ORDER SHEET

THE HIGH COURT OF SINDH KARACHI

C.P. No. D – 4170 of 2026

DATE	ORDER WITH SIGNATURE OF JUDGE(S)

1. For hearing of CMA No. 16251 of 2026.
2. For hearing of main case.

17-07-2026

Mr. Muhammad Inzimam Sharif, Advocate for the Petitioner.
Ms. Mehreen Ibrahim, D.A.G.

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Aggrieved of an order dated 22.05.2026 passed under section 205 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. 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 shall not take coercive process on the basis of impugned demand notice dated 22.05.2026 issued to the Petitioner under section 137(2) of the Ordinance for tax year 2024.

JUDGE

JUDGE

*PS/SADAM