

IN THE HIGH COURT OF SINDH AT KARACHI

Criminal Misc. Application No. 395 of 2026

Applicant : Gulbar Khan S/o. Mutabar Khan
Through: Mr. Atta Hussain advocate

Respondents 1 & 2 : The State Through: Mr. Sharafuddin
Kanhari, A.P.G. Sindh.

Respondent No.3 : Amerli Steel Limited.
Through authorized attorney
Muhammad Akbar Sajoki
Through: Mr. Gohar Mehmood
advocate

Date of hearing : 31.08.2026.

Date of Order : 31.08.2026.

ORDER

Jan Ali Junejo, J:-- Through this Criminal Miscellaneous Application under Section 561-A, Cr.P.C., the applicant namely Gulbar Khan has called in question the order dated 28.04.2026 (hereinafter referred to as the "Impugned Order") passed by the learned Additional Sessions Judge-IX/Ex-Officio Justice of Peace, Karachi West in Cr. Misc. Application No.1234 of 2026, whereby the SHO concerned was directed to record the statement of the complainant and, if cognizable offence is made out, to register FIR in accordance with law.

2. Succinctly, the case of the Respondent No.3 is that the Respondent No.3/Applicant, a public limited company engaged in the manufacturing and sale of steel reinforcement bars, entered into a Stockist Agreement with the proposed accused Gulbar Khan on 13.08.2020 who also submitted stockist and credit applications and accepted the terms and conditions thereof. Subsequently, on 28.01.2022, the proposed accused requested resumption of his credit account and acknowledged the outstanding amount, undertaking to clear the overdue balance by 30.09.2022. In purported discharge of his liability, he issued cheque No. A-40176071 dated 30.10.2022, amounting to Rs.6,589,000/-, drawn on Meezan Bank Limited in favour of the Respondent No.3/Applicant. Upon presentation through the Respondent No.3/Applicant's account maintained at HBL, S.I.T.E. Branch, Karachi, the cheque was dishonoured due to insufficient

funds. Despite repeated requests, accommodations and legal notices dated 02.11.2022 and 25.01.2023, the proposed accused failed to make payment of the outstanding amount. Consequently, alleging that the cheque was dishonestly issued towards discharge of a legally enforceable liability and its dishonour constituted an offence under Section 489-F PPC, the Respondent No.3/Applicant approached Police Station S.I.T.E.-A, Karachi, for registration of an FIR; however, despite repeated visits and requests, the concerned police failed to register the case, compelled the Respondent No.3/Applicant to approach the learned trial court by invoking its jurisdiction under Section 22-A(6)(i) Cr.P.C, which was allowed through the impugned order.

3. Learned counsel for the applicant contends that the entire dispute arises out of a Stockist Agreement executed between the parties and is purely civil in nature, which has been given a criminal colour merely to exert pressure upon the applicant. He submits that under Clause 5.11 of the Stockist Agreement, the cheque in question was obtained at the time of execution of the agreement, before any liability had arisen, and was merely a blank security cheque issued without date, amount or name of the payee; therefore, the essential ingredients of Section 489-F PPC, particularly the existence of a legally enforceable liability and dishonest intention at the time of issuance of the cheque, are not attracted. He further submits that the alleged liability was subsequently settled between the parties, whereunder the applicant handed over original documents relating to a plot measuring 250 square yards to Respondent No.3, and consequently no liability remained outstanding. Learned counsel argues that the application under Sections 22-A & 22-B Cr.P.C. was filed with mala fide intention to convert a civil dispute into a criminal case and thereby amounted to an abuse of the process of law. He further contends that the learned Justice of Peace failed to properly appreciate the material facts and documents available on record and passed the impugned order in a mechanical manner, despite the settled principle that where a dispute is predominantly civil in nature and the essential ingredients of a criminal offence are not disclosed, registration of an FIR cannot be directed. He lastly submits that neither any dishonest intention nor mens rea on the part of the applicant has been alleged or established, which is a necessary ingredient for attracting penal liability under Section 489-F PPC; hence, the impugned order is liable to be set aside.

4. Conversely, learned A.P.G. and learned counsel for Respondent No.4 opposed the application and submitted that the impugned order is well-reasoned and passed strictly in accordance with law. It was further argued that the scope of jurisdiction under Sections 22-A & 22-B Cr.P.C. is limited and the Justice of Peace is only to ensure that the matter is set into motion where a cognizable offence is disclosed. It was prayed that the application be dismissed.

5. I have heard the learned counsel for the applicant, learned A.P.G. and learned counsel for Respondent No.3 and have carefully examined the impugned order as well as the material available on record.

6. The principal contention of learned counsel for the applicant is that the dispute between the parties arises out of a Stockist Agreement and is essentially civil in nature; that the cheque in question was issued as a blank security cheque at the inception of the agreement and prior to accrual of any liability; and that the alleged liability was subsequently settled between the parties. However, these are essentially questions of fact which require determination on the basis of evidence and cannot be conclusively adjudicated upon in proceedings under Section 22-A(6)(i) Cr.P.C.

7. From the material placed on record, it appears that the applicant had admittedly entered into a Stockist Agreement with Respondent No.3, thereafter acknowledged an outstanding amount and undertook to clear the same by a specified date. It is further the case of Respondent No.3 that, towards discharge of the outstanding liability, the applicant issued the cheque in question, which, upon presentation, was dishonoured due to insufficient funds. Legal notices were thereafter issued, but the alleged amount was not paid. Such facts, on their face, disclose allegations which require investigation by the competent police authorities. Whether the cheque was in fact issued as a security instrument, whether any legally enforceable liability existed at the relevant time, whether the alleged settlement took place, and whether the applicant acted dishonestly are matters which cannot be finally determined at this preliminary stage.

8. It is well settled that while exercising jurisdiction under Section 22-A(6)(i) Cr.P.C., the learned Ex-Officio Justice of Peace is not required to

conduct a detailed appreciation of evidence or to determine the guilt or innocence of the proposed accused. The limited question is whether the information placed before the Court discloses the commission of a cognizable offence warranting recording of the complainant's statement and registration of an FIR in accordance with law. The impugned order merely directs the SHO concerned to record the statement of the complainant and, if a cognizable offence is made out, to register the FIR in accordance with law. Thus, no final finding of guilt has been recorded against the applicant.

9. The plea that the dispute is civil in nature also does not, by itself, bar the initiation of criminal proceedings where the facts alleged prima facie disclose the ingredients of a cognizable offence. The existence of a contractual relationship or availability of a civil remedy is not sufficient, at this stage, to prevent the competent investigating agency from examining the allegation regarding issuance and dishonour of the cheque. Likewise, the question whether the cheque was issued as security or towards discharge of an existing liability, and whether any subsequent settlement extinguished the alleged liability, can appropriately be examined during investigation and, if required, before the competent Court.

10. In view of the foregoing discussion, the instant Cr. Misc. Application being devoid of merit is dismissed. The impugned order dated 28.04.2026 passed by the learned Additional Sessions Judge-IX/Ex-Officio Justice of Peace, Karachi West is maintained and shall be complied with in letter and spirit by the concerned police authorities.

JUDGE