

# THE HIGH COURT OF SINDH KARACHI

**Before:**

Mr. Justice Yousuf Ali Sayeed

Mr. Justice Adnan Iqbal Chaudhry

C.P. No. D – 5475 of 2026

[Indus Motor Company Limited v. Federation of Pakistan & others]

Petitioner : Indus Motor Company Limited  
through Mr. Yousuf Khalid Anwer,  
Advocate.

Respondents 1, 2 & 5 : Federation of Pakistan and others  
through Ms. Mehreen Ibrahim,  
Deputy Attorney General for  
Pakistan.

Respondents 2 & 3 : Commissioner Inland Revenue,  
Zone-II, and another through Mr.  
Faheem Raza, Advocate.

Date of hearing : 10-09-2026

Date of decision : 10-09-2026

## **ORDER**

**Adnan Iqbal Chaudhry J.-** Aggrieved of an order dated 30-07-2026 passed under section 182(2) 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 discretional 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 30-07-2026 issued under section 137(2), so also, the subsequent recovery notice dated 01-09-2026 issued under section 138(1) of the Ordinance for tax year 2021.

**JUDGE**

**JUDGE**

*SHABAN\**