THE HIGH COURT OF SINDH KARACHI

Present:
Mr. Justice Adnan-ul-Karim Memon
Mr. Justice Adnan Iqbal Chaudhry

C.P. No. D – 3913 of 2026
[M/s. Pronet (Private) Limited versus FOP and others]

Petitioner	:	M/s. Pronet (Private) Limited through Dr. Shahab Imam, Advocate.
Respondent 1	:	Federation of Pakistan through Secretary, Revenue Division, through Ms. Mehreen Ebrahim, DAG.
Respondents 2-3	:	The Commissioner, IR (Appeals-I) and another through Mr. Faheem Ali Memon, Advocate.
Date of hearing	:	07-07-2026
Date of decision	:	07-07-2026

O R D E R

Adnan Iqbal Chaudhry J. – Against order of assessment passed under section 124(2) of the Income Tax Ordinance, 2001 [**Ordinance**] for tax year 2023, the Petitioner filed an appeal to the Commissioner (Appeals) along with application to stay recovery of tax pending appeal, upon which stay was granted up till 17.06.2026 i.e. for 10 days. Grievance of the Petitioner is that on 17.06.2026, the Commissioner (Appeals) neither decided the appeal nor passed any order on the application to extend the stay. These facts are not disputed by learned counsel for Inland Revenue.

2. 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 period up to 30 days in aggregate. Under sub-section (1AA) he may extend the stay for another 30 days.

3. Apparently, the Commissioner (Appeals) thought fit to grant stay for 10 days, yet he did not pass an order to extend the stay while keeping the appeal pending even though the stay granted by him had

not exhausted the period provided in sub-section (1A) of section 128 of the Ordinance. Since the Commissioner (Appeals) shirked his duty, we allow this petition by restraining the Respondents from effecting recovery from the Petitioner under notice dated 29.05.2026 issued under section 138(1) of the Ordinance for tax year 2023. Petition is disposed of in said terms.

JUDGE

JUDGE

*SHABAN**