

THE HIGH COURT OF SINDH KARACHI

Before:

Mr. Justice Yousuf Ali Sayeed

Mr. Justice Adnan Iqbal Chaudhry

C.P. No. D – 6100 of 2026

[Karachi Hydrocarbon Terminal Limited v. Federation of Pakistan & others]

Petitioner : Karachi Hydrocarbon Terminal Limited through M/s. Qazi Umair Ali and Muhammad Inziam Sharif, Advocates.

Respondent No.1 : Federation of Pakistan through Ms. Mehreen Ibrahim, Deputy Attorney General for Pakistan.

Respondents 2 & 4 : Nemo.

Respondents 3 & 5 : The Additional Commissioner Inland Revenue & another through Mr. Zubair Hashmi, Advocate.

Date of hearing : 06-10-2026

Date of decision : 06-10-2026

ORDER

Adnan Iqbal Chaudhry J.- Aggrieved of an order to amend assessment dated 26.11.2025 under section 122(5A) of the Income Tax Ordinance, 2001 [Ordinance] for tax year 2020, the Petitioner has preferred an appeal to the Commissioner (Appeals) along with an application to stay recovery pending appeal. Grievance of the Petitioner is that while the Commissioner (Appeals) has yet to provide a hearing on the stay application, the Petitioner is exposed to coercive process for recovery of tax under notice dated 16.09.2026 issued under section 138(1) of the Ordinance. Learned counsel for the Inland Revenue does not dispute these facts.

Under sub-section (1A) of section 128 of the Ordinance, the Commissioner (Appeals) is vested with discretionary powers to stay recovery of tax for a certain period should it deem fit. Apparently, the Commissioner (Appeals) has yet to consider the stay application in the Petitioner's appeal. Therefore, we are inclined to allow this

petition in terms that until the Commissioner (Appeals) 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 demand notice dated 16.09.2026 under section 138(1) of the Ordinance for tax year 2020. Petition disposed of.

JUDGE

JUDGE

**PS/SADAM*