

# THE HIGH COURT OF SINDH KARACHI

## **Present:**

Mr. Justice Adnan Iqbal Chaudhry  
Mr. Justice Muhammad Jaffer Raza

C.P. No. D – 4623 of 2025

[M/s. HM Pret versus FOP & others]

Petitioner : M/s. HM Pret through Mr. Abdul  
Rahim Lakhani, Advocate, alongwith  
Mr. Atta Mohammad Qureshi,  
Advocate.

Respondent 1 : Nemo.

Respondents 2-3 : Chief Commissioner Inland Revenue  
and Commissioner-IR through Mr.  
Muhammad Fahad, Advocate.

Date of hearing : 09-10-2025

Date of decision : 09-10-2025

## **ORDER**

**Adnan Iqbal Chaudhry J.** - The Petitioner is a Tier-1 retailer within the meaning of the Sales Tax Act, 1990 [Act]. Its clothing outlet at Zamzama, Karachi has been sealed by order dated 11-09-2025 passed by the Commissioner-IR purportedly under section 33(24) of the Act on the ground that the outlet remained disconnected from FBR's computerized system for 69 days. Counsel for the Petitioner submits that without prejudice to its stance on the alleged violation, an order for sealing business premises under section 33(24) of the Act is penal action which can only be taken after determination of tax liability resulting from the alleged violation. On the other hand, learned counsel for the Department relies upon Rule 150ZEO of the Sales Tax Rules, 2006 to submit that in certain circumstance the business premises of a Tier-1 retailer can be sealed prior to adjudication of tax liability, and then, de-sealing can follow only as as per Rule 150ZEQ i.e. after the Commissioner-IR passes an order under section 33(24) of the Act and the retailer deposits the penalty adjudged.

There is force in the Petitioner's submission that in the scheme of section 33(24) of the Act i.e. the offence of avoiding electronic monitoring of sales, the sealing of business premises can follow after the offence/violation has been adjudicated against the retailer, and that too as a means to compel compliance and not indefinitely. Further, the proviso to section 11A of the Act stipulates that: "Provided that no penalty under section 33 of this Act shall be imposed unless a show cause notice is given to such person." Admittedly, the show-cause notice dated 19.09.2015 produced by the Department was issued after sealing the premises. As regards Rules 150ZEO and 150Zeq of the Sales Tax Rules relied upon by the Department, if those run contrary to section 33(24) of the Act, it is the Act that will prevail. With that, the Petitioner has a *prima facie* case for the grant of temporary relief. Therefore, we allow CMA No. 19332/2025 in following terms. Subject to the Petitioner securing with the Nazir of this Court a sum of Rs. 500,000/- towards penalty envisaged in section 33(24) of the Act, the impugned sealing order dated 11-09-2025 is suspended. The Respondents 2 and 3 shall designate an officer to de-seal the Petitioner's Zamzama outlet forthwith, whereupon the Petitioner shall immediately reconnect its sales with FBRs' Computerized System and report compliance to the Respondent No. 3.

For the main case, issue notice to the Attorney General under Order XVII-A CPC.

JUDGE

JUDGE

SHABAN\*