

THE HIGH COURT OF SINDH KARACHI

Before:

Mr. Justice Yousuf Ail Sayeed

Mr. Justice Adnan Iqbal Chaudhry

C.P. No. D - 4171 of 2026

[Khalid Jawed v. FOP and others]

Petitioner : Khalid Jawed through Mr. Umar Akhund, Advocate.

Respondent 1 : Federation of Pakistan through its Secretary, Revenue Division, through Ms. Mehreen Ebrahim, DAG.

Respondents 2-3 : Federal Board of Revenue and another through Barrister S. Ahsan Ali Shah, Advocate.

Date of hearing : 15-09-2026

Date of decision : 15-09-2026

ORDER

Adnan Iqbal Chaudhry J.- Against an order dated 29-06-2026 passed under section 122(5A) of the Income Tax Ordinance, 2001 (**the Ordinance**), the Petitioner is in appeal before the Appellate Tribunal Inland Revenue (**Tribunal**) with an application to stay recovery pending appeal. Learned counsel for the Petitioner confines the grievance to the fact that while the Tribunal has yet to fix a date for hearing, 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 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 under the impugned demand notice dated 29-06-2026 issued under section 137(2) of the Ordinance for tax year 2020.

JUDGE

JUDGE

SHABAN*