ORDER SHEET

THE HIGH COURT OF SINDH KARACHI

C.P. No. D – 4109 of 2026

DATE	ORDER WITH SIGNATURE OF JUDGE(S)

1. For hearing of CMA No. 15964 of 2026.
2. For hearing of main case.

08-07-2026

M/s. Arshad Hussain Shahzad and Naeem Suleman, Advocates for the Petitioner.
Mr. Fareed Ahmed Dayo, Advocate for Inland Revenue.
Ms. Mehreen Ibrahim, D.A.G.

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Aggrieved of an order dated 12.06.2026 passed under section 137(1) of the Income Tax Ordinance, 2001 (**the Ordinance**), imposing default surcharge for tax year 2023, the Petitioner has preferred an appeal to the Commissioner (Appeals) along with an application to stay recovery pending appeal. The grievance of the Petitioner is that while the Commissioner 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, coercive action should not be taken against the Petitioner for recovery.

Under sub-section (1A) of section 128 of the Ordinance, the Commissioner (Appeals) is vested with discretional 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 for the appeal filed by the Petitioner. 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 should not take coercive action to recover tax under demand notice dated 19.05.2026 issued to the Petitioner under section 137(2) of the Ordinance for tax year 2023.

JUDGE

JUDGE

*PS/SADAM