

# IN THE HIGH COURT OF SINDH AT KARACHI

**Before:**

*Mr. Justice Muhammad Iqbal Kalhoro*

*Mr. Justice Khalid Hussain Shahani*

**Criminal Accountability Appeal No.13 of 2007**

Appellant : Hamid Ali Qureshi,  
(Represent through his legal heirs)  
*Through M/s. Mian Irfan Akram and Muhammad  
Nawaz Mirza, Advocates*

**Criminal Accountability Appeal No.14 of 2007**

Appellants : 1. Mohammad Ibrahim,  
2. Mohammad Tayyab,  
*Through Mr. Zafar Iqbal Chohan, Advocate*

**Criminal Accountability Appeal No.22 of 2012**

Appellants : 1. Mirza Ashfaq Ahmed,  
2. Mst. Fareeda Begum,  
*Through Mr. Zulfiqar Ali Khan Jalbani, Advocate*

**Criminal Accountability Appeal No.23 of 2012**

Appellants : 1. Syed Muhammad Ajmal Mehmoodi,  
2. Mst. Ghosia Ajmal,  
*Through Zulfiqar Ali Khan, Advocate*

**Criminal Accountability Appeal No.24 of 2012**

Appellant : Dr. Abdul Rehman Rajput,  
*Through Mr. Muhammad Mustafa Hussain, Advocate*

**Criminal Accountability Appeal No.25 of 2012**

Appellant : Mst. Sabeena Farooq,  
*Through Mr. Ghulam Mustafa, Advocate*

**Criminal Accountability Appeal No.30 of 2012**

Appellant : Muhammad Salim Yousuf,  
*Through Mr. Muhammad Junaid Farooqi,  
Advocate*

**Criminal Accountability Appeal No.31 of 2012**

Appellants : 1. Ahmed Ali Qureshi,  
2. Yahya Qureshi,  
*Through M/s. Mian Irfan Akram and Muhammad  
Nawaz Mirza, Advocates*

**Criminal Accountability Appeal No.32 of 2012**

Appellant : Mansoor Ahmed,  
*Through Mr. Irshad Ali Jatoi, Advocate*

**Criminal Accountability Appeal No.33 of 2012**

Appellant : Muhammad Younus,  
*Through M/s. Wazeer Hussain Khoso and  
Amanat Ali Khoso, Advocates*

**Criminal Accountability Appeal No.34 of 2012**

Appellant : Mst. Roshan Bano,  
Through Syed Mehmood Alam Rizvi, Advocate

**Criminal Accountability Appeal No.35 of 2012**

Appellant : Mrs. Rakshanda Jabeen @ Salma  
(Represent through her legal heirs),  
Through M/s. Mian Irfan Akram and Muhammad  
Nawaz Mirza, Advocates

**Criminal Accountability Appeal No.36 of 2012**

Appellant : Sultan Khan,  
Through Mr. Muhammad Junaid Farooqi,  
Advocate

**Criminal Accountability Appeal No.37 of 2012**

Appellant : Shamsul Arfeen, one of the legal heirs of  
Accused Late Elyas Amin (since died),  
Through M/s. Mehmood Habibullah, M. Fahim Zia  
& Sawan, Advocates

Respondent : The State  
Through Syed Khurram Kamal, Special Prosecutor  
NAB.

Date of hearing : 08.04.2026

Date of judgment : 25.05.2026

**J U D G M E N T**

**KHALID HUSSAIN SHAHANI, J.** - The above criminal accountability appeals arise from three sets of convictions recorded by two learned Accountability Courts at Karachi in three related references arising from the same matrix of facts. Twelve appeals, bearing Nos. 22 to 25 and 30 to 37 of 2012, arise from the two separate judgments and conviction dated 09.10.2012 passed by the learned Judge, Accountability Court No. II, Sindh at Karachi in Reference Nos. 28 of 2002 & 28-D of 2002; two further appeals, bearing Nos. 13 and 14 of 2007, arise from the judgment and conviction dated 12.12.2007 passed by the learned Judge, Accountability Court No. I, Sindh at Karachi in Reference No. 28-I of 2002; Since all appeals arise from the same matrix of facts, relate to the same two companies which are at the heart of the prosecution case, concern the same massive financial fraud perpetrated upon tens of thousands of depositors and investors belonging to the public at large, and as the evidence led in all references was interconnected and substantially overlapping in its character, all fourteen appeals were heard together and are being decided by this third consolidated judgment.

2. It is pointed out at the outset that appellants Hamid Ali Qureshi, Muhammad Ibrahim, Syed Muhammad Ajmal Mehmoodi, Muhammad Salim Yousuf, Muhammad Tayyab, Mst. Rakhshanda Jabeen alias Salma and Sultan Khan expired during the pendency of these appeals, whereas Criminal Accountability Appeal No. 37 of 2012 was disposed of as not pressed vide order dated 19.01.2026. Since the death of certain appellants gives rise to important questions concerning abatement of criminal proceedings, survival of forfeiture orders, and the distinction between liabilities operating in personam and those operating in rem, the legal consequences flowing therefrom shall be examined separately in the later part of this judgment.

3. The prosecution case, as emerging from the evidence recorded before the learned Accountability Courts and the Record and Proceedings called by this Court, discloses a fraud of extraordinary proportions committed against thousands of members of the public through a systematically organized and religiously induced deposit-collection scheme. The genesis of the matter lies in the establishment around 1979–1980 of a partnership concern under the name and style of M/s T.J. Ibrahim and Company by Muhammad Tayyab son of Nazir Ahmed, Javed Iqbal Ansari son of Abdul Hai Ansari, and Muhammad Ibrahim son of Muhammad Qasim. Initially operating from New Cloth Market, Bolton Market, Karachi, the concern ostensibly engaged in iron scrap and cloth business. However, the enterprise derived its extraordinary public credibility from the active patronage and endorsement of Pir Haji Muhammad Usman, a religious figure commanding a substantial following through sermons and spiritual gatherings at Noor Masjid, Ranchore Line, Karachi and subsequently at Masjid Ilahia Chistia Khanqah, Korangi. Two of his principal Khalifas, namely Pir Asghar Ali Qureshi and Muhammad Ibrahim, were directly associated with the business enterprise, thereby creating a convergence of spiritual influence and financial solicitation that became the principal instrument for harvesting public deposits. Through religious persuasion and assurances that deposited funds would be invested in halal commercial ventures generating profits strictly in accordance with Islamic principles, followers and disciples of the Pir were induced to deposit not merely their own savings but also monies procured from relatives and acquaintances. Simultaneously, an extensive network of Deposit Managers (“D.M.s”) was created and incentivized through commission structures linked to the volume of deposits mobilized by them. The investigation ultimately established that no genuine commercial activity corresponding to the scale of deposits was ever undertaken and

that portions of subsequently collected deposits were utilized to pay ostensible profits to earlier investors while the remaining funds were diverted towards acquisition of assets, establishment of subsidiary concerns and transfers in the names of family members, employees, associates and benamidars, thereby constituting in substance a classic Ponzi arrangement operating under the cloak of religious legitimacy.

4. As regulatory scrutiny from the State Bank of Pakistan and other authorities intensified during the early 1980s, the principal accused restructured the enterprise in order to conceal the true nature of the deposit business. Consequently, with the consultation and approval of Pir Haji Muhammad Usman and Pir Asghar Ali Qureshi, a private limited company under the name and style of M/s Alliance Motors (Private) Limited was incorporated on 14.07.1987 with Pir Asghar Ali Qureshi, Hamid Ali Qureshi, Muhammad Ibrahim and Muhammad Younus as its Directors, while the business premises were shifted from Bolton Market to a larger showroom near Old Sabzi Mandi, University Road, Karachi for handling increasing public traffic and cash collections. Muhammad Ibrahim simultaneously continued as partner of M/s T.J. Ibrahim and Company and Director of M/s Alliance Motors (Private) Limited, thereby serving as the operational bridge between both entities. Investigation further disclosed that the accused established approximately thirty-two subsidiary and associated concerns from the misappropriated public funds in the names of relatives, employees, followers and benamidars, including M/s Alliance Silk Mills (Private) Limited, M/s Alliance Fabrics, M/s Alliance Garments Industries (Private) Limited, M/s Alliance Scale (Private) Limited, M/s Alliance Furniture, M/s Alliance Steel (Private) Limited, M/s World Marine Shipping and Trading (Private) Limited, M/s Ideal Builders (Private) Limited, M/s Galenika Pakistan (Private) Limited, M/s A.Z. Trading Corporation and M/s Imperial Ship Trading, Sharjah, UAE. Simultaneously, numerous movable and immovable assets were acquired from the diverted public funds in the names of family members and nominees. Investigation ultimately traced seventy-two such assets and properties connected with the fraudulent enterprise, some of which came into possession of the Official Assignee during liquidation proceedings while others were concealed, transferred or otherwise dealt with through benami arrangements.

5. By approximately mid-1988, the scheme collapsed under the weight of its own financial unsustainability, whereafter the principal accused disappeared from public view and investors began demanding

return of their deposits. Regulatory intervention followed through proceedings initiated by the State Bank of Pakistan under the Banking Companies Ordinance, 1962 on allegations that M/s T.J. Ibrahim and Company and M/s Alliance Motors (Private) Limited were illegally carrying on banking business by accepting public deposits without lawful authorization. Winding-up proceedings were thereafter instituted before this Court through J. Miscellaneous Petitions No. 1 and 74 of 1989 pursuant where to the Official Assignee was appointed first as Provisional Liquidator and subsequently as sole Liquidator of both concerns. Public notices invited claims from investors, resulting in approximately 49,139 claims aggregating nearly Rupees 364,99,20,865, including claims of direct investors and those routed through Deposit Managers. Investigation authorized by the National Accountability Bureau vide authorization letter dated 26.05.2002 subsequently disclosed liabilities involving approximately 48,250 investors and misappropriated funds estimated at Rupees 3.571 billion. During investigation, Investigating Officer Ghulam Asghar Jatoi examined approximately one hundred and eighty-nine witnesses and initially filed an interim reference on 17.09.2002 followed by supplementary proceedings and ultimately a final reference against forty-four accused persons on 29.04.2003 before the learned Administrative Judge, Accountability Courts, Sindh, Karachi. During the prolonged course of proceedings, the references underwent substantial procedural restructuring owing to deaths, plea bargains, withdrawals, separations, abscondences, acquittals and independent trials of various accused persons. In particular, the cases against Pir Asghar Ali Qureshi, Hamid Ali Qureshi, Muhammad Tayyab and Muhammad Ibrahim were separated as Reference No. 28-I of 2002 and transferred to Accountability Court No. I, Sindh at Karachi culminating in convictions dated 12.12.2007, whereas the connected References No. 28 and 28-D of 2002 culminated in judgments dated 09.10.2012 by Accountability Court No. II, Sindh at Karachi, presently impugned before this Court.

6. After completion of investigation and restructuring of the references, formal charges under Sections 9(a) and 10 of the National Accountability Ordinance, 1999 were framed against the respective accused persons. In Reference Nos. 28 of 2002 and 28-D of 2002, tried before Accountability Court No. II, Sindh at Karachi, the prosecution examined forty-two witnesses and produced extensive documentary evidence relating to deposit collection, liquidation proceedings, banking transactions, corporate structures, Statements of Affairs, property records and subsidiary companies. In Reference No. 28-I of 2002, tried before

Accountability Court No. I, Sindh at Karachi, the prosecution examined twenty-eight witnesses including depositors, banking officials, SECP officials, liquidation officers and the Investigating Officer. Upon closure of prosecution evidence, the accused persons were examined under Section 342 Cr.P.C., several of them also producing written statements and documentary material in defence. Eventually, by judgment dated 12.12.2007, the learned Accountability Court No. I convicted the surviving accused namely Muhammad Ibrahim, Muhammad Tayyab and Hamid Ali Qureshi, sentencing them to rigorous imprisonment with forfeiture of properties and disqualification under Section 15 of the National Accountability Ordinance, 1999, while the remaining connected references culminated in the impugned judgments dated 09.10.2012 presently under challenge before this Court.

7. Learned advocate Mr. Zulfiqar Ali Khan, appearing on behalf of appellants Syed Muhammad Ajmal Mehmoodi and Mst. Ghousia Ajmal in Criminal Accountability Appeal No.23 of 2012, submitted that the prosecution had failed to produce any direct evidence establishing misappropriation of public funds by either appellant or proving any operational nexus between M/s Imperial Ship Trading and M/s World Marine Shipping and Trading (Private) Limited on the one hand and M/s Alliance Motors (Private) Limited and M/s T.J. Ibrahim and Company on the other. It was contended that the prosecution case rested merely upon conjectures and assumptions and that the position of both appellants was identical to that of co-accused Gul-e-Shabbir, who had already been acquitted by the trial court despite facing substantially similar allegations as Director of M/s World Marine Shipping and Trading (Private) Limited. Reliance was placed upon 2003 PCrLJ 1<sup>1</sup> and PLD 2004 Quetta 136<sup>2</sup>.

8. Learned advocates M/s Mian Irfan Akram and Muhammad Nawaz Mirza, appearing on behalf of appellants Ahmed Ali Qureshi and Yahya Qureshi in Criminal Accountability Appeal No.31 of 2012, submitted that no witness had deposed regarding any direct transfer of public funds in favour of Ahmed Ali Qureshi; that no title documents connecting him with properties allegedly acquired from the funds of the companies had been produced; and that his implication rested solely upon his relationship with Pir Asghar Ali Qureshi despite admitted estrangement between the two brothers. It was further argued that Ahmed Ali Qureshi was an agriculturist and cattle farmer having no business connection with either M/s T.J.

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<sup>1</sup> Mehmood Hussain v. The State.

<sup>2</sup> Qazi Siraj v. The State.

Ibrahim and Company or M/s Alliance Motors (Private) Limited. With regard to Yahya Qureshi, learned counsel submitted that no specific evidence of receipt of funds or conscious participation in the alleged fraudulent scheme had been produced and that his implication was likewise founded merely upon his family relationship with the principal accused.

9. Learned advocates M/s Mian Irfan Akram and Muhammad Nawaz Mirza, appearing on behalf of the legal heirs of the deceased appellant Hamid Ali Qureshi in Criminal Accountability Appeal No.13 of 2007 and on behalf of the legal heirs of Mst. Rakhshanda Jabeen @ Salma in Criminal Accountability Appeal No.35 of 2012, and learned advocate Mr. Zulfiqar Ali Khan, appearing on behalf of the legal heirs of Syed Muhammad Ajmal Mehmoodi in Criminal Accountability Appeal No.23 of 2012, reiterated the arguments raised before the trial court and further contended that the evidence of the Investigating Officer amounted to no more than hearsay and that no independent corroboration had been furnished; that the Statement of Affairs relied upon by the prosecution was not proven in accordance with the requirements of evidence; and that the conviction based primarily on the evidence of the Investigating Officer unsupported by documentary proof was unsustainable. They further submitted that since all these appellants are now deceased, the criminal proceedings including the convictions and sentences had stood abated upon their deaths, and no adverse order of a personal nature could be passed against their legal heirs in the present appeals.

10. Learned advocate Mr. Ghulam Mustafa, appearing on behalf of appellant Mst. Sabeena Farooq in Criminal Accountability Appeal No.25 of 2012, submitted comprehensively that not a single prosecution witness out of the forty-two examined had deposed against his client in specific terms; that the Investigating Officer's statement regarding her was hearsay; that no documentary proof of any benami transaction in her favour had been produced; that the property in question had been lawfully purchased by her from Feroze Iqbal under a sale agreement dated 06.07.1988 for Rupees 70,00,000 of which Rupees 40,00,000 were paid through receipt; that she had filed a suit before this Court which was decreed in her favour; that she had deposited the remaining consideration in Court; and that the property was registered in her favour through the Court's Nazir. He cited NLR 2005 Cr.SC 82<sup>3</sup>, 1992 SCMR 2055<sup>4</sup> and 1999 YLR 1616<sup>5</sup>.

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<sup>3</sup> Pir Mazhar-ul-Haq & others v. The State through Chief Ehtesab Commissioner, Islamabad.

<sup>4</sup> Farman Ali v. The State.

<sup>5</sup> Ghulam Mustafa v. The State.

11. Learned advocate Mr. Muhammad Mustafa Hussain, appearing on behalf of appellant Dr. Abdul Rehman Rajput in Criminal Accountability Appeal No.24 of 2012, submitted that his client had himself been an investor in M/s Alliance Motors (Private) Limited and M/s T.J. Ibrahim and Company and was therefore himself a victim of the fraud; that Flat No.602, Amber Palace, had been purchased by him through a suit which was decreed in his favour in Suit No.971/88 before this Court; and that the prosecution had failed to establish that the flat was purchased from the funds of the companies. He submitted that the element of conscious knowledge of the illicit source of the property, being an essential ingredient of the offence under Section 9 of the National Accountability Ordinance, 1999, was wholly absent on the record insofar as his client was concerned.

12. The appellant Mirza Ashfaq Ahmed, in Criminal Accountability Appeal No.22 of 2012, appearing in person, submitted that the property at C-95, Block-8, was never purchased by him; that the property at A-124, Block-10, was not in the list of properties prepared by the Official Assignee; that the Investigating Officer himself admitted in cross-examination that property A-124, Block-10 was not mentioned in the list of properties prepared by the Official Assignee; that the prosecution produced no evidence that this property was purchased from the funds of the companies; that Muhammad Ibrahim and Muhammad Tayyab had sworn affidavits before the Superintendent of Jail confirming that property A-124, Block-10 was not purchased from the funds of the companies; that no incriminating documentary evidence was produced regarding Offices No. 1001 to 1007; that the Investigating Officer admitted in cross-examination that he had not produced any documents regarding those offices in examination-in-chief; that the Investigating Officer admitted that co-accused Gul-e-Shabbir was charged on the same allegations as those leveled against Syed Ajmal Mehmoodi and that Gul-e-Shabbir had been acquitted; that the Investigating Officer admitted he had not produced any documentary evidence about the three Toyota Corolla cars; and that P.W.-29, Muhammad Iftikhar, a so-called star witness of the prosecution, had categorically exonerated Mirza Ashfaq Ahmed in his cross-examination by stating that neither Mirza Ashfaq Ahmed nor his wife had usurped any property of Alliance Motors.

13. Learned advocate Mr. Zulfiqar Ali Khan Jalbani, appearing on behalf of appellant Mst. Fareeda Begum in Criminal Accountability Appeal

No.22 of 2012, urged the same grounds as those advanced by Mirza Ashfaq Ahmed with particular emphasis on the affidavits of Muhammad Ibrahim and Muhammad Tayyab and the absence of any property belonging to the companies standing in the name of Fareeda Begum. He further submitted that his client's acquaintance with the principal accused arose solely from a matrimonial relationship and that she had no independent knowledge of, participation in, or benefit derived from the fraudulent scheme of which M/s T.J. Ibrahim and Company and M/s Alliance Motors (Private) Limited were the vehicles.

14. Learned advocate Mr. Zafar Iqbal Chohan, appearing on behalf of appellants Mohammad Ibrahim and Mohammad Tayyab in Criminal Accountability Appeal No.14 of 2007, submitted that both appellants were the founding partners of M/s T.J. Ibrahim and Company who in the early years of the enterprise were genuinely engaged in lawful commercial activity; that the prosecution had failed to establish by direct and admissible evidence any specific act of dishonest misappropriation attributable individually to either accused independently of the general allegation of conspiracy; that the findings recorded by the learned trial Court proceeded upon generalizations arising from the overall collapse of the business rather than upon proof of specific criminal acts as required by law; that the evidence of the Investigating Officer, to the extent that it attributed individual transactions to each of the appellants, was hearsay and legally insufficient to sustain conviction absent independent corroboration through reliable documentary or ocular material; and that the sentences awarded were disproportionate in that they did not differentiate between the distinct roles and degrees of culpability of the two accused. He further submitted that since both appellants have passed away during the pendency of the appeal, their criminal liabilities and all personal consequences including convictions, sentences and disqualifications stand abated by operation of law, and no adverse order in personam may be maintained against their estates or legal heirs.

15. Learned advocate Mr. Muhammad Junaid Farooqi, appearing on behalf of appellant Muhammad Salim Yousuf in Criminal Accountability Appeal No.30 of 2012 and appellant Sultan Khan in Criminal Accountability Appeal No.36 of 2012, submitted with respect to Muhammad Salim Yousuf that the prosecution had not produced any direct evidence establishing that M/s Alliance Fabrics or any other subsidiary concern was established from the specific funds of M/s T.J. Ibrahim and Company or M/s Alliance Motors (Private) Limited; that mere

association with a concern alleged to be a subsidiary enterprise did not, without more, constitute proof of misappropriation or corrupt practice under the National Accountability Ordinance, 1999; and that no documentary material had been produced showing any transfer of public funds to or in favour of this appellant personally. With respect to Sultan Khan, learned advocate submitted that his client was himself an investor who had filed a verified claim before the Official Assignee; that the General Power of Attorney executed by Muhammad Tayyab in his favour was a routine commercial instrument and not evidence of collusion in the fraud; that no documentary proof was produced establishing that Plot No.B-20/A, SITE, was purchased from the funds of the companies and transferred to Sultan Khan as a benamidar; and that the prosecution had entirely failed to discharge the burden of proof insofar as Sultan Khan's alleged role and benefit were concerned. It was further urged that both appellants having since passed away, their criminal liabilities and sentences had abated upon their respective deaths.

16. Learned advocate Mr. Irshad Ali Jatoy, appearing on behalf of appellant Mansoor Ahmed in Criminal Accountability Appeal No.32 of 2012, submitted that his client bore no directorial or managerial relationship with either M/s T.J. Ibrahim and Company or M/s Alliance Motors (Private) Limited; that the ten plots at Korangi Township and the three flats in Yasrab Plaza, sought to be connected with the appellant, were properties of the Khanqah-e-Chishtia established under a Trust Deed in the name of the religious institution of Pir Haji Muhammad Usman and were not the property of any individual accused; that the Trust Deed itself was produced in evidence as Exhibit 26 and demonstrated that the properties were dedicated to a charitable and religious purpose; that the prosecution had produced no documentary evidence that any sum of money was transferred to Mansoor Ahmed personally from the funds of the companies; and that his continued possession of the said premises was attributable to his familial and spiritual relationship with the late Pir Haji Muhammad Usman and his role as caretaker of the religious institution, and not to any criminal act on his part.

17. Learned advocates M/s Wazeer Hussain Khoso and Amanat Ali Khoso, appearing on behalf of appellant Muhammad Younus in Criminal Accountability Appeal No.33 of 2012, submitted that the appellant became a Director of M/s Alliance Motors (Private) Limited only on 14.07.1987, nearly seven to eight years after the fraudulent deposit-collection scheme had been set in motion by the principal accused; that he had no

knowledge of or participation in the foundational decisions which gave rise to the fraud; that his resignation within approximately thirteen months of appointment demonstrated the brevity and marginality of his association with the enterprise; that the three properties mentioned in the charge were purchased by him through his own lawful means prior to his directorship; that the prosecution had produced no specific evidence of any identifiable sum of the depositors' money directly transferred to or received by him personally; and that the sentence of seven years rigorous imprisonment imposed by the learned trial court was manifestly excessive and disproportionate, as it placed the appellant on the same footing as the principal architects of the scheme who had operated it for nearly a decade, a treatment wholly unjust in view of the material difference in his role and the duration of his involvement.

18. Learned advocate Syed Mehmood Alam Rizvi, appearing on behalf of appellant Mst. Roshan Bano in Criminal Accountability Appeal No.34 of 2012, submitted that his client was a housewife with no independent role or participation in the affairs of M/s T.J. Ibrahim and Company, M/s Alliance Motors (Private) Limited, or M/s Alliance Steel (Private) Limited; that her nominal registration as a Director of M/s Alliance Steel (Private) Limited was at the sole instance and behest of her husband Muhammad Ibrahim son of Muhammad Qasim and that she exercised no functional authority, management, or control over the affairs of that company at any time; that the bank account bearing No.6803 was not maintained in her correct name, the account being styled in the name of "Mr. Roshan Ibrahim" which differed from the appellant's name in both gender and designation, and this critical discrepancy was never satisfactorily resolved or explained by the prosecution; that the statement purportedly recorded before the Official Assignee could not be relied upon as the sole basis of conviction as it was not shown to have been made voluntarily or with full appreciation of its legal consequences; and that not a single prosecution witness out of those examined had specifically and directly deposed against her in relation to any distinct act of misappropriation. Learned counsel submitted that criminal liability is personal in character and that a wife's nominal and formal directorship in a company managed exclusively by her husband, standing alone, cannot constitute proof of the wilful default, misappropriation, or corrupt practice required to be established under the National Accountability Ordinance, 1999.

19. Learned advocates M/s Mehmood Habibullah, M. Fahim Zia and Sawan, appearing on behalf of appellant Shamsul Arfeen, one of the legal

heirs of the accused late Elyas Amin (since deceased), in Criminal Accountability Appeal No.37 of 2012, submitted at the outset that the appeal was not being pressed insofar as it related to the personal criminal conviction and sentence imposed upon the deceased accused, the same having stood abated upon his death during the pendency of the original proceedings before the learned trial court. The learned advocates however specifically addressed this Court on the question of the survival and scope of any order of forfeiture or proceedings in rem and contended that, while an order of forfeiture under the National Accountability Ordinance, 1999 operates against property rather than against the person and is therefore not automatically extinguished by the death of the accused, forfeiture cannot be presumed as a matter of course merely from a conviction that has itself ceased to be operative by reason of abatement; that before any order operating in rem can be made or sustained against property connected to the deceased accused, this Court must record a positive finding based upon legally admissible evidence that the specific properties sought to be subjected to forfeiture or liquidation were in truth purchased from the tainted funds of M/s T.J. Ibrahim and Company or M/s Alliance Motors (Private) Limited; that the tainted character of the res, its direct nexus with the fraud, and its lawful susceptibility to vesting or recovery through liquidation or other statutory process must each be independently established on the record; and that forfeiture cannot operate as a mere incidental or automatic consequence of an abated conviction without such independent finding. The learned advocates accordingly prayed that any in rem consequences be confined strictly to such properties as are specifically identified on the evidence on record as forming part of the fraud proceeds or the liquidation estate of the said companies and traceable to the acts of the deceased accused Elyas Amin, and that no wider order extending to the general assets of his estate or those of his legal heirs be passed without the requisite specific finding.

20. The learned Special Prosecutor for NAB, Syed Khurram Kamal, filed a compliance report and was heard at length. He submitted that the prosecution had established its case against all the surviving appellants through clear, consistent and corroborated evidence; that the principal accused Pir Asghar Ali Qureshi, Muhammad Ibrahim, Muhammad Tayyab and Hamid Ali Qureshi had already been convicted in Reference No.28-I of 2002 and their convictions had been maintained by this Court; that the remaining appellants were either directors of the subsidiary companies established from the public funds or beneficiaries of properties purchased from such funds, and their liability was therefore established through the

chain of documentary, banking and official evidence produced before the trial courts; that the evidence of the Investigating Officer was abundantly corroborated by documentary proof including the Statement of Affairs, corporate registration records, bank account records and revenue records; that the massive scale of the fraud, involving approximately fifty thousand depositors and Rupees 3,571 billion, was established beyond any doubt; that the orders of forfeiture relating to the tainted properties, whether in respect of the deceased appellants or the surviving ones, remained valid and operative in rem regardless of the individual fates of the accused; and that the learned trial courts had rightly convicted all the surviving appellants and the convictions ought to be maintained in the interest of the rule of law and the protection of the defrauded public.

21. This Court has heard the learned counsel for the appellants and the learned Special Prosecutor for NAB with care, has gone through the Record and Proceedings of Reference No. 28 of 2002 and Reference No. 28-D & 28-I of 2002, has carefully assessed all the evidence recorded before the two trial courts, has examined the charges framed against each appellant individually, has assessed the testimonies of the prosecution witnesses against each such charge, has considered the defence evidence and the statements recorded under Section 342 of the Code of Criminal Procedure, and has weighed the submissions of the respective counsel. It is a settled and inviolable principle of criminal jurisprudence, consistently affirmed by the superior courts that criminal liability is entirely personal in its character. It attaches to the person of the accused alone and does not and cannot survive his death. The right to prosecute and to punish is a right that can be exercised only against a living accused. The moment an accused person expires, the *raison d'être* of criminal prosecution being the imposition of personal punishment, deterrence, and retribution is extinguished by operation of law. The proceedings accordingly abate, the conviction, if already recorded, stands effaced, the sentence falls away, and neither fine nor imprisonment can be enforced against the estate or the legal heirs. The right of appeal, being a continuation of the trial and a personal right of the accused, is similarly incapable of being prosecuted by legal heirs in criminal matters. This principle is enshrined in the Criminal Procedure Code and has been reiterated in a long line of authority. However, and this is a distinction of fundamental importance, the abatement of criminal proceedings upon the death of an accused operates only with respect to those consequences that are personal in character. A criminal fine, a custodial sentence, and disqualification under Section 15 of the National Accountability Ordinance,

1999 are all personal penalties that abate upon death. But an order of forfeiture, which operates upon the property and not upon the person, is an order that runs in rem and not in personam. Such an order is directed against the property itself, which is identified as the tainted product or instrument of the criminal activity. The property does not die with the accused. Its taint survives, and the order directing its forfeiture to the State or its restoration to the victims of fraud through the liquidation process accordingly remains valid, operative, and enforceable, regardless of the death of the person who held it or through whom it was acquired. To hold otherwise would allow the proceeds of fraud to be inherited and enjoyed by the legal heirs of a fraudster simply by reason of his death, a result that would be repugnant to equity, public policy, and the very purpose of the National Accountability Ordinance, 1999.

22. In the present proceedings, it has been brought on record that appellants Hamid Ali Qureshi, Muhammad Ibrahim, Muhammad Tayyab, Syed Muhammad Ajmal Mehmoodi, Muhammad Saleem Yousuf, Mst. Rakhshanda Jabeen alias Salma and Sultan Khan expired during pendency of these appeals. Criminal Accountability Appeal No.37 of 2012, filed by Shamsul Arfeen as legal heir of deceased accused Elyas Amin, was disposed of as not pressed vide order dated 19.01.2026. The reports regarding death, non-tracing or service of legal heirs, wherever relevant, are available on record through the Investigating Officer, police reports and statements filed before this Court.

23. Legal consequence of such death requires precision. Criminal liability is personal and cannot be enforced against a dead person. Custodial sentence, fine in personam and disqualification under Section 15 of the National Accountability Ordinance, 1999 are personal penal consequences and stand extinguished upon death. However, this rule does not automatically defeat orders concerning property if such property is independently proved to be tainted, traceable to proceeds of crime, or part of the liquidation estate. The distinction is between punishment of the person, which abates, and recovery, forfeiture or administration of tainted property, which may operate in rem subject to proof of nexus between the property and the offence.

24. Therefore, while no imprisonment, fine, disqualification or other personal penal consequence shall be enforced against any deceased appellant or his or her legal heirs, the question whether any specific property attributable to such deceased appellant remains liable to forfeiture, recovery, liquidation or administration shall depend upon

whether such property is proved on record to have formed part of the funds, assets or proceeds of M/s T.J. Ibrahim and Company, M/s Alliance Motors (Private) Limited, or their subsidiary concerns created from defrauded public money. Such properties, if so established, shall continue to be dealt with in accordance with law in the pending liquidation proceedings in J. Miscellaneous Petitions Nos.1 and 74 of 1989 under the supervision of the Official Assignee for the benefit of the defrauded investors.

25. Before examining individual liability, the prosecution evidence may conveniently be assessed thematically. The first category comprises investor and depositor witnesses. P.W.-1 Aftab Ahmed, P.W.-2 Mst. Zubeda Begum, P.W.-3 Haji Gul Hassan, P.W.-4 Ghulam Ali Akber, P.W.-5 Dr. Haroon, P.W.-6 Syed Afzal Kafeel and P.W.-7 Mst. Haleema Bibi deposed that they invested money in the two concerns upon religious inducement, representations of halal business and assurance of periodic profit, but their principal amounts were not returned. P.W.-1 specifically proved his investment, receipts and claim before the Official Assignee. Their cumulative evidence establishes that the deposit-taking enterprise was real, public money was collected, and investors were deprived of their principal amounts.

26. The second category comprises witnesses who explained the internal mechanism of collection and circulation of funds. P.W.-8 Muhammad Ubedullah Khan, being both a follower of Pir Haji Muhammad Usman and a Deposit Manager, gave material evidence regarding religious inducement, the commission-based Deposit Manager network, and the daily cash-handling mechanism at the Alliance Motors showroom. His account regarding segregation of daily cash collections into bags marked "B.J.", "B.S." and "R" directly connects the collection mechanism with the principal accused. P.W.-9 Abdul Qadir Siddiqui corroborated him regarding inducement, Deposit Manager activity and movement of cash. P.W.-10 Sheikh Habib-ur-Rehman spoke of remittances from Saudi Arabia by followers of the Pir. P.W.-11 Abu Bakar described collection through Deposit Managers and protests by investors upon default. P.W.-26 Shamsuddin, account supervisor at Alliance Motors, confirmed that public money was received at Alliance Motors, receipts were issued on stamp papers and daily turnover was handed over to Hamid Ali Qureshi. P.W.-31 Shabbir Ahmed Ghayas confirmed preparation of daily lists of collections, refunds and dispatch of monthly profits. These witnesses establish the operational architecture of the scheme.

27. The third category comprises liquidation, corporate and regulatory evidence. P.W.-15 Shah Muhammad Junejo, Superintendent in the office of the Official Assignee, proved the liquidation proceedings, claims of investors, Statements of Affairs, lists of properties, sale of assets and distribution of partial amounts to investors. His evidence is central to tracing the assets of the companies and showing that public claims far exceeded recovered assets. P.W.-16 Sagheer Ahmed Hashmi, Deputy Registrar SECP, produced incorporation documents, Memoranda and Articles of Association and statutory forms of relevant companies, including Alliance Motors, Alliance Scale, Alliance Silk Mills, Alliance World Marine Shipping and Trading and other connected entities. P.W.-25, an officer of the State Bank of Pakistan, produced complaints under the Banking Companies Ordinance, 1962 and correspondence showing regulatory action against illegal banking/deposit-taking. This evidence proves the corporate layering and regulatory background of the prosecution case.

28. The fourth category comprises banking, revenue and property evidence. P.W.-12 Abdul Aziz produced cheques pertaining to Account No.6611 in the name of Muhammad Ibrahim, Director Alliance Motors, showing substantial withdrawals. P.W.-27 Muhammad Aslam Khan, Registrar of Firms, proved registration of Alliance Motors and Alliance Fabrics. P.W.-28 Muhammad Zafar Mushabir produced account records of M/s World Marine Shipping and Trading (Private) Limited operated by Syed Muhammad Ajmal Mehmoodi. P.W.-30 Syed Shuhab Ali, Branch Manager UBL, produced account opening documents, specimen signatures, Board Resolution, Form-29, statement of account, Letters of Credit and documents relating to Finance against Imported Merchandise facility, including mortgaged properties. P.Ws.-18, 19 and 32 to 39 proved revenue records, society records, registration records and property transfers. Wherever properly connected with an individual appellant, this category supplies independent documentary corroboration beyond the oral evidence of the Investigating Officer.

29. P.W.-42 Ghulam Asghar Jatoy, the Investigating Officer, gave a broad account of authorization, collection of documents, examination of witnesses, tracing of seventy-two assets and identification of about thirty-two subsidiary concerns. His testimony is relevant to the extent it proves acts personally done by him during investigation, documents collected by him, records produced through him, and steps taken by him in tracing

persons, companies and properties. However, its evidentiary value must be confined within settled rules of criminal evidence.

30. The accused persons were examined under Section 342 Cr.P.C. and denied the allegations. Several of them took specific defences: Syed Muhammad Ajmal Mehmoodi relied upon parity with Gul-e-Shabbir; Mst. Ghousia Ajmal denied operational connection with World Marine; Mansoor Ahmed claimed the properties belonged to Khanqah-e-Chishtia; Muhammad Younus admitted his short directorship but denied criminal benefit; Muhammad Saleem sought to distance himself from his brother Muhammad Amin; Mst. Rakhshanda Jabeen described herself as a housewife; Yahya Qureshi pleaded that he was a student and was implicated due to his father; Sultan Khan claimed to be an investor; Ahmed Ali Qureshi denied business connection and relied on his agricultural background; Dr. Abdul Rehman Rajput relied upon a civil decree regarding Flat No.602, Amber Palace; Mirza Ashfaq Ahmed denied material directorship and relied upon resignation; Mst. Fareeda Begum claimed independent purchase; and Mst. Sabina Farooq relied upon a civil decree and purchase through Court proceedings. These defences are to be tested appellant-wise against the prosecution evidence.

31. At this stage, the legal character of the Investigating Officer's evidence must be settled. In PLD 1958 SC 275<sup>6</sup>, the Honourable Supreme Court held that the opinion of an Investigating Officer regarding guilt, innocence, participation or culpability is irrelevant and inadmissible, as the function of determining guilt belongs exclusively to the Court and must rest upon legal evidence. The same principle was reiterated in 1992 SCMR 2055<sup>7</sup> and 1999 YLR 1616<sup>8</sup>, where it was held that the opinion of a police officer or investigating agency regarding guilt or innocence is not per se legal evidence and is not binding upon the Court.

32. Applying the above principle, P.W.-42's conclusions that a particular property was benami, that a particular accused was a beneficiary, or that a particular accused participated in misappropriation cannot by themselves constitute substantive evidence. Nor can any statement allegedly made by a co-accused during investigation be used as substantive evidence against another accused unless otherwise admissible and duly proved. The Investigating Officer's testimony may, however, be considered where it is confined to facts personally observed

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<sup>6</sup> Moonda and others v. The State.

<sup>7</sup> Farman Ali v. The State.

<sup>8</sup> Ghulam Mustafa v. The State.

by him, documents collected by him, recoveries or records traced by him, and production of admissible documents independently proved or corroborated by competent witnesses. The Court must therefore separate inadmissible opinion and hearsay from admissible oral, documentary, banking, corporate, revenue and liquidation evidence.

33. The defence reliance upon 2003 P Cr. L J 1<sup>9</sup> and PLD 2004 Quetta 136<sup>10</sup> is also material. In 2003 P Cr. L J 1<sup>11</sup>, the Peshawar High Court, relying upon Muhammad Sajjad Hussain v. Muhammad Anwar Hussain 1991 SCMR 703<sup>12</sup>, held that the benami character of a transaction is to be tested through four factors: source of consideration, custody of title documents, possession of property and motive for benami arrangement. In PLD 2004 Quetta 136, it was emphasized that the initial burden remains on the prosecution and that presumption under Section 14(c) of the NAB Ordinance arises only after foundational ingredients of the charge are proved. It was further held that no incriminating circumstance not put to the accused under Section 342 Cr.P.C. can be used against him, and that guilt cannot rest merely on probabilities.

34. These principles are accepted and applied in this judgment. Where the prosecution merely relies upon family relationship, nominal association, investigative opinion, suspicion or uncorroborated narration, the cited authorities require benefit of doubt. Conversely, where the prosecution proves source of consideration through traced public funds, possession or control through title, corporate, banking or liquidation records, and motive through concealment of fraud proceeds, the same authorities do not assist the accused. The appeals are therefore to be decided not by general association with the fraudulent enterprise, but by appellant-specific proof.

35. The case of Hamid Ali Qureshi, appellant in Cr. ACA No.13 of 2007, occupies a central position in the operational structure of the fraudulent enterprise. His directorship in M/s Alliance Motors (Private) Limited from incorporation stands established through the corporate record produced by P.W.-16 Sagheer Ahmed Hashmi, Deputy Registrar SECP. The prosecution case against him, however, is not confined to nominal directorship; it attributes to him active supervision of daily collection and distribution of public deposits at the Alliance Motors showroom.

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<sup>9</sup> Mehmood Hussain v. The State

<sup>10</sup> Qazi Siraj v. The State.

<sup>11</sup> Mehmood Hussain v. The State

<sup>12</sup> Muhammad Sajjad Hussain v. Muhammad Anwar Hussain.

36. The oral evidence against Hamid Ali Qureshi is direct, specific and materially corroborated. P.W.-8 Muhammad Ubedullah Khan deposed that he personally observed Hamid Ali Qureshi segregating daily cash collections into three bags marked "B.J." for Pir Asghar Ali Qureshi, "B.S." for Muhammad Ibrahim and "R" for returns to investors. P.W.-9 Abdul Qadir Siddiqui corroborated movement of cash bags to the residence of Pir Asghar Ali Qureshi. P.W.-11 Abu Bakar stated that he deposited investors' funds under the directions of Hamid Ali Qureshi and witnessed meetings of Directors convened after default. P.W.-26 Shamsuddin confirmed that Hamid Ali Qureshi was in charge of cash transactions and that daily turnover was handed over to him. This evidence establishes conscious operational participation in the collection, handling and distribution of public deposits. The conviction recorded against him is therefore supported by legally admissible evidence. However, as Hamid Ali Qureshi expired during pendency of appeal, his appeal stands abated to the extent of personal penal consequences; imprisonment, fine and disqualification stand extinguished, while forfeiture of tainted assets shall continue to operate in rem.

37. The cases of Muhammad Ibrahim and Muhammad Tayyab, appellants in Cr. ACA No.14 of 2007, stand on an even stronger footing. They were founding architects of the enterprise. Muhammad Ibrahim was a principal partner in M/s T.J. Ibrahim and Company and also Director of M/s Alliance Motors (Private) Limited, thereby connecting the original deposit-taking concern with the subsequent corporate structure. Muhammad Tayyab similarly occupied a controlling and managerial position from inception.

38. P.Ws.-1 to 7 consistently deposed that deposits were received upon representations and inducements made by Muhammad Ibrahim, Muhammad Tayyab and their associates. P.W.-8 placed both appellants at the centre of collection and circulation of public deposits. P.W.-11 implicated them in meetings held to pacify protesting Deposit Managers. P.W.-15 proved the Statement of Affairs filed by Muhammad Ibrahim disclosing extensive properties connected with the enterprise. P.W.-12 proved banking records relating to Account No.6611 maintained by Muhammad Ibrahim, showing withdrawals of approximately Rs.49.9 million. P.W.-16 confirmed Muhammad Ibrahim's directorship in Alliance Motors. The General Power of Attorney executed by Muhammad Tayyab in favour of Muhammad Sultan regarding company-related property transactions further demonstrates managerial control over assets acquired

from public funds. Their convictions are therefore maintained on merits. However, both appellants having expired, their appeals stand abated as to imprisonment, fine and disqualification, while forfeiture and administration of tainted assets shall continue in rem.

39. The case of Mirza Ashfaq Ahmed, appellant in Cr. ACA No.22 of 2012, substantially differs in evidentiary quality from the cases of the principal accused. The allegations against him relate to Offices Nos.1001 to 1007, Business Centre, I.I. Chundrigar Road; property No.A-124, Block-10, Gulshan-e-Iqbal; Bungalow No.C-95, Block-8, Gulshan-e-Iqbal; three Toyota Corolla vehicles; and cash allegedly amounting to Rs.5 million. The central question is whether the prosecution established, through admissible evidence, that these assets were acquired from company funds and that the appellant knowingly participated in concealment or utilization thereof.

40. The evidentiary foundation against Mirza Ashfaq Ahmed is materially deficient. The Investigating Officer admitted that Bungalow No.C-95 was originally purchased in the name of Samina Bashir wife of Muhammad Tayyab and subsequently transferred through a chain involving persons who later entered plea bargains or were discharged. No document connects Mirza Ashfaq Ahmed with its acquisition, financing or beneficial ownership. Regarding Offices Nos.1001 to 1007, the Investigating Officer admitted that no title or ownership documents were produced through him in examination-in-chief.

41. The appellant's defence of resignation from M/s World Marine Shipping and Trading (Private) Limited before the material transactions is supported by Form-29, showing that he ceased to be Director on 26.01.1987. The prosecution's own evidence shows that the relevant restructuring and induction of Syed Muhammad Ajmal Mehmoodi, Mrs. Ghousia Ajmal and Gul-e-Shabbir took place years later through Form-29 dated 12.01.1994, reflecting changes effective from 30.12.1993. Banking operations, Letters of Credit and import transactions were conducted thereafter through Syed Muhammad Ajmal Mehmoodi as Managing Director. No banking document, Letter of Credit or financial instrument bearing the signature or authority of Mirza Ashfaq Ahmed was produced.

42. Property A-124, Block-10, Gulshan-e-Iqbal was also not proved to be tainted. The Investigating Officer admitted that it was not included in the list of properties prepared by the Official Assignee. No witness proved that its consideration emanated from the funds of the two companies.

P.W.-39 Muhammad Tarique stated that he purchased the property from Mst. Fareeda Begum in 1999 for consideration and did not connect it with the fraudulent enterprise. The affidavits attributed to Muhammad Ibrahim and Muhammad Tayyab disclaiming nexus with company funds further weaken the prosecution case.

43. The allegations regarding Toyota Corolla vehicles and cash of Rs.5 million are unsupported by independent documentary proof. The Investigating Officer admitted that no relevant documents were produced. Most significantly, P.W.-29 Muhammad Iftikhar, relied upon by the prosecution as an insider witness, categorically stated in cross-examination that neither Mirza Ashfaq Ahmed nor his wife Mst. Fareeda Begum had usurped or taken possession of any property of Alliance Motors. Applying 2003 P Cr. L J 1<sup>13</sup>, PLD 2004 Quetta 136<sup>14</sup> and the settled rule that suspicion cannot substitute proof, the prosecution failed to prove source of consideration, beneficial possession, operative control or concealment motive against Mirza Ashfaq Ahmed. His conviction is therefore set aside and he is acquitted.

44. The case of Mst. Fareeda Begum, co-appellant in Cr. ACA No.22 of 2012, rests entirely upon the allegation that property A-124, Block-10, Gulshan-e-Iqbal was benami property acquired from company funds in her name. As already discussed, no banking record, title document, account operation record or witness testimony directly connects her with misappropriation of public funds. The property was not shown in the Official Assignee's property list and the prosecution's own witness materially weakened the allegation. The case against her remains conjectural. Her conviction is set aside and she is acquitted.

45. The case of Syed Muhammad Ajmal Mehmoodi in Cr. ACA No.23 of 2012 is materially different. P.W.-16 established from corporate record that he became Director of M/s World Marine Shipping and Trading (Private) Limited. P.W.-28 proved account records of the company operated by him. P.W.-30 produced account opening documents, specimen signature card, Board Resolution, Form-29, statement of account and Letters of Credit issued in favour of M/s Imperial Ship Trading Company, Sharjah. These documents bore his authority as Managing Director and showed direct operational control over banking and import transactions. His conviction is therefore maintained on merits. However, as he expired during pendency of proceedings, personal penal

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<sup>13</sup> Mehmood Hussain v. The State.

<sup>14</sup> Qazi Siraj v. The State.

consequences stand abated while forfeiture of tainted assets remains operative in rem.

46. Mrs. Ghousia Ajmal, co-appellant in Cr. ACA No.23 of 2012, stands on a different footing from her husband. Her directorship is reflected in Form-29, but no banking document, financial instrument, Letter of Credit, account operation record or independent evidence proves her active operational participation or beneficial control. Once inadmissible investigative attribution is excluded in terms of PLD 1958 SC 275<sup>15</sup> and 1999 YLR 1616<sup>16</sup>, the remaining evidence does not cross the threshold of proof beyond reasonable doubt. Her case is closer to the principle of benefit of doubt discussed in 2003 P Cr. L J 1<sup>17</sup> and PLD 2004 Quetta 136<sup>18</sup>. Her conviction is set aside and she is acquitted.

47. The case of Dr. Abdul Rehman Rajput in Cr. ACA No.24 of 2012 concerns Flat No.602, Amber Palace. His defence is based upon a civil decree obtained in Suit No.971/88. However, the prosecution evidence, including the Official Assignee's record, establishes that the flat formed part of tainted assets acquired from company funds. The civil decree relied upon by him was obtained without impleading the Official Assignee, in whom the assets of the wound-up companies had vested. A decree obtained inter se without the liquidator being party cannot defeat liquidation rights or criminal liability arising from retention of tainted property. His conviction and sentence are maintained.

48. The case of Mst. Sabina Farooq in Cr. ACA No.25 of 2012 concerns Bungalow No.10-A, Kathiawar Cooperative Housing Society. P.W.-30 produced direct banking documentary evidence showing that this property formed part of the security mortgaged against financial facilities obtained by M/s World Marine Shipping and Trading (Private) Limited from United Bank Limited. Her reliance upon a civil decree and purchase through Court proceedings does not avail her because neither the Official Assignee nor NAB was impleaded and the transaction affected property already connected with the liquidation estate and tainted funds. The conviction is therefore based not upon Investigating Officer opinion but upon independent banking evidence. Her conviction and sentence are maintained.

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<sup>15</sup> Moonda and others v. The State.

<sup>16</sup> Ghulam Mustafa v. The State.

<sup>17</sup> Mehmood Hussain v. The State.

<sup>18</sup> Qazi Siraj v. The State.

49. The conviction of Muhammad Saleem Yousuf in Cr. ACA No.30 of 2012 is supported by corporate and registration records establishing his role in M/s Alliance Fabrics and M/s Alliance Silk Mills (Private) Limited, entities connected with the misappropriated public funds. His own defence did not satisfactorily sever his connection from the corporate structure. His conviction is maintained on merits. However, as he has expired during pendency of proceedings, the appeal stands abated as to personal penal consequences, while forfeiture of tainted assets shall continue in rem.

50. In Cr. ACA No.31 of 2012, the prosecution failed to establish the charge against Ahmed Ali Qureshi beyond reasonable doubt. The evidence against him, consisting mainly of bank transfers and revenue entries, does not satisfactorily prove that disputed properties or transactions were financed from the fraudulent enterprise rather than independent or lawful sources. Suspicion arising from familial relationship with Pir Asghar Ali Qureshi cannot substitute legal proof. His conviction is set aside and he is acquitted.

51. The case of Muhammad Yahya Qureshi in the same appeal stands differently. The prosecution evidence establishes his active operation of M/s Alliance Furniture, an enterprise financed through funds channelled by the principal accused. His defence of being a student does not reasonably displace the evidence of operation and benefit. His conviction is maintained.

52. The conviction of Mansoor Ahmed in Cr. ACA No.32 of 2012 is upheld. P.W.-8 and the documentary record establish that the Korangi plots and Yasrab Plaza flats connected with Khanqah-e-Chishtia were acquired from the funds of the fraudulent enterprise and remained under the beneficial occupation and control of the appellant. His plea that the properties belonged to the Khanqah does not negate the prosecution evidence regarding source of consideration and beneficial retention of tainted assets.

53. The conviction of Muhammad Younus in Cr. ACA No.33 of 2012 is maintained. His directorship in M/s Alliance Motors (Private) Limited, operational role in the vehicle business and participation in handling assets acquired from public deposits stand sufficiently established through prosecution evidence and his own admission of directorship. However, his role was secondary and temporally limited compared to principal conspirators. His sentence is therefore reduced to four years rigorous

imprisonment with fine of Rs.500,000 and, in default, three months further imprisonment. Benefit of Section 382-B Cr.P.C. shall remain available.

54. The conviction of Mst. Roshan Bano in Cr. ACA No.34 of 2012 is affirmed. Her directorship in M/s Alliance Steel (Private) Limited is established through corporate records. More importantly, her own statement before the Official Assignee admitting that properties standing in her name were purchased from the funds of the companies constitutes an admission of substantial evidentiary value. The banking evidence and property records corroborate the prosecution case. Her conviction and sentence are maintained.

55. The conviction of Mst. Rakhshanda Jabeen alias Salma in Cr. ACA No.35 of 2012 is upheld on merits. The corporate record establishes her directorship in M/s Alliance Scale (Private) Limited and evidence connects that company with utilization of defrauded public funds. However, as she has expired during pendency of appeal, personal criminal consequences stand abated, while forfeiture of tainted assets remains operative in rem.

56. The conviction of Sultan Khan in Cr. ACA No.36 of 2012 is maintained on merits. The evidence establishes his participation in property transactions, operational role in M/s Alliance Silk Mills and management of assets connected with the fraudulent enterprise. However, as he has expired during pendency of proceedings, personal sentences stand extinguished, while forfeiture of tainted assets remains operative in rem.

57. Criminal Accountability Appeal No.37 of 2012, arising from Reference No.28-O of 2002, was not pressed by learned counsel vide order dated 19.01.2026 after the death of accused Elyas Amin and was disposed of accordingly. No further order is required.

58. As regards forfeiture, this Court has independently examined the legal status of properties forming subject matter of the references, the liquidation proceedings in J. Miscellaneous Petitions Nos.1 and 74 of 1989, the Statements of Affairs before the Official Assignee, and the evidentiary nexus between the properties and proceeds of the fraudulent enterprise. The record establishes that substantial movable and immovable assets standing in the names of convicted accused persons, subsidiary companies, nominees, associates or benamidars were acquired directly or indirectly from public deposits collected through M/s

T.J. Ibrahim and Company and M/s Alliance Motors (Private) Limited. Such properties constitute tainted assets and are liable to forfeiture.

59. The forfeiture of all properties proved to constitute proceeds, substitutes, derivatives or instrumentalities of the fraudulent enterprise is affirmed against appellants whose convictions have been maintained, namely Hamid Ali Qureshi, Muhammad Ibrahim, Muhammad Tayyab, Syed Muhammad Ajmal Mehmoodi, Dr. Abdul Rehman Rajput, Mst. Sabina Farooq, Muhammad Saleem Yousuf, Mansoor Ahmed, Muhammad Younus, Muhammad Yahya Qureshi, Mst. Roshan Bano, Mst. Rakhshanda Jabeen alias Salma and Sultan Khan. Such forfeiture shall extend to properties disclosed in the Statements of Affairs, properties identified during investigation and proved through documentary evidence, and properties already subjected to liquidation proceedings before the Official Assignee.

60. In the cases of deceased convicted appellants, namely Hamid Ali Qureshi, Muhammad Ibrahim, Muhammad Tayyab, Syed Muhammad Ajmal Mehmoodi, Muhammad Saleem Yousuf, Mst. Rakhshanda Jabeen alias Salma and Sultan Khan, their deaths extinguish personal criminal consequences including imprisonment, fine and disqualification. However, forfeiture proceedings against tainted assets operate in rem and survive death where the property is established to constitute proceeds of corruption, criminal breach of trust or fraudulent misappropriation. Death of an accused cannot legalize tainted assets or defeat the rights of defrauded investors. Consequently, all forfeiture orders pertaining to tainted assets attributable to the deceased convicted appellants shall remain operative, enforceable and subject to administration through the liquidation proceedings pending before this Court.

61. No forfeiture shall operate against personal assets of appellants whose convictions have been set aside, namely Mirza Ashfaq Ahmed, Mst. Fareeda Begum, Mrs. Ghousia Ajmal and Ahmed Ali Qureshi. However, this shall not preclude the Official Assignee or NAB from pursuing recovery, tracing, liquidation or possession proceedings in respect of any specific property if, independently of the criminal liability of the acquitted accused, such property is otherwise established in appropriate proceedings to form part of the assets of the wound-up companies or to constitute proceeds of the fraudulent enterprise.

62. The liquidation proceedings pending before this Court for more than three decades represent an extensive investor-recovery exercise arising

from private fraudulent deposit mobilization. The evidence establishes that approximately 49,139 claims aggregating over Rs.364 crores were filed before the Official Assignee and that, despite liquidation and sale of numerous properties, substantial investor claims remain unsatisfied. The Official Assignee therefore occupies a central fiduciary role in preserving, tracing, recovering, protecting and distributing remaining assets in accordance with law under supervision of this Court.

63. The submission that continuation of forfeiture after abatement upon death amounts to imposing criminal liability upon legal heirs is misconceived. This judgment imposes no personal criminal liability upon any legal heir of a deceased accused. The distinction between punishment in personam and forfeiture in rem is fundamental. Imprisonment, fine and disqualification are personal penal consequences and abate upon death. Forfeiture of property proved to constitute proceeds of corruption or fraud is restorative and remedial, intended to prevent unlawful enrichment and facilitate restitution to victims. Legal heirs remain personally unaffected except that no inheritable right can arise in property lawfully determined to be proceeds of fraud.

64. This distinction is important because the present fraudulent enterprise involved collection of deposits from thousands of members of the public under representations of trust, religious legitimacy and assured profitability, followed by diversion into shell companies, benami properties, private businesses, banking facilities and subsidiary ventures. To permit tainted assets to devolve unconditionally upon heirs merely because principal accused died during proceedings would defeat the object of the National Accountability Ordinance, 1999 and the equitable rights of defrauded investors.

65. At the same time, accountability jurisprudence cannot be permitted to degenerate into guilt by association. Criminal courts remain bound by due process, individualized assessment and proof beyond reasonable doubt. It is for this reason that this Court has differentiated between accused against whom operational, documentary and financial evidence exists and those against whom the prosecution established only suspicion, nominal relationship or uncorroborated investigative attribution. The acquittals recorded in this judgment therefore reflect fidelity to the principle that criminal liability must remain personal, specific and evidence-based.

66. For the foregoing reasons, Criminal Accountability Appeal No.13 of 2007 filed by Hamid Ali Qureshi is dismissed on merits; however, the

appeal stands abated upon his death and personal penal consequences stand extinguished. Criminal Accountability Appeal No.14 of 2007 filed by Muhammad Ibrahim and Muhammad Tayyab is dismissed on merits; however, both appeals stand abated owing to their deaths and personal penal consequences stand extinguished. Criminal Accountability Appeal No.22 of 2012 filed by Mirza Ashfaq Ahmed and Mst. Fareeda Begum is allowed and both appellants are acquitted. Criminal Accountability Appeal No.23 of 2012 filed by Syed Muhammad Ajmal Mehmoodi and Mrs. Ghousia Ajmal is partly allowed: the conviction of Syed Muhammad Ajmal Mehmoodi is maintained on merits but his appeal stands abated due to death, whereas Mrs. Ghousia Ajmal is acquitted. Criminal Accountability Appeal No.24 of 2012 filed by Dr. Abdul Rehman Rajput is dismissed. Criminal Accountability Appeal No.25 of 2012 filed by Mst. Sabina Farooq is dismissed.

67. Criminal Accountability Appeal No.30 of 2012 filed by Muhammad Saleem Yousuf is dismissed on merits; however, the appeal stands abated owing to his death and personal penal consequences stand extinguished. Criminal Accountability Appeal No.31 of 2012 is partly allowed: Ahmed Ali Qureshi is acquitted, whereas conviction of Muhammad Yahya Qureshi is maintained. Criminal Accountability Appeal No.32 of 2012 filed by Mansoor Ahmed is dismissed. Criminal Accountability Appeal No.33 of 2012 filed by Muhammad Younus is dismissed with modification of sentence to four years rigorous imprisonment with fine of Rs.500,000 and, in default, three months further imprisonment; benefit of Section 382-B Cr.P.C. shall remain available. Criminal Accountability Appeal No.34 of 2012 filed by Mst. Roshan Bano is dismissed. Criminal Accountability Appeal No.35 of 2012 filed on behalf of Mst. Rakhshanda Jabeen alias Salma stands abated upon her death, though conviction on merits remains affirmed as a matter of record. Criminal Accountability Appeal No.36 of 2012 filed by Sultan Khan is dismissed on merits; however, the appeal stands abated owing to his death and personal penal consequences stand extinguished. Criminal Accountability Appeal No.37 of 2012, already disposed of as not pressed on 19.01.2026, requires no further order.

68. All forfeiture orders passed by the learned Accountability Courts against tainted assets connected with the fraudulent enterprise are maintained subject to the modifications and clarifications recorded in this judgment. Forfeiture of properties attributable to convicted appellants whose convictions have been maintained shall continue to operate in rem

through the liquidation proceedings pending before this Court in J. Miscellaneous Petitions Nos.1 and 74 of 1989 under supervision of the Official Assignee. Such forfeiture shall remain unaffected by death of any convicted appellant. However, no forfeiture shall operate against personal assets of acquitted appellants except where any specific property is independently established in appropriate liquidation or recovery proceedings to constitute an asset of the wound-up companies or proceeds of the fraudulent enterprise.

69. The Official Assignee shall continue to administer, protect, recover, liquidate and distribute the tainted assets of M/s T.J. Ibrahim and Company and M/s Alliance Motors (Private) Limited in accordance with law, strictly under supervision of this Court and for the benefit of defrauded investors whose claims remain outstanding. NAB and all concerned authorities shall extend full cooperation to the Official Assignee in tracing and securing remaining assets connected with the fraudulent enterprise.

70. All convicted appellants presently on bail shall surrender forthwith before the learned Accountability Courts concerned to serve out the remaining portions of their sentences. Their bail bonds shall stand cancelled. The learned Accountability Courts shall take immediate steps for securing compliance with this judgment and for transmission of warrants wherever necessary. Any period already undergone by the convicted appellants during investigation, trial or pendency of appeal shall be adjusted under Section 382-B Cr.P.C.

71. The Office is directed to transmit a copy of this judgment to the learned Accountability Courts concerned, the Official Assignee of this Court, Chairman NAB, Superintendent Central Prison Karachi, and all concerned executing and supervisory authorities for information and compliance.

72. The Record and Proceedings of all references and connected appeals shall be returned to the learned Accountability Courts through proper channel along with a copy of this judgment.

73. These appeals are disposed of in the above terms.

**JUDGE**

**JUDGE**