

# IN THE HIGH COURT OF SINDH AT KARACHI

Present:

**Mr. Justice Muhammad Junaid Ghaffar**  
**Mr. Justice Agha Faisal**

CP D 4979 of 2020 : Shangla Steel vs.  
Federation of Pakistan & Others

For the Petitioner : Mr. Shahzad Saeed, Advocate

For the Respondents : Mr. Kafeel Ahmed Abbasi  
Deputy Attorney General

Ms. Masooda Siraj, Advocate

Date/s of hearing : 10.11.2020

Date of announcement : 10.11.2020

## JUDGMENT

**Agha Faisal, J.** The petitioner, stated to be resident in Multan, has *inter alia* assailed a verification process in order to determine whether his manufacturing facility exists in Khyber Pakhtunkhawa Province so as to enable him to avail tax exemption granted to industries in the FATA/PATA area. It is considered to illustrate to reproduce the prayer clause herein below:

- (a) To declare that the act of the Respondent is illegal, unlawful, unconstitutional, mala fide, arbitrary, capricious, and in violation of principles of natural justice, equity and fair play.
- (b) To declare that act of respondents for verification of existence of manufacturing unit is without jurisdiction, unlawful and null and void in the eyes of law when regional office already having jurisdiction to check and balance for existence of manufacturing unit in relevant territorial jurisdiction.
- (c) Till the final judgment, Goods declaration KPPI-EL-22127-24-09-2020 may be released provisionally by securing sales tax/income tax amount under section 81 of Customs Act 1969 against pay-order/ bank guarantee.
- (d) Grant any other relief deemed just and appropriate in the circumstances of the case.

2. Upon notice, the respondent has placed on record documentation to stipulate that the claim of tax exemption by the petitioner was considered suspect; hence, verification was ordered vide letter dated 19.09.2020. The response by the department, from the Directorate of Intelligence & Investigation, Peshawar dated 05.10.2020, stipulates that during physical verification it was observed that no one in the area knew of business activity in the name of the petitioner and that someone had displayed the signage of the petitioner in an open plot, with no machinery, electrical connection, employees, materials purchased, in order to seek the relevant tax exemption. It was further demonstrated that the mobile number declared for obtaining the NTN, STRN and WeBOC user ID belong to another person, who submitted that his number was misused. The certificates sought to be relied upon by the petitioner in such regard were also opined to be fake. As a consequence of

the foregoing, a show cause notice has already been issued to the petitioner in respect whereof proceedings are underway.

3. It is observed that the process of verification of the petitioner's status appears to suffer from no infirmity in law and even otherwise the report, subsequent to such verification, has raised serious issues in with respect to the bona fides of the petitioner.

The submissions of the respondent department have raised serious factual issues, determination whereof is discouraged in the exercise of writ jurisdiction.

It is also noted that since a show cause notice has already been issued and a forum provided to the petitioner to dispel the constituents of the verification report, therefore, in the presence of an efficacious statutory forum for dispute resolution, no case is made out for entertaining the present petition by this Court.

4. In view of the reasoning herein contained, this petition was dismissed vide our short order dated 10.11.2020. These are the reasons for the aforementioned short order.

JUDGE

JUDGE