restrained from effecting recovery from the Petitioner on the basis of impugned demand notice dated 28.08.2026 issued under section 137(2), for tax year 2025.

JUDGE

JUDGE