

THE HIGH COURT OF SINDH KARACHI

Before:

Mr. Justice Yousuf Ali Sayeed

Mr. Justice Adnan Iqbal Chaudhry

C.P. No. D – 4035 of 2026

[Khilji Faisa Asif v. FOP and others]

Petitioner : Khilji Faisal Arif through Mr. Abdul Rahim Lakhany, Advocate.

Respondents 1-2 : Federation of Pakistan through its Secretary, Finance & another through Ms. Mehreen Ebrahim, DAG.

Respondents 3-4 : The Commissioner Inland Revenue, Zone-I, and another through Mr. Irfan Mir Halepota, Advocate.

Date of hearing : 15-09-2026

Date of decision : 15-09-2026

ORDER

Adnan Iqbal Chaudhry J.- Aggrieved of an order dated 06.05.2026 passed under section 122(1) of the Income Tax Ordinance, 2001 (**the Ordinance**), the Petitioner is in appeal before 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. 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 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 10.06.2026 issued to the Petitioner under section 138(1) of the Ordinance for tax year 2024.

JUDGE

JUDGE

SHABAN*