THE HIGH COURT OF SINDH KARACHI

Before:
Mr. Justice Adnan Iqbal Chaudhry
Mr. Justice Muhammad Hasan (Akber)

C.P. No. D – 4747 of 2026
[Sidat Hyder Morshed Associates (Pvt) Ltd. v. Federation of Pakistan & others]

Petitioner	:	Sidat Hyder Morshed Associates (Private) Limtied through M/s. Qazi Umair Ali, Advocate.
Respondent No.1	:	Federation of Pakistan through Ms. Mehreen Ibrahim, Deputy Attorney General for Pakistan.
Respondents 2 & 4	:	Nemo.
Respondent No.3	:	The Additional Commissioner Inland Revenue through Mr. Nusrat Jameel, Advocate **(Holds brief for Mr. Irfan Mir Halepotoa, Advocate.)**
Date of hearing	:	12-08-2026
Date of decision	:	12-08-2026

ORDER

Adnan Iqbal Chaudhry J.– Mr. Nusrat Jameel, Advocate files Vakalatnama on behalf of Mr. Irfan Mir Halepota, Advocate for Respondent No.3.

Aggrieved of an order to amend assessment under section 122(5A) of the Income Tax Ordinance, 2001 **[Ordinance]** for tax year 2018, 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. Learned counsel for the Inland Revenue does not dispute these facts. Learned counsel for the Petitioner submits that till such time the Commissioner (Appeals) provides a hearing on the stay application, no coercive action should be taken against the Petitioner for recovery.

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 the following terms. The Commissioner (Appeals) shall provide a hearing to the Petitioner at the earliest, and until he/she passes an order on the stay application or appeal of the Petitioner, whichever is earlier, officers of Inland Revenue are restrained from making recovery on the basis of recovery notice dated 29.06.2026 issued to the Petitioner under section 137(2) of the Ordinance for tax year 2018. Petition disposed of.

JUDGE

JUDGE

PS/SADAM