

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI.
C.P No. D-6557 of 2026

Dated Order with signature of Judge.

Priority

1. For hearing of CMA No.26163/2026
2. For hearing of main case

20.10.2026.

Mr. Muhammad Din Qazi, Advocate for the Petitioner

Barrister Syed Ahsan Ali Shah, files Vakalatnama on behalf of the Department, which is taken on record. Aggrieved of an Order dated 28.09.2026 passed under sections 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance), the Petitioner has preferred an appeal before the Commissioner (Appeals) alongwith an application to stay recovery pending appeal. The 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. Counsel for the Inland Revenue does not dispute these facts.

Under sub-section (IA) of section 128 of the Ordinance, the Commissioner (Appeals) is vested with discretional power to stay recovery of tax for a certain period should it deem fit. Apparently, the Commissioner (Appeals) has yet to consider the Petitioner's stay application. Therefore, we are inclined to allow this Petition in terms that until the Commissioner (Appeals) passes an Order on the Petitioner's stay application or appeal, whichever is earlier, officers of Inland Revenue are restrained from effecting recovery from the Petitioner under recovery notice dated 22.09.2026 issued to the Petitioner under section 138(1) of the Ordinance for tax year 2021.

JUDGE

JUDGE