

**ORDER SHEET**  
**IN THE HIGH COURT OF SINDH, KARACHI**

**Cr. Revision. Appl. No.198 of 2024**

Date	Order with signature of the Judge
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Present:

**Mr. Justice Muhammad Iqbal Kalhoro.**  
**Mr. Justice Khalid Hussain Shahani.**

Muhammad Siddique Mirza                    .....Vs. ....Syed Adil Shah & others

**15.04.2026.**

Applicant in person.

Mr. Ghulam Umar, advocate for respondent No.2

Mr. Khaleeq Ahmed DAG a/w Irshad Ali Assistant Attorney  
General.

**ORDER**

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**MUHAMMAD IQBAL KALHORO J:** Applicant, a professional lawyer filed a direct complaint against Silk Bank (now United Bank Ltd.) and its officials et al in Special Court (Offences in Banks) Sindh at Karachi (Special Court) for committing offences u/s 41, 405, 409, 109, 34 PP.

2. He essentially alleged in the complaint that respondent No.1, Syed Adil Shah was his family friend, sought his legal assistance in a dispute with the bank relating to sale of his two houses located in DHA. He pleaded shortage of funds, did not pay him professional fees and instead entered into a litigation-agreement dated 04.12.2009 delegating, among others, authority to him to represent him in legal matters before the courts against the bank; and in return making him 45% shareholder in the benefits to be reaped from the bank ultimately.

3. Thereafter, in pursuance of such agreement applicant filed relevant suits against the bank in this Court. When the suits were poised for recording of evidence, respondent No.1 without knowledge of applicant entered into settlement negotiations with the bank and finally despite objection by the applicant and in violation of contents of litigation-agreement, respondent No.1 appointed another advocate, withdrew the suits filed through the applicant and settled the matter with the bank.

4. Applicant as soon as came to know of such process of settlement, wrote letters to the Bank demanding details of the settlement but to no avail. Finally, the suits filed through him were withdrawn by respondent No.1, settlement reached and benefits reaped by both the parties. Hence,

the applicant aggrieved by such process approached the Special Court through the Direct Complaint against him and the bank and its officials. This complaint has been dismissed vide impugned order dated 31.08.2024, the Special Court has held mainly that it lacks jurisdiction to adjudicate the matter. This order has been challenged by the applicant.

5. Applicant has mainly contended that the Special Court has not properly appreciated the facts and circumstances of the case; as per contents of litigation agreement, respondent No.1 was not authorized to enter into any settlement with the bank without his permission being 45% shareholder in financial stakes; as per agreement respondent No.1 was not allowed to change the advocate and withdraw the suits; the Special Court has wrongly interpreted section 2(d) of Offences in Respect of Banks (Special Courts) Ordinance 1984 (Ordinance 1984); that settlement negotiations between respondent No.1 and the bank pertain to transaction in respect of the bank, hence were amenable to jurisdiction by the Special Court.

6. Applicant in his arguments has also referred to an order dated 08.06.2020 passed by a Divisional Bench of this Court in Cr. Revision Application No.81/2020, whereby the order passed by the Special Court u/s 94 allowing the applicant's request to the bank to produce certain documents was set-aside and the trial court was directed to proceed with the matter in accordance with law first, to determine status of the direct complaint and then consider request to call for certain record from the bank. He has relied upon 1992 SCMR 353, PLD 2013 Sindh 374 and 2014 CLD 1493 to bring home the point that the impugned order is not sustainable.

7. On the other hand, learned counsel for bank has stated that essentially the applicant has alleged violations of the litigation agreement between him and his client, respondent No.1; the bank has nothing to do with the agreement and was not bound by its terms, hence its settlement of dispute with respondent No.1 was neither illegal nor anything to do with litigation agreement executed by two private persons. Learned DAG has supported the impugned order.

8. We have heard the parties, considered material available on record and taken guidance from the case law relied at bar. Section 2(d) of the Ordinance, 1984 defines scheduled offence as an offence specified in the first schedule and alleged to have been committed in connection with the business of the bank. The Supreme Court in the case of A. Habib Ahmed <sup>1</sup> while interpreting scheduled offence has held that scheduled offence does include a rider to be the offences which are mentioned in the schedule. The rider is that those offences should be alleged to have been committed “in respect of” or “in connection with the business of a bank”. Further, the expression “business of a Bank” used in the definition would have to be given extended meaning on account of the use of two such further open ended expressions which connote very wide meaning for the words “business” and the “Bank”. These are “in respect of” or “in connection with”. The scrutiny of the meanings of these words and expressions in the classical sources together with the modern usages and scope of banking business leave absolutely no doubt that there will be left out of their ambit only extremely rare cases. They somehow or the other are linked with the modern extended banking practices in trade business, industry and finance, domestic and other; besides the earlier known scope of their operation. The word “business” as separate from the word “bank” goes with the modern banking business and all that is included in the banking procedures. Not only this, banking activities both with regard to the depositors dealings as well as dealings in trading and other enterprises are their business.

9. A perusal of above summary defining scheduled offences in section 2(d) of the Ordinance, 1984 makes it abundantly clear that an offence, which is committed in respect of or in connection with the business of the bank with all mandatory overtones relating to modern banking practices -- banking procedure or banking activities with regard to the depositors dealing as well as dealings in trading and other enterprises -- would be considered as a scheduled offence triable by the Special Court. It has also been urged that the words “in respect of” or “in connection with the business” of the bank, while determining whether any offence is scheduled offence to be tried by the Special Court or not, have to be given wider meaning.

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<sup>1</sup> PLD 1992 SC 353

10. Therefore, in such context, our job is to see for deciding instant application, as to whether the allegations contained in the direct complaint make out a scheduled offence or not. Applicant has essentially based his case on settlement agreement between the bank and respondent No.1, and has urged that it overrides resolutions of dispute between his client and the bank except with his consent and permission. Therefore, the suits filed by respondent No.1 through applicant could not have been withdrawn by him without fulfilling obligations to him.

11. It goes without saying that Ordinance, 1984 was promulgated to provide for establishment of Special Courts for trial of certain offences involving the banks. Primarily, aim and object of the Ordinance, 1984 is to deal with the offence that is directly involving banking institutions and their employees or is in connection with the banking functions. An act that causes or is likely to cause financial loss to the bank is the act that is amenable to the jurisdiction of the Special Court. Further, such act necessarily must refer to fraud, embezzlement, misappropriation and breach of trust involving bank or its property to be cognizable by the Special court. For, the purpose of the Ordinance is to protect the financial integrity of the bank and its assets by ensuring that such offences are tried in Special Courts speedily and the wrongs dealt with adequately.

12. With this context in the mind, when we look at the case in hand, it transpires that applicant is essentially aggrieved by actions of his client, respondent No.1 on whose instance, he had filed two suits against the bank, pursuant to litigation-agreement between them binding the latter to deal with the bank only under his knowledge and guidance. But it seems that when the time came, respondent No.1 acted on his own, settled the dispute with the bank and withdrew the suits filed against the bank by appointing another advocate, as apparently applicant had refused to withdraw the suits citing terms and conditions of the litigation agreement. What is most important to see is that neither the bank was party to the litigation-agreement, nor therefore, bound by its terms. As a result of settlement with respondent No.1, the bank has admittedly not sustained any loss, nor any fraud or misappropriation etc. by virtue of such settlement is alleged by the bank. Further, neither the bank is aggrieved from such settlement nor its customer, respondent No.1 is dissatisfied with

it. On the contrary, it seems that the settlement led to the satisfaction of the claim of the bank against respondent No.1.

13. The Special Court is not authorized to determine nature of agreement between two private persons or its impact, or any alleged violation thereof even in a case where the agreement purportedly refers to a dispute on bank transactions unless, as a result of such agreement, the bank has been defrauded or sustained loss etc. due to some actions executed under such agreement. For the Special Court to take cognizance of the offence, complainant has to show that the alleged offence was committed either in respect of or in connection with the business of the bank. The allegation by the applicant is not of that nature but that respondent No.1 by entering into settlement with the bank violated the terms and conditions of the litigation-agreement executed by him with the applicant.

14. The special Court in the impugned order has observed that applicant has alleged that he has suffered harm, due to such settlement, from his client and not by the bank. Hence it has concluded that it has no jurisdiction to adjudicate upon the matter. The Special Court has further observed that the controversy appears to be private arising out of contractual obligations qua litigation-agreement between the parties, and there is no direct involvement of the bank or the banker. Further that such dispute could be decided either by civil or criminal court depending on nature of relief.

15. We, find no material to have any exception to such observations keeping in view the aim and object of the Ordinance, 1984, definition of the scheduled offence in section 2(d) of Ordinance, 1984 and nature of allegations leveled by the applicant against respondent No.1 and others. Accordingly, this revision application merits no consideration and is dismissed.

The Cr. Revision. Application is disposed of alongwith pending applications.

JUDGE

JUDGE

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