

**ORDER SHEET.**

**IN THE ISLAMABAD HIGH COURT, ISLAMABAD.**  
**JUDICIAL DEPARTMENT.**

**Writ Petition No. 3338/2024**

Askari Bank Limited through its Bank Officers  
***Versus***  
Pakistan through Ministry of Finance, Islamabad, & others

<b>S. No. of order/ proceedings</b>	<b>Date of order/ Proceedings</b>	<b>Order with signature of Judge and that of parties or counsel where necessary.</b>
(01)	06.11.2024	Dr. Farogh Naseem, Advocate for the petitioner.

The petitioner has impugned Rule 6C(6A) of the 7<sup>th</sup> Schedule of the Income Tax Ordinance, 2001 (**“Income Tax Ordinance”**).

2. The learned counsel for the petitioner states that the Tax Department is seeking to tax the income derived by the petitioner, which is a banking company, from investments made in Federal Government securities by prescribing the tax rate on the basis of gross advances to deposit ratio. In doing so, the respondents are seeking to regulate the banking business of the petitioner, which falls beyond the scope of a Money Bill and is consequently ultra vires Article 73 of the Constitution. He further states that the manner in which the charge has been imposed is retroactive, as investments made in Federal Government Securities did not mature during the financial year and the tax chargeable in relation to such investments could not have been enhanced and made applicable retrospectively. He also states that the impugned rule is in conflict with Section 46B(3) of the State Bank of Pakistan Act, 1956, as the said statute vests in the State Bank the authority to issue directions to banks regulated by the State Bank of Pakistan and prohibits other public authorities from issuing any directions, which are in conflict with the policies declared by the State

Bank. He states that the petitioner undertakes banking business pursuant to the prudential regulations issued by the State Bank of Pakistan and no other authority is vested with jurisdiction to issue directions to regulate the banking business of the petitioner, which is what has been done through the impugned rule.

3. Let notices be issued to the respondents for 03.12.2024, who will file report and para-wise comments within a period of two weeks. Let a notice also be issued to the office of the Attorney General for Pakistan under Order XXVII-A of the Code of Civil Procedure, 1908. The petitioner shall deposit the requisite fee for issuance of the notices within a period of three days.

**C. M. No. 01/2024**

Exemption sought for is allowed subject to all just and legal exceptions.

**C. M. No. 02/2024**

Notice. Till the next date of hearing no coercive action will be taken against the petitioner on the basis of any calculation made by the tax department by applying rule 6C(6A) of the 7<sup>th</sup> Schedule of the Ordinance to its income.

**(BABAR SATTAR)**  
**JUDGE**