ORDER SHEET

IN THE HIGH COURT OF SINDH AT KARACHI

C.P No. D- 7147 of 2026

DATE	ORDER WITH SIGNATURE OF JUDGE(S)

Priority.

1. For hearing of CMA No.28511/2026
2. For hearing of main case

16.11.2026

Mr. Hamza Waheed, Advocate for the Petitioner along with Mr. Sami-ur-Rehman, Advocate.
Mr. Ghulam Muhammad Dars, Advocate for the Respondent.

Aggrieved of an order dated 15.10.2026 passed under section 129 (1) 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 on the basis of impugned order dated 15.10.2026 for tax year 2016.

Judge

Judge

Tariq