ORDER SHEET

IN THE HIGH COURT OF SINDH, KARACHI.

C.P No. D-7004 of 2026

Dated | Order with signature of Judge.

Priority
1. For hearing of CMA No.27889/2026
2. For hearing of main case

06.11.2026.

Mr. Ovais Ali Shah, Advocate for the Petitioner

Barrister Ghazi Khan Khalil, files Vakalatnama on behalf of the Department, which is taken on record. Aggrieved of an Order dated 11.06.2026 passed under section 161, 182 and 205 of the Income Tax Ordinance, 2001 (the Ordinance), the Petitioner is in appeal before the Commissioner (Appeals) under section 127 of the Ordinance. By Order dated 28.08.2026, the Commissioner had granted stay against recovery for a period of 15 days i.e. upto 11.09.2026, which was subsequently extended for further period of 15 days i.e. upto 08.10.2026. Grievance of the Petitioner is that while the appeal remains pending, the Commissioner (Appeals) has not passed any Order on the Petitioner's application to extend the stay. Counsel for the Inland Revenue, does not dispute these facts.

The fact that Commissioner (Appeals) was inclined to stay recovery while the appeal is pending albeit for 15 days reflects that the Petitioner has a prima facie case that requires consideration. Since the application to extend stay has not been rejected, there is nothing to dislodge that presumption. Therefore, we allow this Petition with the direction that until the Commissioner (Appeals) decides the Petitioner's appeal, the officers of Inland Revenue are restrained from affecting recovery from the Petitioner on the basis of demand notice dated 25.08.2026 issued to the Petitioner under section 138(1) of the Ordinance for tax year 2020.

JUDGE

JUDGE

TariqAli/PS