IN THE HIGH COURT OF SINDH AT KARACHI

Cr. Miscellaneous Application No.995 of 2026

Applicants	:	1. Muhammad Ilyas son of Usman Ghani 2. Muhammad Saleem Khan son of Ali Akbar *Through* Mr. Bakhshed Wali, Advocate.
Respondents	:	The State *Through* Mr. Qamaruddin Nohri, A.P.G. Sindh duly assisted by Respondent No.1 (present in person).
Date of hearing	:	13.11.2026
Date of order	:	13.11.2026

O R D E R

KHALID HUSSAIN SHAHANI, J. **-** Applicants Muhammad ilyas and Muhammad Saleem Khan invoke the inherent jurisdiction of this, assailing the order dated 26.09.2026 passed by the learned Ist Additional Sessions Judge/Ex-Officio Justice of Peace, Karachi South, in Criminal Miscellaneous Application No. 4180 of 2026, directing the SHO, PS Defence, Karachi, to record the statement of respondent No. 1 under Section 154, Cr.P.C., and register an FIR if a cognizable offence is disclosed.

2. The controversy concerns Suzuki Alto bearing Registration No. BRT-714. Respondent No. 1 alleges that she acquired the vehicle through bank financing in 2020 and entrusted it to the applicants on monthly rent of Rs.45,000 in June 2024. According to her, after paying rent for two months, the applicants defaulted, refused to return the vehicle and subjected her to abuse and intimidation upon demand. Conversely, the applicants assert that the vehicle was purchased under an agreement dated 15.11.2022, substantial consideration was paid, and possession along with original documents was voluntarily delivered to them, whereas respondent No. 1 subsequently avoided completing the transfer formalities.

3. Learned counsel for the applicants contended that the dispute is essentially contractual, involving ownership, payment of consideration and transfer of the vehicle. He relied upon the sale agreement, banking transactions, deposit slips and statements of witnesses, particularly the withdrawal of Rs.9,60,000 on 16.02.2023 and corresponding deposits of Rs.7,54,000 and Rs.2,08,000, besides other payments allegedly

aggregating about Rs.21,00,000. He submitted that the learned Ex-Officio Justice of Peace failed to appreciate these material circumstances despite the police report identifying the controversy as one concerning ownership and transfer. Conversely, respondent No. 1 disputed the genuineness of the agreement and payments, maintained that the vehicle was entrusted exclusively on rent, and asserted that its continued retention disclosed criminal breach of trust, cheating and dishonest misappropriation. The learned Deputy Prosecutor General supported the impugned order, contending that disputed questions of fact warranted investigation.

4. Heard and perused the record. The jurisdiction under Section 22-A(6), Cr.P.C., though limited, is not mechanical. The Ex-Officio Justice of Peace must ascertain whether the information, taken at its face value, discloses the essential ingredients of a cognizable offence. Neither the mere existence of a civil dispute excludes criminal liability nor does a contractual breach acquire criminal character simply because dishonesty is alleged. The distinction lies in the constituent elements of the offence, not the terminology employed by the complainant.

5. Significantly, the vehicle admittedly came into the applicants' possession through an arrangement between the parties; its character alone is disputed. Respondent No. 1 describes it as rental commencing in June 2024, whereas the applicants rely upon a sale agreement dated 15.11.2022, supported by alleged contemporaneous payments, original vehicle documents and banking records. The record includes a withdrawal of Rs.9,60,000 on 16.02.2023, deposit slips and financing documents reflecting an outstanding settlement amount of Rs.7,18,043 against the vehicle. Although these documents neither conclusively establish a completed sale nor determine ownership, they constitute material circumstances bearing upon the origin and character of the applicants' possession. Their authenticity and legal effect remain disputed and cannot be conclusively adjudicated in these proceedings.

6. Equally material is the police report, which, as expressly noticed in the impugned order, reflects that the dispute primarily concerns ownership and transfer of the vehicle and the parties' competing claims. Notwithstanding this observation, the learned Ex-Officio Justice of Peace proceeded to issue the impugned direction without adequately examining whether the allegations disclosed criminal conduct independently of the contractual controversy.

7. Criminal breach of trust under Sections 405/406, PPC, requires entrustment followed by dishonest misappropriation or conversion; cheating under Sections 415/420, PPC, necessitates deception and dishonest inducement at the inception of the transaction. Mere retention of property or failure to discharge a contractual obligation does not, without the requisite criminal intention, satisfy these ingredients. Likewise, the general allegations of abuse and intimidation, unsupported by particulars of any threat intended to cause alarm, do not independently disclose the essential ingredients of criminal intimidation under Section 503, PPC. The complaint substantially rests upon non-return of the vehicle and non-payment of alleged rent, while the applicants assert possession under a prior sale transaction.

8. The nature of the relief originally sought further illuminates the controversy. Besides registration of an FIR, respondent No. 1 requested recovery of the vehicle and outstanding rent at Rs.45,000 per month for about eighteen months. Questions concerning the validity of the agreement, ownership, transfer, recovery of possession and contractual dues ordinarily require adjudication by the competent civil forum. Criminal proceedings cannot be employed as an instrument for enforcing disputed contractual obligations. Nevertheless, the availability of civil remedies would not preclude criminal proceedings if independent material disclosed the commission of a cognizable offence.

9. It is true that the impugned direction is conditional upon disclosure of a cognizable offence and does not itself finally determine criminal liability. However, the learned Ex-Officio Justice of Peace was required to exercise judicial discretion upon the material placed before him. Having noticed the competing claims concerning ownership and transfer, he ought to have examined whether the alleged conduct satisfied the foundational ingredients of the offences invoked. The impugned order does not adequately undertake that exercise. In the peculiar circumstances, its continuation would expose the applicants to criminal process without sufficient consideration of the distinction between contractual default and criminal culpability, thereby warranting interference under Section 561-A, Cr.P.C.

10. Consequently, this application is allowed and the impugned order dated 26.09.2026, passed in Criminal Miscellaneous Application No. 4180 of 2026, is set aside. It is clarified that no observation herein shall be construed as determining ownership of the vehicle, authenticity or

enforceability of the purported sale agreement, genuineness of the alleged payments or entitlement of either party to any civil relief. The parties may pursue their remedies before the competent forum, while lawful criminal proceedings founded upon independently disclosed cognizable offences shall remain unaffected by this order.

11. The pending miscellaneous applications, including M.A. Nos. 16499 and 16500 of 2026, also stand disposed of. Any interim order shall merge into this final order.

J U D G E