

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

C.P. No. D-4225 of 2026

(Syed Khalid Shah v Federation of Pakistan & others)

Date	Order with signature of Judge(s)
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Before:
Mr. Justice Adnan-ul-Karim Memon
Mr. Justice Adnan Iqbal Chaudhary

Date of hearing and Order: 06.07.2026

M/s. Muhammad Usman Malik & Benish Fatima advocates for the petitioner.

ORDER

Adnan-ul-Karim Memon, J. – Petitioner Syed Khalid Shah has filed this petition under Article 199 of the Constitution with the following prayer(s):-

- a. *Declare that the existing petroleum pricing mechanism, to the extent it fails to reflect actual international crude oil prices and imposes excessive petroleum Development Levy, is illegal, arbitrary, unreasonable and unconstitutional;*
- b. *Declare that consumers are entitled to receive the benefit of reductions in international crude oil prices;*
- c. *Direct the Respondents to formulate and implement a transparent petroleum pricing mechanism based upon internationally recognized principles and actual market conditions;*
- d. *Direct the Respondents to publicly disclose every component of petroleum pricing including international crude oil prices, import premium, Freight charges, Exchange rate adjustment, Refinery margin, Oil Marketing companies' margin, dealers' commission, Petroleum Development Levy, Customs duties, Sales tax and all other taxes;*
- e. *Direct the Respondents to review and rationalize Petroleum Development Levy in accordance with constitutional principles and public interest;*
- f. *Direct the Respondents to immediately reconsider and reduce petroleum prices in accordance with prevailing international crude oil prices; suspend implementation of any arbitrary increase in petroleum prices during pendency of the present petition;*
- g. *To grant any other relief deemed just, equitable and appropriate in the circumstances.*

2. The Petitioner has invoked the constitutional jurisdiction of this Court under Article 199 of the Constitution in public interest, challenging the arbitrary, non-transparent and unconstitutional mechanism adopted by the Respondents for fixation of petroleum prices. The petition seeks enforcement of the Fundamental Rights of the citizens, who have been deprived of the benefit of declining international crude oil prices due to excessive Petroleum Development Levy (PDL) and other fiscal charges.

3. At the outset, we asked the counsel to satisfy this Court about the maintainability of the petition as this is the decision of the executive and interference under Article 199 of the Constitution is not called for.

4. Learned counsel for the petitioner submits that the Petroleum products are essential commodities directly affecting transportation, agriculture, industry, electricity generation and the daily lives of the public. Despite a substantial decline in international crude oil prices since early 2025, the Respondents failed to proportionately reduce domestic petroleum prices. Instead, following the removal of the statutory cap on the Petroleum Development Levy, they continued to increase the levy and retain artificially inflated retail prices, using petroleum pricing primarily as a revenue-generating mechanism rather than a fair reflection of international market conditions. The Petitioner's counsel submits that although temporary geopolitical developments caused short-term volatility in global oil markets, international crude oil prices subsequently stabilized and remained comparatively low. Nevertheless, the benefit of reduced prices was not passed on to consumers. A significant portion of the retail price now comprises Petroleum Development Levy and other fiscal charges, while the Respondents have failed to disclose a transparent and verifiable pricing formula showing the basis of the final consumer price. As a consequence, the arbitrary pricing mechanism has substantially increased transportation costs, agricultural inputs, industrial production costs, electricity tariffs, food prices and the overall cost of living, thereby imposing an unjustified financial burden upon the public. The Respondents have acted contrary to the constitutional principles of legality, transparency, fairness, proportionality and reasonableness by prioritizing revenue generation over the economic welfare of citizens. The Petitioner's counsel submits that the Petitioner, having no other adequate or efficacious remedy, seeks appropriate constitutional relief declaring the existing petroleum pricing mechanism, to the extent it disregards prevailing international crude oil prices and imposes excessive Petroleum Development Levy, to be illegal, arbitrary and unconstitutional, along with consequential directions for implementation of a transparent and lawful pricing mechanism.

5. We have heard the learned counsel for the petitioner on maintainability of the petition and have examined the contents of the petition.

6. The grievance essentially relates to the fixation of petroleum prices, the quantum of Petroleum Development Levy and the fiscal policy adopted by the Federal Government. The determination of petroleum prices, levy of taxes and duties, and formulation of economic and fiscal policy fall primarily within the exclusive domain of the Executive and the Legislature.

7. In exercise of constitutional jurisdiction under Article 199 of the Constitution, this Court does not ordinarily interfere with matters of economic policy unless it is demonstrated that the impugned action is patently without lawful authority, actuated by mala fides, or is manifestly arbitrary, discriminatory or violative of any specific constitutional or statutory provision.

8. In the present case, the petitioner has primarily questioned the wisdom, fairness and transparency of the pricing mechanism without placing on record any material demonstrating violation of any mandatory statutory provision or establishing that the impugned pricing decisions suffer from jurisdictional defect, mala fides or constitutional infirmity warranting judicial review.

9. The determination of petroleum prices necessarily involves consideration of diverse economic factors, including international crude oil prices, exchange rate fluctuations, freight, refining costs, taxation, fiscal requirements and other policy considerations, which require expert evaluation and are not amenable to judicial determination in constitutional proceedings.

10. It is by now a settled principle of constitutional jurisprudence that the High Court, while exercising jurisdiction under Article 199 of the Constitution, does not sit as an appellate forum over economic or fiscal policies of the Government. Unless such policies are shown to be ex facie unconstitutional or contrary to law, the Court must exercise judicial restraint and refrain from substituting its own opinion for that of the competent policy-making authorities.

11. The petitioner has also failed to establish infringement of any enforceable fundamental right capable of judicial enforcement in the facts and circumstances of the present case. Mere dissatisfaction with the prevailing petroleum prices or the fiscal measures adopted by the Government cannot, by itself, furnish a valid ground for invoking the extraordinary constitutional jurisdiction of this Court.

12. For the foregoing reasons, this petition is not maintainable under Article 199 of the Constitution and is accordingly dismissed in limini.

JUDGE

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