

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI
C. P. No. D-4572 of 2025

Date	Order with signature of Judge
------	-------------------------------

- 1. For hearing of CMA No.19066/2025.
- 2. For hearing of main case.

05.10.2026.

Mr. Ijaz Ahmed, Advocate for the Petitioner.
Mr. Munawar Ali Memon, Advocate for the Respondents Nos.2 to 4.
Ms. Mehreen Ibrahim, DAG.

The Petitioner has impugned a Notice dated 16.09.2025 issued by the Respondent No.3 under Section 138 read with Section 98C of the Income Tax Ordinance, 2001, seeking to recover the amount of income tax determined as being payable by M/s. Occidental Oil and Gas Pakistan LLC (“**OOGPL**”) and M/s. Occidental Petroleum Pakistan LLC (“**OPPL**”), on the premise that the Petitioner is the successor of BP Pakistan Exploration & Production Inc as per Concession Agreements dated 22.12.2011, on the assertion that it was the successor of OOGPL and OPPL as per Concession Agreements dated 01.01.2007

The case of the Petitioner is that it is a distinct entity from those two concerns and is not their successor as per Section 98C of the Ordinance, hence cannot be held liable on account of their tax liabilities. Learned counsel for the Petitioner submitted that an earlier recovery notice issued on the same score had been challenged by the Petitioner vide C. P. No. D-4125/2014, which had been allowed by a learned Division Bench of this Court so as to set aside the same whilst observing and directing, inter-alia, that:-

“7. In view of hereinabove facts and circumstances of the case, we are of the view that the impugned Notice has been issued without lawful authority as the same could have only been issued once the respondents would have provided an opportunity of being heard to the petitioner by confronting the petitioner with the relevant documents and material to suggest that the petitioner is the successor of the aforesaid companies against whom such tax liability was outstanding and the petitioner is the successor of such aforesaid companies, hence liable to pay the arrears of tax in respect of its predecessor-in-interest.”

He submitted that without following the process envisaged in the cited paragraph, the Department had issued the impugned Recovery Notice purporting to hold the Petitioner liable for tax due from OOGPL and OPPL pursuant to determination made against them by this Court in ITRA No.121/2015, on the same premise.

Needless to say, the Department could not have drawn a definite conclusion as to the alleged relationship between the Petitioner and OOGPL/OPPL for purpose of initiating any recovery without firstly making a formal determination in that regard for purpose of Section 98C after following the procedure delineated in the aforementioned Order, whereas on query posed to learned counsel for the Department as to whether such procedure had ever been adopted, he conceded that no such steps had been taken.

Under such circumstances, the Petition stands allowed with the impugned Recovery Notice being set aside accordingly.

JUDGE

JUDGE