THE HIGH COURT OF SINDH KARACHI

Before:
Mr. Justice Adnan Iqbal Chaudhry
Mr. Justice Muhammad Hasan (Akber)

C.P. No. D – 4665 of 2026
[M/s. Pak Arab Pipeline Co., Ltd. v. FOP and others]

Petitioner	:	M/s. Pak Arab Pipeline Co. Ltd., through Mr. Shahan Karimi, Advocate.
Respondents 1-2	:	Federation of Pakistan through its Secretary, Revenue Division, through Ms. Mehreen Ebrahim, DAG.
Respondent 3	:	The Commissioner Inland Revenue (Appeals), Zone-II, through Mr. Noor Nabi, Advocate.
Respondent 4	:	The Additional Commissioner Inland Revenue, Zone-II, through Mr. Faheem Raza, Advocate.
Respondent 5	:	Nemo.
Date of hearing	:	24-08-2026
Date of decision	:	24-08-2026

O R D E R

Adnan Iqbal Chaudhry J.– Against an order dated 12.02.2024 passed under section 129 of the Income Tax Ordinance, 2001 (**the Ordinance**), the Petitioner is in appeal before the Appellate Tribunal Inland Revenue (**Tribunal**). In the meanwhile, on 24.06.2026, the Additional Commissioner-IR issued an order under section 124 of the Ordinance to give effect to the order in appeal, followed by a notice of recovery under section 137(2) of the Ordinance. It is submitted by learned counsel for the Petitioner that though he has made a stay application to the Tribunal, however such application has yet to be fixed for hearing, and in the meantime the Petitioner is exposed to coercive process of recovery. Learned 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 discretionary 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 in the appeal pending before it. 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 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 under the impugned demand notice dated 24.06.2026 issued under section 137(2) of the Ordinance for tax year 2022.

JUDGE

JUDGE

*SHABAN**