

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI
Cr. B.A. No.677 of 2025
 (Syed Abu Talib Hussain Rizvi & another vs. The State & another)

Present:
 Mr. Justice Muhammad Iqbal Kalhoro
 Mr. Justice Syed Fiaz-ul-Hassan Shah

For hearing of bail application

Date of hearing
& order **18.02.2026**

Mr. Muhammad Ishrat Ghazali, advocate a/w applicants
 Mr. Sibghatullah Shah, advocate holding brief for Mr. Muhammad Ishaq Ali, advocate for complainant/bank
 Mr. Nisar Ahmed Mallah, advocate
 Ms. Shazia Hanjrah, DAG

O R D E R

Muhammad Iqbal Kalhoro, J:- Applicants are seeking pre-arrest bail in Crime No.02/2025, u/s 2(g)(iii) of the Financial Institutions (Recovery of Finance) Ordinance, 2001. They were admitted to ad-interim pre-arrest bail vide order dated 17.03.2025, and today the matter is fixed for confirmation of interim pre-arrest bail or otherwise.

2. It is alleged in FIR that applicants had availed a Financial Facility of Rs. 3,54,00,000 from JS Bank, which they failed to repay as per terms and conditions of the agreement. Hence, JS Bank filed a suit for recovery and as a counter blast applicants also filed a suit seeking stay against auction of mortgaged property. Meanwhile, JS Bank approached FIA and got present FIR registered against applicants for the alleged commission of an offence u/s 2(g)(iii) of the Financial Institutions (Recovery of Finance) Ordinance, 2021 (**FIO**). The FIA investigated the matter and submitted the Challan but the learned Special Court refused to take cognizance of offence on the ground of lack of jurisdiction. Thereafter, the Challan was submitted before the Banking Court No.III, Karachi, it also refused to take cognizance of offence stating that it had no jurisdiction either under Section 7(1) (b) of Financial Institutions (Recovery of Finances) Ordinance, 2001. Against the said orders, the Revision Application has been filed by the Bank before this Court, which is presently pending adjudication.

3. Learned counsel for the applicants submits that it is yet to be determined whether the applicants have committed any offence; that the two

relevant Courts dealing with banking matters including the alleged offence have refused to take cognizance of the offence on the ground of lack of jurisdiction. He has further submitted that the dispute between the parties is purely of a civil nature and the registration of the FIR is not maintainable.

4. On the other hand, learned counsel for the respondent/bank and learned DAG have opposed bail.

5. However, we are of the view that, at this stage, virtually no criminal case is pending against the applicants, and their criminal liability is yet to be determined. *Prima facie*, malafide on the part of the Bank to approach FIA in registering FIR against the applicants, when civil litigation between the parties was already ongoing and a suit for recovery of the loan was pending, cannot be ruled out. In view of the above facts and circumstances, applicants have made out a case for pre-arrest bail. This bail application, therefore, is allowed and ad-interim pre-arrest bail granted to the applicants vide order dated 17.03.2025 is hereby confirmed on same terms and conditions.

6. Bail application stands disposed of in the above terms. The observations made hereinabove are tentative in nature and would not prejudice case of either party at trial.

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JUDGE

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Rafiq/PA.