

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI
First Appeal No.10 of 2025

DATE: **ORDER WITH SIGNATURE(S) OF JUDGE(S).**

Hearing Case

1. For order on office objection / reply 'A'
2. For hearing of Main Case

16.12.2025

M/s. Nausheen Khan Tajjammul, Tajjammul H. Lodhi and Kulsoom Karim Bakhsh, Advocate for the Appellant.

Mr. Mushtaq Ali, Law Officer of Appellant along with M/s. Khan Imran, Incharge LLU, Mushtaque Ali Mangi, AVP/LLU, Muhammad Shahid, SUP/RBH, Ali Sher, AVP/ROH and Naveed-ul-Islam, AVP/Branch Manager.

Respondent Ms. Mahjabeen Rabbani, is present in person.

Mr. Mohsin Qadir Shahwani, Additional Attorney General for Pakistan.

In order to appreciate the controversy comprehensively, the earlier Orders of two relevant dates are reproduced herein under_

“25.11.2025

M/s. Nausheen Khan Tajjammul, Kulsoom Karim and Tajjammul H. Lodhi, Advocates for the Appellant.

Respondent-Mahjabeen Rabbani, present in person.

Mr. Mushtaq Ali, Law Officer of Zarai Taraquat Bank.

The matter is partly heard.

The Appellant Bank has challenged the impugned Judgment of the Banking Court to the extent of cost of fund, which the Banking Court has allowed from the date of institution, but the Appellant's Counsel states that it should have been given from the date of default as envisaged in Section 3 of the Financial Institutions (Recovery of Finances) Ordinance, 2001.

The Respondent appears in person and states that she is a widow and her husband passed away in the year 2017. As per the breakup mentioned in plaint of Appellant, the total principal amount disbursed was Rs.4,99,000/- (rupees four hundred ninety nine thousand only) in which Rs.21,803/- (rupees twenty one thousand eight hundred three only) was paid, and the Respondent further deposited Rs.4,80,000/- (rupees four hundred eighty thousand only) with the Nazir of the Banking Court, whereas, only Rs.43,000/- (rupees forty three thousand only) was paid towards markup as against Rs.211,153/- (rupees two hundred eleven thousand one hundred fifty-three only).

We direct the Board and Management of Appellant Bank to consider waiver of the remaining markup and to recalculate the cost of fund, so that a minimum amount remains outstanding against the

Respondent. It is also pointed out by Respondent that her Application was pending before the Management with regard to the above (at page-133 of the File).

The above is a hardship case, and the Appellant Bank should sympathetically consider the request of the Respondent.

Looking at the controversy, as highlighted above, at the conclusion of the hearing if deemed necessary, we may observe that this Order may not be cited as a precedent.

Issue Notices to the learned Advocate General Sindh and the Additional Attorney General for next date of hearing to assist the Court whether the remaining amount can be paid from the Bait-ul-Mal.

To be re-listed on 11.12.2025 at 11:00 AM.”

“11.12.2025

M/s. Nousheen Khan Tajjammul and Kulsoom Karim, Advocates for the Appellant.

Respondent-Mahjabeen Rabbani, present in person.

Mr. Mushtaq Ali, Law Office of Zarai Taraquati Bank.

Mr. Naveed-ul-Islam, AVP/BM, ZTBL-Model Branch, Karachi.

Today, the learned Counsel for the Appellant has filed a Statement along with the document regarding calculation, which is taken on record. It is not in accordance with the observation made on 25.11.2025, as no markup waiver has been done by the Appellant Bank on the ground that if its lump sum markup is paid, then 25% rebate can be given.

It is surprising to observe that the Worksheet, in which total outstanding cost of funds is mentioned, also includes the Professional Fee and costs of the Suit, which cannot be awarded to the Bank. Even the markup calculation, prima facie, is erroneous. Learned Advocate General Sindh and the DAG should come prepared on next date to assist the Court whether from the Baitul Maal, the cost of funds can be paid off.

To be listed on 16.12.2025 at 9:30 AM, when the Zonal Head of Zarai Taraqati Bank Limited, Karachi, should be present along with the relevant record.”

Learned Counsel for the Appellant states that only 25% of the markup can be waived.

In response to our earlier query, learned Law Officer informed the Court that the Pakistan Bait-ul-Mal Act, 1991, in particular, Section 4-A thereof, can be invoked to extend financial help to the present Respondent [who is a widow].

We have heard the arguments of learned counsel for the Parties at length and the following scenario emerges_

1. That out of total disbursed amount of Rs.499,000/- [*Rupees Four Hundred Ninety Nine Thousand only*] as finance facility for a milk shop, the Respondent-Customer at the relevant time paid back Rs.21,803/- [*Rupees Twenty one Thousand Eight Hundred Three only*] and has now deposited Rs.480,000/- [*Rupees Four Hundred Eighty Thousand only*] on 07.03.2024 [as noted in the Impugned Judgment], with the learned Banking Court.
2. Markup charges as mentioned in the Plaint was Rs.211,153/- [*Rupees Two Hundred Eleven Thousand One Hundred Fifty Three only*] and at the relevant time Rs.43,000/- [*Rupees Forty Three Thousand only*] was repaid; today we have been informed by the Banking Official(s) that total amount towards markup paid is Rs.77,000/- [*Rupees Seventy Seven Thousand only*]. Therefore, markup payable figure as claimed by the Appellant-Bank and mentioned in the impugned Judgment will be further reduced to Rs.134,153.

On the last date of hearing, a Worksheet was filed in this Court under Statement dated 11.12.2025 and according to which, the amount payable towards the cost of funds is Rs.532,231/- [*Rupees Five Hundred Thirty Two Thousand Two Hundred Thirty One only*].

In the earlier Order, we directed the learned Additional Attorney General for Pakistan to assist the Court. Today, Mr. Mohsin Qadir Shahwani, learned Additional Attorney General for Pakistan is present and states that the calculation of cost of funds is incorrect, which contention is disputed by Ms. Nausheen Tajjammul, Advocate for the Appellant.

On the last date of hearing, we have already disallowed Rs.60,000/- towards professional fee and miscellaneous charges, which will be paid by the Appellant-Bank and not by the Respondent-Customer, who comes from a humble background and is desperately trying to save her only asset, viz. House Property/Plot No.D-1, Sheet No.1, Sector 10, Arshi Mohallah, Orangi Township, Karachi, admeasuring 85 Square Yards.

In view of the above, we direct as follows_

- i. The remaining markup of Rs.134,153/- [*Rupees One Hundred Thirty Four Thousand One Hundred Fifty Three only*] is waived off and nothing will be payable by the Respondent-Customer to the Appellant-Bank.

- ii. The amount already deposited by the Respondent-Customer in the learned Banking Court shall be withdrawn by the Bank as directed earlier along with profits accrued thereon [if any], within two days from today. This is a full and final discharge of liability on the part of Respondent-Customer towards above finance facility and consequently, Appellant-Bank will issue necessary documents, including No Objection Certificate [NOC] to this effect.
- iii. Upon withdrawal of the amount in the above prescribed time, the property documents shall be released to the Respondent-Customer within ten [10] days, as per rules and procedure.
- iv. The cost of funds component shall be paid by the Bait-ul-Mal as agreed by the learned Additional Attorney General for Pakistan; however, before paying this amount, recalculation is required to be done to reach the accurate figure and in this regard the Appellant-Bank and Managing Director of Bait-ul-Mal will appoint some representative to reconcile the figures. This should be done within a period of two [02] weeks from today, so that the interest of the Appellant-Bank can also be secured.
- v. Learned Additional Attorney General for Pakistan will coordinate in this regard.

Looking at the controversy, as highlighted above, we may observe that this Order may not be cited as a precedent.

In view of the above, this Appeal stands disposed of along with all pending application(s), if any, with no order as to costs.

Judge

Judge