THE HIGH COURT OF SINDH KARACHI

<u>Before:</u>
Mr. Justice Yousuf Ali Sayeed
<u>Mr. Justice Adnan Iqbal Chaudhry</u>

C.P. No. D – 4408 of 2026
[Syed Nadeem Hussain v. Federation of Pakistan & others]

Petitioner	:	Syed Nadeem Hussain through M/s. Qazi Umair Ali and Muhammad Inzimam Sharif, Advocates.
Respondent No.1	:	Federation of Pakistan through Ms. Mehreen Ibrahim, Deputy Attorney General for Pakistan.
Respondents 2 & 4	:	Nemo.
Respondent No.3	:	The Additional Commissioner Inland Revenue through Mr. Nusrat Jameel, Advocate **(Holds brief for Mr. Irfan Mir Halepotoa, Advocate.)**
Date of hearing	:	06-08-2026
Date of decision	:	06-08-2026

<u>O R D E R</u>

<u>Adnan Iqbal Chaudhry J</u>.– Aggrieved of an order dated 18.06.2026 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 appeal is pending, the Tribunal has not passed any order on the Petitioner's stay application, thus, exposing the Petitioner to coercive action for recovery of tax under the impugned demand notice dated 18.06.2026 issued under section 137(2) of the Ordinance for tax year 2025. Counsel for the Inland Revenue does not dispute these facts.

Under sub-section (5) of section 131 of the Ordinance, the Tribunal is vested with discretional powers to stay recovery of tax for a certain period should it deem fit. Apparently, the Tribunal has yet to consider the Petitioner's stay application while the appeal remains pending. Therefore, we are inclined to allow this petition in the following terms. The Tribunal shall provide a hearing to the Petitioner at the earliest, and until he/she passes an order on the stay application or appeal of the Petitioner, whichever is earlier, officers of Inland Revenue are restrained from taking coercive action to recover tax under demand notice dated 18.06.2026 issued to the Petitioner under section 137(2) of the Ordinance for tax year 2025.

JUDGE

JUDGE

**PS/SADAM*