

**ORDER SHEET.**

**IN THE ISLAMABAD HIGH COURT, ISLAMABAD.**  
**JUDICIAL DEPARTMENT.**

**W.P. No. 173 of 2021**

**M/S DIN SONS**

**VS**

**THE APPELLATE TRIBUNAL INLAND REVENUE, ISLAMABAD, etc.**

<b>S. No. of order/ proceedings</b>	<b>Date of order/ proceedings</b>	<b>Order with signature of Judge and that of parties or counsel where necessary.</b>
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<b>19.01.2021.</b>	<b>Sayyid Murtaza Ali Pirzada, Advocate for petitioner.</b>
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Petitioner through instant Petition seeks interim relief against adoption of coercive measures for the recovery of the disputed tax liability, by the Respondents during pendency of his appeal before the Appellate Tribunal Inland Revenue (ATIR)/Respondent No.3, wherein interim injunction against the recovery proceedings has already been granted.

2. Petitioner has impugned notice dated 08.01.2021, issued u/s 140 of the Income Tax Ordinance, 2001, by Respondent No.3, for recovery of demand of Rs. 8,776,297/- created vide order dated 24.06.2017, under section 161 of the Income Tax Ordinance, 2001, for the year 2016.

3. Section 131 of the Income Tax Ordinance, 2001 (“the 2001 Ordinance”) empowers the A.T.I.R. to grant interim relief to an appellant but not for a period exceeding 180 days in aggregate. The proviso to section 131(5) of the 2001 Ordinance has been amended through the Finance Act, 2018. The amended proviso to

section 131(5) of the 2001 Ordinance reads as follows:-

*"Provided further that where recovery of tax has been stayed under this section, such stay order shall cease to have effect on expiration of the said period of one hundred and eighty days following the date on which the stay order was made and the Commissioner shall proceed to recover the said tax."*

4. Learned counsel submitted that the petition in terms of above provision has already awarded stay from recovery of disputed demand up to 180 days and the Tribunal has no statutory powers to extend the period of stay any more.

5. The petitioner thus, fears that despite the fact that the petitioner's appeal before the A.T.I.R. has not been decided, the respondents would initiate recovery proceedings through coercive measures upon the expiration of the period for which interim relief was granted to it by the A.T.I.R. The adoption of coercive measures for the recovery of the disputed tax liability during the pendency of an appeal has been termed as a *"travesty of justice"* by the Hon'ble Lahore High Court in the case of Pearl Continental Hotel Vs. Customs, Excise and Sales Tax Appellate Tribunal (2005 PTD 1368).

6. Indeed, the A.T.I.R. is empowered to grant interim relief for a period of 180 days. However, this presupposes that appeals would be decided by the A.T.I.R. within the said period. Therefore, failure on the part of the A.T.I.R. to decide the appeal within the said period, cannot operate to the prejudice of the petitioner/appellant who is not responsible for causing of delay in adjudication of the appeal.

7. Consistent with the order dated 29.06.2018, passed by this Court in W.P No.2507/2018 and by following the law laid down in the cases of M/s Pak Saudi Fertilizers Ltd Vs. Federation of Pakistan & others (2002 PTD 679), Z.N. Exporters (Pvt.) Ltd Vs. Collector of Sales Tax (2003 PTD 1746), Brothers Engineering (Pvt.) Ltd. Vs. Appellate Tribunal Sales Tax (2003 PTD 1836) and Mehram Ali Vs. Federation of Pakistan etc (PLD 1988 SC 1445), I am inclined to dispose of this petition, without the necessity of issuing notice to the respondents, with the direction to A.T.I.R. to decide the petitioner's appeal expeditiously after it resumes hearing of appeals after appointment/nomination of members. Until the decision of the petitioner's appeal, the respondent department is restrained from adopting coercive measures for the recovery of the disputed tax liability. The petitioner is directed to appear and argue its case before A.T.I.R. without seeking any adjournment as and when its appeal is fixed for hearing.

8. Disposed of in the above terms.

**(LUBNA SALEEM PERVEZ)**  
**JUDGE**