ORDER SHEET

IN THE HIGH COURT OF SINDH, KARACHI.

C.P No. D-7117 of 2026

Dated | Order with signature of Judge.

Priority
1. For hearing of CMA No.28393/2026
2. For hearing of main case

11.11.2026.

Mr. Muhammad Din Qazi, Advocate for the Petitioner

Mr. Faheem Raza, Advocate files Vakalatnama on behalf of the Department, which is taken on record. Aggrieved of an Order dated 31.07.2026 passed under section 122 (5A) of the Income Tax Ordinance, 2001 (the Ordinance), 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 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, 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 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. Until the Commissioner (Appeals) passes an Order on the stay application or appeal of the Petitioner, whichever is earlier, officers of Inland Revenue are restrained from effecting recovery on the basis of impugned demand notice dated 08.09.2026 issued to the Petitioner under section 138 (1) of the Ordinance for the tax year 2025.

JUDGE

JUDGE

TariqAli/PS