

IN THE HIGH COURT OF SINDH AT KARACHI

PRESENT:

**Mr. Justice Muhammad Iqbal Kalhoro**  
**Mr. Justice Syed Fiaz ul Hasan Shah**

Criminal Accountability Appeal No.5 of 2017

*Ghulam Hussain Samo S/o Kareem Bux*  
*Versus*  
*The STATE through Chairman, National Accountability Bureau*

Criminal Accountability Appeal No.6 of 2017

*Mumtaz Ali Channa S/o Daim Ali Channa*  
*Versus*  
*The STATE*

AND

Criminal Accountability Appeal No.8 of 2017

*Mazhar Ali S/o Anwar Ali*  
*Versus*  
*The Director General, National Accountability Bureau Sindh*

APPELLANT in Appeal No.5/2017	: Ghulam Hussain Samo (present in person)
APPELLANT in Appeal No.6/2017	: Mumtaz Ali Channa (present) Through Mr. Shaukat Hayat, Advocate.
APPELLANT in Appeal No.8/2017	: Mazhar Ali (present) Through Syed Mehmood Alam Rizvi Advocate.
RESPONDENT / THE STATE	: National Accountability Bureau (NAB) Through Syed Khurram Kamal, Special Prosecutor.
Date of Hearing	: 18.12.2025
Date of Decision	: 18.12.2025

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

**Dr. Syed Fiaz ul Hasan Shah, J :-** Through Crl. Accountability Appeal No.5 of 2017, the Appellant Ghulam Hussain Samo has challenged the Judgment of conviction dated 20.04.2017 (“**impugned Judgment**”) passed by the learned Judge, Accountability Court No.III, Sindh at Karachi (“**Trial Court**”) in NAB Reference No.34 of 2015 filed by the National Accountability Bureau Sindh, Karachi (“**NAB**”) wherein the accused / appellant was convicted and sentenced to suffer Rigorous Imprisonment (“**R.I**”) for two (02) years only and to pay fine of Rs.926,400/- only and in default thereof, he shall suffer R.I. for six (06) months more.

The Appellants Mumtaz Ali Channa and Mazhar Ali through Crl. Accountability Appeals No.6 & 8 of 2017 have also challenged the impugned judgment, whereby, in the aforesaid NAB Reference they were convicted and sentenced to suffer R.1 for seven (07) years each and both are equally responsible to pay 50% fine of Rs.3,72,42,944/- and in case of default in payment of fine, to suffer R.I for two (02) years more each. The accused persons stand disqualified for a period of 10 years to be reckoned from the date they are released after serving the sentence, for seeking or from being elected, chosen, appointed or nominated as a member or representative of any public body or any statutory or local authority or in service of Pakistan or of any province so also shall not be allowed to apply for or be granted or allowed any financial facilities in the form of any loan or advances from any bank or Financial Institution in the public sector, for a period of 10 years from the date of conviction. The accused persons, however; are entitled for the benefit of Section 382(B) Cr. P.C.

2. The facts of the case are that the NAB authorities have filed Reference No.34 of 2015 against the appellants in the above appeals as well as against Muhammad Wasif Malik whereby, the Trial Court while passing of the impugned judgment has acquitted him while convicted three accused persons, the appellants in the above appeals herein. The facts of the case are that a complaint was made by Muhammad Bux Pathan, Assistant Director (Local Fund & Audit) and Muhammad Dawood Soomro regarding misappropriation of funds of Town Municipal Administration, Mirpur Bathoro, Sujawwal. Consequently, an inquiry was authorized, which was converted into an investigation by Director General, NAB, Karachi on 15.05.2015, wherein, it was found that 55 bearer cheques were prepared and issued by showing that certain development works were done within the jurisdiction of Town Municipal Administration, Mirpur Bathoro, Sujawwal, thereby causing loss to the public exchequer by pocketing of money for their personal gains.

3. After usual investigation copies were supplied to the appellant under section 265-C, Cr.P.C. and the charge was framed against the Appellants on 26.01.2016 at Exh.5, which the appellants pleaded not guilty and claimed to be tried at Exh.6 to 9 respectively. The prosecution in order to prove its case has examined seven (07) witnesses as PW-1 to PW-7, who produced the documents / record from Exh.11/1 to 18/42 respectively. Thereafter, the prosecution has closed its side at Exh.19 and the statement of accused was recorded under section 342, Cr.P.C. at Exh.20 to 23 respectively, whereby, they denied the allegations levelled against them by the prosecution.

The appellants have neither examined themselves on oath, nor produced any witness in their defence.

4. We have heard the learned counsel for the appellants in Appeals No.6 & 8/2017 as well as appellant in person in Appeal No.5/2017 and learned Special Prosecutor for NAB and with their assistance minutely perused the record of the case.

5. We have observed that the appellants issued 55 bearer cheques amounting to **Rs.37,242,944/-**. Although bearer cheques are recognized as a valid and legal instrument under the Negotiable Instruments Act, 1881, their use within government financial administration is subject to strict restrictions and heightened scrutiny under the applicable Financial Regulations, owing to the inherent risks of embezzlement, money laundering, and other financial irregularities. Consequently, government policy expressly discourages the issuance of bearer cheques for payments to private contractors or for disbursements from the public treasury. In particular, Rule 70(9) of the Sindh Local Councils (Accounts) Rules, 1983, prohibits Town Municipal Officers from issuing bearer cheques, permitting only cross-cheques for such transactions. Despite this clear restriction, the appellants prepared and drew bearer cheques in favour of contractors. Furthermore, the prosecution has produced sufficient documentary evidence establishing that no work was executed within the territorial jurisdiction of the Town Municipal Administration, Mirpur Bathoro, Sujawwal, against which the 55 bearer cheques were prepared and

encashed, thereby causing a financial loss of Rs.37,242,944/- to the public exchequer.

6. When confronted with the above legal position to the learned counsel for appellants, they do not press their respective appeal and requested that the period of sentence may be modified for the period which has already been undergone by the appellants.

7. In view of above facts and circumstances of the case, we are of the considered view that the impugned judgment passed by the learned Trial Court stands maintained, however, with modification that the sentence of appellants is reduced for the period which they have already been undergone while maintaining fine amount of **Rs.37,242,944/-** to be deposited by the appellants Mazhar Ali and Mumtaz Ali Channa 50% each and in case of default, they would have to further undergo R.I. for two (02) years each. Similarly, the sentence of appellant Ghulam Rasool Samo is also reduced to the period which he has already undergone while maintaining fine amount of **Rs.926,400/-** to be deposited by the appellant Ghulam Hussain Samo and in case of default, he would have to further undergo R.I. for six (06) months. The appellant Ghulam Rasool Samo present on bail is directed to deposit the fine amount as above and the appellants Mazhar Ali and Mumtaz Ali Channa present on bail are also directed to deposit the fine amount of Rs.37,242,944/- 50% each on or before **27.01.2026** with the Nazir of this Court, who shall transmit the fine amounts to SBP / National Treasury forthwith.

8. In case of default in payment of fine amounts, office is directed to issue non-bailable warrants through Investigating Officer of the case against the appellants for serving their sentences in default of payment of fine amounts accordingly.

9. Consequently, instant Criminal Accountability Appeals are dismissed with above modifications.

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