ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI

Constitutional Petition No. D-4815 of 2026
(M/s Pak Petro Chemical Industries (Pvt) Ltd versus The Commissioner Inland Revenue (Appeals-II) and others)

Date	Order with signature of Judge

Before:-
Mr. Justice Adnan-ul-Karim Memon
Mr. Justice Muhammad Jaffer Raza

Date of hearing & order: 18.8.2026

Mr. Muhammad Usman Alam, advocate for the petitioner.
Ms. Mehreen Ibrahim, DAG.
Mr. Fareed Ahmed Dayo, advocate for the respondent-department.

ORDER

Adnan-ul-Karim Memon, J. Petitioner has filed this Constitutional Petition under Article 199 of the Constitution of the Islamic Republic of Pakistan, 1973, with the following prayer: -

> *a. Grant stay till the time of disposal of Appeal before Respondent No.5.*
>
> *b. Direct Respondent No. 2 & 3 not to take any coercive action against the Petitioner pursuant to the Order in Original No. 47172/2025/26 dated 29.10.2025 and Order u/s 45B of the Sales Tax Act, 1990, dated 23.07.2026 till the disposal of Appeal or grant of stay, as the case may be, before Respondent No. 5.*

2. The Petitioner is a private limited company engaged in the manufacturing and sale of different kinds of polystyrene resins and is registered with the FBR under NTN No. 0711483. Respondent No.3 passed Order-in-Original No. 47172/2025/26 dated 29.10.2025 under Section 88 of the Sales Tax Act, 1990, for the tax period September 2023 to April 2025, imposing a penalty of Rs.267,257,591/- upon the Petitioner. The Petitioner challenged the said order before Respondent No.1 on 24.11.2025 and also sought interim relief against recovery. Stay was initially granted and subsequently extended up to 21.01.2026. The Petitioner thereafter approached this Court, which, vide order dated 28.01.2026, granted protection against recovery during the pendency of the appeal. However, Respondent No.1 subsequently passed the impugned order dated 23.07.2026, exposing the Petitioner to coercive recovery proceedings. Against the impugned order, the Petitioner filed a statutory appeal along with a stay application before Respondent No.5 on 31.07.2026. The appeal and stay application are still pending, while no interim protection has yet been granted. The Petitioner apprehends that Respondents No.2 and 3 may initiate recovery proceedings, including attachment of its bank accounts, under Section 48 of the Sales Tax Act, 1990 read with Rule 71 of the Sales Tax Rules.

3. The Petitioner's counsel contends that such coercive recovery during the pendency of the statutory appeal would cause irreparable loss, render the appeal infructuous, and defeat the purpose of the appellate remedy. It is further asserted that the impugned actions are arbitrary, unlawful and contrary to the principles of natural justice and Articles 4, 10-A, 18 and 25 of the Constitution. The Petitioner, therefore, seeks interim protection against recovery until the decision of its appeal and stay application by Respondent No.5. Learned counsel for the petitioner has pointed out that this Court has already passed an order dated 02.07.2026 in C.P No.D-3694/2026 and connected petition and requests that this petition may be disposed of in terms thereof.

4. Learned counsel for the respondent has no objection to such proposal.

5. In view of the foregoing facts and submissions, we have noticed that the Petitioner has already availed the statutory remedy of appeal against the Order-in-Original No. 47172/2025/26 dated 29.10.2025 and has also filed an application for interim relief before the competent appellate authority, Respondent No.5, which is presently pending adjudication. Since the statutory appeal is yet to be decided, and the Petitioner apprehends coercive recovery during its pendency, the interest of justice requires that the appellate remedy be allowed to operate effectively without subjecting the Petitioner to recovery proceedings in the meantime. Learned counsel for the respondents has also expressed no objection to the proposed course of action.

6. Accordingly, without expressing any opinion on the merits of the controversy or the legality of the impugned orders, the instant Constitutional Petition is disposed of with a direction to the competent appellate authority/Respondent No.5 to decide the Petitioner's pending appeal, along with the application for interim relief, preferably within a period of two months from the date of receipt of this order. Till such decision, no coercive action shall be taken against the Petitioner pursuant to Order-in-Original No.47172/2025/26 dated 29.10.2025 and the order dated 23.07.2026 passed under Section 45-B of the Sales Tax Act, 1990.

JUDGE

JUDGE

Shahzad soomro