

IN THE HIGH COURT OF SINDH AT KARACHI

Criminal Appeal No.118 of 2025

(Ghulam Muhammad Vs. The State)

Present:

Mr. Justice Muhammad Iqbal Kalhoro

Mr. Justice Syed Fiaz Ul Hassan Shah

1. For hearing of main case
2. For hearing of MA No.2501/2025

Mr. Sikandar Khan, Advocate for the appellant.

M/s. Muhammad Jamil and Mumtazul Hassan Malik,

Advocates for the complainant / ABL.

Ms. Wajihah Mehdi, DAG.

Date of hearing: 11.12.2025

Date of Decision: 24.12.2025

JUDGMENT

Dr. Syed Fiaz ul Hassan Shah; J: The appellant has challenged the Judgment dated 25.01.2025 (“**impugned judgment**”) passed in Special Case No.07 of 2024 by the learned Special Judge (Offences in Banks) Sindh at Karachi (“**Trial Court**”) in FIR No.02 of 2024 registered with Police Station FIA CBC Karachi (“**Police Station**”) under Sections 409/420/468/471/34 Pakistan Penal Code, 1860 (**PPC**) whereby the appellant was convicted and sentenced for seven years Rigorous Imprisonment (**R.I.**) and with fine amount of Rs.100,000/-.

2. The brief facts of the case are that an enquiry bearing No.121 of 2023 was registered by FIA CBC Karachi on the basis of a written complaint dated 25.08.2023 lodged by complainant Muhammad Imran son of Ghulam Akbar, Banking Service Officer, Allied Bank Ltd., Saddar Islamic Branch, Karachi (“**ABL Bank**”), against Ali Gul (Ex-Operation Manager), Ghulam Muhammad (Ex-Teller / Cashier) and others. During surprise checking of the said branch by Regional Office of the ABL Bank, it was revealed and identified unsettled flying entries amounting to PKR-32,978,000/- and that these unsettled entries are the main source of shortage of ABL Bank’s cash which were made by Banking Service Manager of this Branch. At the relevant time, Ali Gul (Staff ID 16494 holding CNIC No.45302-0372246-5) was the Banking Service Manager of the Branch. Furthermore, internal investigation

of the branch affairs was initiated and shortage / embezzled amount may change as the result of outcome of the investigation. Ali Gul lastly attended the branch on Friday on 11.08.2023 and since then he is not traceable even on phone or at his native residence and despite repeated calls and visits to his native house at Kandiaro District Naushero Feroz messages were also dropped but were not attended by him; hence counsel for the appellant submits that action be taken against Ali Gul who committed fraud and misappropriated the public money by making entries in the system. Consequent upon Enquiry No.121 of 2023, it is found that accused Ali Gul (Ex-Operation Manager) was working in Allied Bank Ltd IBB Islamic Saddar Branch Karachi and remained working in the ABL Bank in IBB Islamic Branch till 11.08.2023 and left the bank without any intimation and did not return and he had deliberately got generated the following Cash In transit (CIT) Transactions for routing the access cash amount of Saddar Islamic Branch Karachi to the below mentioned branches of ABL Bank. The said Cash In transit (CIT) transactions were input in the system by appellant Ghulam Muhammad (Teller / Cashier) of the said branch, which were supervised by accused Ali Gul himself:

- (i) Transaction (CIT) dated 05.05.2023 for Rs.14,000,000/- from ABL Islamic Saddar Branch Karachi to ABL Cash House Foreign Exchange I.I. Chundrigar Road Karachi processed by appellant Ghulam Muhammad (Ex-Cashier) supervised by Ali Gul (Ex-BSM, Status 'Cash move through Phoenix');
- (ii) Transaction (CIT) dated 08.05.2023 for Rs.14,000,000/- from ABL Islamic Saddar Branch Karachi to ABL Cash House Foreign Exchange I.I. Chundrigar Road Karachi processed by Ghulam Muhammad (Ex-Cashier) supervised by Ali Gul (Ex-BSM, Status 'This entry was generated to settle the 1st entry cash not moved physically');
- (iii) Transaction (CIT) dated 05.06.2023 for Rs.6,500,000/- from ABL Islamic Saddar Branch Karachi to ABL Cash House Foreign processed by Ghulam Exchange I.I. Chundrigar Road Karachi Gulam Muhammad (Ex-Cashier) supervised by Ali Gul (Ex-BSM, Status 'This entry was generated by Ali Gul and Ghulam Muhammad without any approval. But physically cash

was not moved, however, cash was missing from the bank's book); and

iv) Transaction (CIT) dated 21.07.2023 for Rs.10,000,000/- from ABL Islamic Saddar Branch Karachi to Tharu Shah Naushero Feroz processed by Ghulam Muhammad (Ex-Cashier) supervised by Ali Gul (Ex-BSM, Status 'This entry was generated by Ali Gul and Ghulam Muhammad without any approval. But physically cash was not moved, however, cash was missing from the bank's book).

3. First Cash-in-Transit (**CIT**) entry dated 05.05.2023 was approved by CIT Desk and same was picked up by M/s Phoenix Amour to deliver the case to the Cash House amounting PKR-14 Million dated 05.05.2023. Co-accused Ali Gul had fraudulently and through deceitful manners got generated second CIT entry of PKR-14 Million dated 08.05.2023 from accused Ghulam Muhammad for moving the cash of CIT, which was never requested by Allied Bank Ltd Cash House Karachi nor the cash was moved. However the physical cash was missing from the Cash Vault of Allied Bank Ltd. IBB Islamic Saddar Branch Karachi.

4. Accused Ali fraudulently and through deceitful manners also got generated the third CIT entry of PKR-6.5 Million dated 05.06.2023. The said transaction was neither requested by Allied Bank Ltd Abdullah Haroon Road Branch Karachi nor approved by the CIT Desk. However, the physical cash PKR-6.5 Million was also missing from the Cash Vault of Allied Branch Ltd IBB Saddar Branch Karachi. Similarly, accused Ali Gul fraudulently and through deceitful manners also got generated the fourth entry of PKR-10 Million dated 21.07.2023. The said CIT entry was neither requested by Allied Bank Ltd Tharu Shah Branch nor approved by the operator on 15.06.2023 and merged with IBW Naushero Feroz Branch (Br Code 5313) on 04.08.2023, whereas physical cash amount of PKR-10 Million is missing from the Cash Vault of Allied Bank Ltd IBB Saddar Branch Karachi. On 11.08.2023 Allied Bank Ltd had also found following 02 unauthorized entries (from Cash Vault to Counter and Counter to Vault), where PKR 2,478,000/- were also short / missing from the Cash Vault:

- i) Posting date: '08.05.2023', Cash in Vault: 'Credit', Amount: 'Rs.14,000,000/-'; and
- ii) Posting date: '11.08.2023', Cash in Vault: 'Debit', Amount: 'Rs.16,478,000'/-.

5. Heard the counsel for the parties as well as learned DAG and perused the record.

6. We find no merit in the arguments advanced by learned counsel for the appellant that the prosecution has failed to prove the case against him, or that the embezzlement of funds through forged CIT entries in the online banking record was committed by the absconding accused, Ali Gul, who was serving as Manager Operations at the relevant time. This contention is squarely rebutted by the testimony of bank officials who appeared as prosecution witnesses, namely PW-1 Muhammad Imran, PW-2 Kamran Nizamani, and PW-3 Nosheen Alam. These witnesses categorically deposed that the forged CIT entries were inputted into the online banking system by the appellant himself, in his capacity as Teller.

7. The commission of the offence commenced with the first entry dated 05.05.2023, whereby an amount of Rs. 14,000,000/- was shown as floated to the ABL Foreign Exchange Branch. Subsequently, on 08.05.2023, the appellant made another CIT entry for Rs. 14,000,000/-, which was not credited to the Foreign Exchange Branch. According to the witnesses, this amount was embezzled through a false entry without any approval or demand. Thereafter, on 21.07.2023, the appellant made another CIT entry for Rs. 10,000,000/-, purportedly transferring cash to ABL Tharu Shah Branch, District Naushero Feroz. The inquiry conducted by the bank confirmed that no record pertaining to mandatory approval from the Regional Head existed for such transfer. The details of embezzlement, as set out in the charge, stand corroborated by the oral testimony of the prosecution witnesses and documentary evidence, particularly Exh.P/5 (seizure memo), whereby the Investigating Officer seized the online banking record of the fraudulent transactions.

8. The record establishes embezzlement of Rs. 32,978,000/- through fake CIT entries, including: the entry dated 05.05.2023 showing Rs. 14,000,000/- transferred to ABL Foreign Exchange Branch; the entry dated 05.06.2023

showing Rs. 6,500,000/- transferred to another branch; and the entry dated 21.07.2023 showing Rs. 10,000,000/- transferred to ABL Tharu Shah Branch, District Naushero Feroz and further two CIT which reveals shortage of Rs.24,78,000/-. In view of the categorical depositions of the prosecution witnesses and corroborating documentary evidence, the contention of learned counsel for the appellant is devoid of merit. The appellant's involvement in the embezzlement through forged CIT entries stands proved as rightly been held by the learned trial Court in its judgment impugned before us.

9. In view of the unequivocal and confidence-inspiring evidence, the prosecution has successfully established that the bank amount of **Rs. 32,978,000/-** was embezzled through multiple fake CIT entries inputted into the online banking system. These entries were designed to mislead the Bank Management by showing that the amounts had been credited to the ABL Foreign Exchange Branch and ABL Tharo Shah Branch, District Naushero Feroz, whereas in reality the funds were misappropriated, collected into physical possession, and used for personal benefit by the absconding accused who was entrusted with both cash and the online banking system, as well as by the appellant through falsification of the bank's online records.

10. At the same time, we have noted certain deficiencies. Neither the Bank in its internal inquiry (Exh. 6/A), nor the investigation, brought on record the **Computer I.D. number of the appellant**, which authorizes each employee to access the online banking system through confidential passwords. It is a longstanding banking practice that Managers may have access to the passwords of their subordinate officers for operational reasons. Furthermore, the Investigating Officer failed to recover the looted money or case property. The Bank's internal inquiry report also attributed responsibility to prosecution witnesses Abdul Basit Shah (Teller/Inputter), Waqar Ahmed (Teller/Authorizer) about fake CIT and Nosheen Alam, who failed to timely identify that the transactions related to embezzled CIT amounts. Considering these mitigating circumstances, we are of the view that the appellant deserves an opportunity for rehabilitation. The appellant has already suffered sufficiently, having lost his employment and endured punishment.

11. We have also examined the judgment of the Hon'ble Supreme Court in *State through the Deputy Director (Law), Regional Directorate, Anti-Narcotics Force vs. Mujahid Naseem Lodhi (PLD 2017 SC 671)*,

wherein it was held that in appropriate cases, the Court may depart from sentencing guidelines as laid down in *Ghulam Murtaza and another vs. The State (PLD 2009 Lahore 362)*. In the present case, sufficient reasons have been assigned by the trial Court for taking a lenient view. Accordingly, while maintaining the impugned judgment of conviction, we hereby modify the sentence on two counts as follows: under **Section 409 PPC**, the appellant shall undergo **three years and six months (3.5 years)**; under **Section 477-A PPC**, the appellant shall undergo **three years and six months (3.5 years)**. The sentences under **Sections 468 and 471 PPC**, as well as the fine imposed by the trial Court, are maintained so also the benefit of Section 382(b) Cr.P.C. as extended by the learned Trial Court.

12. In the result, the criminal appeal stands dismissed with modification as indicated above.

J U D G E

J U D G E

Asif