ORDER SHEET

IN THE HIGH COURT OF SINDH, KARACHI
C.P. No. D-1743 of 2017

Date	Order with signature of Judge

1.For order on office objection
2.For hearing of CMA No.8879/2017
3.For hearing of main case

20.05.2026

Mr. Farrukh Zafar, Advocate for the petitioner.
Mr. Usman Tufail Shaikh, Advocate for the respondent.
Mr. Naveed Ahmed, Chief Law Officer of the petitioner.

The petitioner company, National Insurance Company Limited, claims to be the lawful owner of the subject building comprising ground plus twelve upper floors. The petitioner challenged the reassessment of Annual Rental Value (ARV) carried out by Karachi Cantonment Board, submitting that previously ARV was assessed for the entire building as a single unit; however, from the year 2013 onward, the respondents adopted a new and unprecedented method by assessing each floor separately, resulting in an increase of more than 350% in tax liability. It was further alleged that the assessment was arbitrary, excessive, and made without taking into account maintenance expenses and other permissible deductions under the law. The petitioner also complained that coercive measures were being threatened for the recovery of the impugned demand. Upon undertaking by learned counsel to implead the Federation of Pakistan as respondent No.3, notices were issued to the respondents and learned DAG, while coercive action was restrained till the next date of hearing.

Subsequently, the parties moved an application under Order XXIII Rule 3 CPC for the disposal of the petition based on a compromise. The authorized representative of both parties stated in the application that the dispute regarding reassessment of ARV and corresponding tax liability under the Cantonments Act, 1924, had been amicably resolved pursuant to Board Resolution No. CBR-16 dated 08.05.2025 passed by respondent No.1. Under the settlement, the ARV of the building for the period 2013 to 2025 was reassessed, and total payable dues were determined at Rs. 179,460,418/-. It was further submitted that the petitioner had already paid Rs. 130,960,418/- through a cheque dated 24.12.2025, while the remaining amount of Rs. 48,500,000/- was agreed to be adjusted through withdrawal of the amount deposited before the Nazir of this Court in Suit No.2587 of 2016 along with accrued profit, to which the petitioner had no objection.

The parties agreed that this arrangement would constitute a full and final settlement of all claims relating to the dispute, and prayed that the petition be disposed of in terms of the compromise application jointly filed under Order XXIII Rule 3 CPC.

In view of the statements made by the parties and the compromise arrived at between them, this petition no longer survives for adjudication on merits.

Since the compromise has been voluntarily entered into by competent representatives of both sides, it seems to be lawful in nature and does not offend any provision of law or public policy; the same squarely falls within the ambit of Order XXIII Rule 3 CPC.

Accordingly, the application under Order XXIII Rule 3 CPC is allowed, and the petition is disposed of in terms of the compromise arrived at between the parties. The office is directed to assign the CMA number and take necessary steps accordingly.

JUDGE

JUDGE

Aadil Arab