HIGH COURT OF SINDH, CIRCUIT COURT, HYDERABAD

C.P. No.D-1886 of 2025

[M/s Nazim Kamal Industries vs. Sindh Industrial Trading Estate Ltd. and others]

Before:

JUSTICE ADNAN-UL-KARIM MEMON
JUSTICE MUHAMMAD JAFFER RAZA

Petitioner:	Through Barrister Unaib Kamal advocate
Respondents No.1&2:	Through Mr. Asad Nadeem Memon advocate
Respondent No.3:	Through Mr. Rafique Ahmed Dahri Additional A.G Sindh
Date of hearing & Decision:	03.11.2026

O R D E R

ADNAN-UL-KARIM MEMON J The petitioner has filed this Constitutional Petition challenging the demand raised by S.I.T.E. Limited, Hyderabad, through challan dated 30.12.2025, amounting to Rs.529,724/- for the period from 01.07.2025 to 31.12.2025, under the heads of hotel rent and charges for 12 shops situated on Plot No. A-36, S.I.T.E. Area, Hyderabad.

2. Learned counsel for the petitioners contends that the plot was originally allotted to Abdul Samad Fruit Industries, which constructed the shops/godowns in 1981 under an approved building plan at its own expense. Subsequently, the plot was leased to the petitioner for 99 years through registered lease deed dated 13.05.2006; that the petitioner has regularly paid the lease rent, including Rs.41,508/- for the period from 01.01.2025 to 30.06.2025, and that no arrears were outstanding; that under the lease deed, he is liable to pay rent only for the leased land and not for the existing constructions, which are owned by the lessee; that despite his explanation, the respondents insisted upon payment of the impugned demand and threatened to cancel the lease and dispossession. Hence, the petitioner seeks a declaration that the demand is unlawful and restraining the respondents from charging rent for the shops. He prayed to allow this petition.

3. Learned counsel for the respondents contends that Plot No. A-36 belongs to S.I.T.E. Limited and was leased to the petitioner for industrial purposes under the registered lease deed dated 13.05.2006. He maintain that under Clause 2(i) thereof, the petitioner is bound by the S.I.T.E. Board's decisions regarding periodical enhancement of rent. Upon inspection, the premises were found to be utilized for commercial activities, including 12 shops and a hotel, contrary to the intended industrial use. Accordingly, the impugned challan of Rs.529,724/- was issued towards hotel rent and shop charges. He asserts that the demand represents lawful contractual charges for commercial utilization of the property, whereas payment of property tax is an entirely separate statutory obligation; that the petitioner has failed to discharge his financial obligations and that the respondents are

competent to recover the outstanding dues in accordance with the lease terms. Accordingly, dismissal of the petition has been sought.

4. We have heard learned counsel for the parties and perused the available record, particularly the registered lease deed dated 13.05.2006.

5. It appears that the petitioner's rights and obligations in respect of the subject plot are primarily governed by the terms and conditions of the said lease deed. Although the petitioner asserts that the shops and godowns were constructed by the original allottee in 1981 under an approved building plan and at his own expense, such circumstance, by itself, does not absolve the petitioner from contractual liabilities arising out of the lease. Conversely, the respondents cannot impose any additional rent or charges merely on the ground of commercial utilization unless such demand is supported by an express provision of the lease deed or a lawful decision of the competent S.I.T.E. Board, duly applicable to the petitioner's lease.

6. Clause 2(i) of the lease deed, as reproduced by the petitioner himself, makes him bound by the S.I.T.E. Board's decisions regarding periodical enhancement of rent. However, the said clause cannot automatically be construed as authorizing the respondents to levy separate rent for existing shops and godowns without establishing the contractual or statutory basis for such assessment. Prima facie, the respondents have failed to demonstrate the relevant Board resolution, applicable rules, approved schedule of charges, and the manner in which the impugned amount of Rs.529,724/- has been calculated. Similarly, the petitioner's claim regarding ownership of the existing constructions and their exclusion from the rent assessment requires re-examination by the competent authority in the light of the relevant clauses of the lease deed and the approved building plan.

7. In these circumstances, without expressing any final opinion on the ownership of constructions or the legality of commercial use of the premises, the respondents are directed to re-examine the petitioner's representation, if any, and pass a speaking order after affording him an opportunity of hearing, strictly in accordance with the terms of registered lease deed and applicable law. Until such determination within three weeks, no coercive action for cancellation of the lease or dispossession of the petitioner shall be taken solely on account of non-payment of the disputed additional charges, which is subject to final determination by hearing all concerned.

8. The petition stands disposed of in the above terms.

JUDGE

JUDGE

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