

# IN THE HIGH COURT OF SINDH AT KARACHI

## **Criminal Bail Application No.3347 of 2025**

Applicant : Muhammad Zaheer Abbas  
Son of Muhammad Aslam  
Through Mr. Mallag Assa Dashti,  
advocate

The State : The State: Through Mr. Khaleeq  
Ahmed, Deputy Attorney General,  
Pakistan along with Inspector/IO-  
Arif, FIA, CCC, Karachi

Date of hearing : 10.12.2025

Date of Order : 10.12.2025

### ORDER

**Jan Ali Junejo, J:--** Through this Criminal Bail Application, the Applicant, Muhammad Zaheer Abbas son of Muhammad Aslam, seeks post-arrest bail in FIR No. 26/2025 registered at Police Station FIA Corporate Crime Circle, Karachi, for offences under Sections 4, 5, and 23 of the Foreign Exchange Regulation Act, 1947 ("FERA") read with Sections 109 and 34 PPC. The Applicant's earlier post-arrest bail application bearing No. 5276/2025 was dismissed by the learned Sessions Judge, Malir at Karachi, vide order dated 03.12.2025. Being aggrieved, the Applicant has approached this Court.

2. As per FIR and the prosecution material, on 18.10.2025, acting upon information regarding illegal sale/purchase and smuggling of foreign currency, the FIA CCC conducted a raid at Jinnah International Airport, Karachi. Co-accused Usama Abid Dar, traveling to Sharjah, was intercepted at the ASF Check Post and, upon search of his trolley and laptop bags, USD 100,000 were allegedly recovered, concealed in envelopes among clothes. On interrogation, he led to the apprehension of co-accused Mehmood Butt waiting outside the departure hall. Both were brought to the FIA CCC for further inquiry. During interrogation, co-accused

Mehmood Butt allegedly disclosed an organized Hundi/Hawala operation and implicated several persons including the present Applicant (also referred to as Zaheer/Zaheer Butt), stated to be an employee at Double AA Exchange, Gujranwala, as a supplier of foreign currencies (Dirhams, Riyals, Turkish Lira) on various occasions on the directions of another alleged handler. Digital devices and other materials were seized from the arrested co-accused. On the basis of these disclosures and ensuing inquiry, the present Applicant was nominated; no currency or contraband was recovered from his person or premises at the time of the raid.

3. Learned counsel for the Applicant contends that the Applicant is innocent and has been roped in solely on the uncorroborated disclosure of co-accused, which, standing alone, carries no substantive evidentiary value. No recovery whatsoever has been effected from the Applicant, nor was he present at the scene. The allegation against him concerns supply of Dirhams and Turkish Liras, whereas the recovery in the case is exclusively of US Dollars, indicating a material disconnect. It is further urged that the very registration of FIR is hit by Section 23(3) of FERA, 1947, as prosecution could proceed only upon a complaint in writing by a person authorised by the State Bank of Pakistan; FIA CCC lacks lawful authority to initiate the FIR in the manner done. The offences carry a maximum sentence of five years and do not fall within the prohibitory clause of Section 497 Cr.P.C.; thus, per settled law including Tariq Bashir (PLD 1995 SC 34) and subsequent precedents, bail is a rule in cases not falling within the prohibitory clause, particularly where the matter calls for further inquiry. He prayed that the Applicant is in custody; interim challan is submitted; witnesses are officials; there is no likelihood of tampering or absconding; the case is riddled with doubts and contradictions; therefore, the Applicant be admitted to post-arrest bail.

4. Conversely, learned Deputy Attorney General, assisted by the IO, opposes bail, asserting that the material collected depicts an

organized transnational Hundi/Hawala network causing loss to the national exchequer. The statements of co-accused, coupled with recovery of USD 100,000 and digital trails, tentatively connect the Applicant as a facilitator/supplier operating from an exchange concern at Gujranwala. In economic and organized crimes, it is argued, courts exercise restraint in extending bail as premature release may impede unearthing of the wider network, risk tampering with electronic evidence, and lead to abscondence. It is prayed that the application be dismissed.

5. I have considered the arguments advanced by the learned counsel for both parties and have undertaken a tentative assessment of the material available on record, as is permissible at the bail stage. At this stage, the Court is only required to tentatively assess the material to determine whether reasonable grounds exist to believe that the accused is guilty of the alleged offence, or whether the case falls within the ambit of further inquiry under Section 497(2) Cr.P.C. It is neither necessary nor permissible to undertake a deeper or roving appraisal of the evidence at this stage. The recovery of USD 100,000 from co-accused at the airport is not disputed by the defence for present purposes. However, the role ascribed to the Applicant is that of an off-site facilitator/supplier, nominated on the basis of disclosures made by co-accused. There is, as of now, no recovery from the Applicant, no arrest from the spot, and no direct overt act at the scene attributed to him. The prosecution asserts the existence of digital corroboration; however, at this stage the record before the Court does not demonstrate any specific recovered device, forensic report, transactional record, or message thread directly linking the Applicant to the seized corpus delicti or to any specific smuggling act contemporaneous with the raid. The allegation that the Applicant supplied foreign currencies different from the seized one (Dirhams/Riyals/Lira versus recovered USD) is, at minimum, a factor creating doubt as to the immediacy and specificity of his alleged involvement in the subject transaction.

6. While information obtained from a co-accused can furnish a lead for investigation, standing alone it is ordinarily insufficient as substantive evidence for conviction. At the bail stage, such disclosure, absent independent corroboration connecting the Applicant, typically renders the matter one of further inquiry. The prosecution has not placed before the Court any independent witness statement, documentary trail, authorized surveillance record, audited books of the concerned exchange, banking or money service business records, or forensic extraction reports establishing a clear nexus between the Applicant and the recovered USD 100,000 of this very incident.

7. The defence has raised a jurisdictional objection that, in view of Section 23(3) of FERA, prosecution is to be instituted on a written complaint by a person authorised by the State Bank of Pakistan (SBP). Whether the mode adopted by FIA CCC satisfies the statutory precondition is a mixed question of law and fact requiring examination of authorisations, notifications, or rules, none of which are presently produced to dispel the objection conclusively. At this tentative stage, the statutory bar pleaded by the defence contributes to the complexion of "further inquiry". The maximum punishment for the alleged offences under FERA sections invoked, as argued, does not exceed five years; therefore, the case does not fall within the prohibitory clause of Section 497 Cr.P.C. The settled principle expounded inter alia in PLD 1995 SC 34 (Tariq Bashir) and followed in 2002 SCMR 1797, 2009 SCMR 1488, 2011 SCMR 1708, 2013 SCMR 669, PLD 2017 SC 733, PLD 2021 SC 903, and various High Court judgments cited by the defence, is that in offences not falling within the prohibitory clause, grant of bail is a rule and refusal an exception, subject to considerations such as likelihood of absconding, tampering with evidence, or misusing the concession.

8. The interim challan is stated to have been submitted. The primary witnesses are FIA officials. The Applicant is a resident of Gujranwala; no previous conviction or record of abscondence is

shown. The prosecution's apprehension about tampering with electronic evidence is generic; no specific pending forensic retrieval from the Applicant's own devices is pointed out. Appropriate conditions can adequately mitigate the risk of abscondence or interference. In cumulative assessment, the nomination of the Applicant rests predominantly on the disclosure of co-accused; there is no recovery from him; the link to the specific seized amount is tenuous; the statutory objection under Section 23(3) FERA is a substantial point requiring adjudication; the case does not fall within the prohibitory clause; and the customary grounds for refusal (abscondence/tampering) can be addressed through conditions. The matter, thus, squarely attracts the doctrine of further inquiry under Section 497(2) Cr.P.C. The Applicant is, therefore, entitled to the concession of post-arrest bail.

9. For the foregoing reasons, this Criminal Bail Application is allowed. The Applicant, Muhammad Zaheer Abbas son of Muhammad Aslam, is admitted to post-arrest bail in case/FIR No. 26 of 2025 under Sections 4, 5, 23 of the Foreign Exchange Regulation Act, 1947 read with Sections 109/34 PPC, registered at Police Station FIA Corporate Crime Circle, Karachi, subject to his furnishing: solvent surety in the sum of Rs. 200,000/- (Rupees Two Hundred Thousand only), and a personal recognizance (P.R.) bond in the like amount, to the satisfaction of the trial Court. It is, however, observed that the findings recorded herein are tentative in nature, made solely for the purpose of deciding the present bail application, and shall not prejudice the case of either party during the course of trial.

These are the detailed reasons for the Short Order dated 10.12.2025.

**JUDGE**