

THE HIGH COURT OF SINDH KARACHI

Before:

Mr. Justice Yousuf Ali Sayeed

Mr. Justice Abdul Mobeen Lakho

C.P. No. D – 6723 of 2026

[Atlas Battery Limited v. Pakistan & others]

Petitioner : Atlas Battery Limited through
M/s. Hamza Waheed & Sami-ur-
Rehman, Advocates.

Respondents 1 & 2 : Pakistan through Ms. Mehreen
Ibrahim, Deputy Attorney General
for Pakistan.

Respondent 3 : Commissioner Inland Revenue
through Mr. Faheem Raza, Advocate.

Date of hearing : 29-10-2026

Date of decision : 29-10-2026

ORDER

Yousuf Ali Sayeed, J.- Aggrieved of an order dated 29.09.2026 passed by the Respondent No.4 under section 124 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.

Under section 131(5) of the Income Tax Ordinance, 2001, the Tribunal is vested with discretionary powers to stay recovery of tax for a certain period should it deem fit. Since, the Tribunal has yet to consider the stay application in the appeal filed by the Petitioner, we

allow this petition in terms that 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 the impugned order dated 29.09.2026 passed by Respondent No.4.

JUDGE

JUDGE

NASIR LODHI