THE HIGH COURT OF SINDH AT KARACHI

Criminal Bail Application No.1596 of 2025
Criminal Bail Application No.2007 of 2025

Present:
Justice Zafar Ahmed Rajput (ACJ)
Justice Jan Ali Junejo

Applicant in Crl. Bail Appln. No. 1596 of 2025	:	Maryam Bibi w/o Muhammad Sabal Solangi
Applicant in Crl. Bail Appln. No. 2007 of 2025	:	Muhammad Sabal Solangi s/o Peeral Solangi
		Both through Mr. Azain Nadeem Memon, Advocate.
Respondent	:	The State, through Mrs. Shazia Hanjra, Deputy Attorney General **("DAG")** along with Mr. Bharat Kumar, AD, F.I.A.
		_____
Date of hearing	:	23.10.2025
Date of Order	:	31.10.2025

ORDER

Jan Ali Junejo, J. - By this common order, we intend to dispose of above listed both Crl. Bail Applications, as the same being arisen out a common Crime/FIR No. 01 of 2025, registered at Police Station Counter Terrorism Wing/FIA, Karachi under Sections 406/419/420/468/471/109, PPC read with Sections 3 and 4 of the Anti-Money Laundering Act, 2010 **("Act of 2010")**, and Section 11-N of the Anti-Terrorism Act, 1997 **("Act of 1997")**, have been heard by us together.

2. Through the listed Crl. Bail Application No. 1596 of 2025, applicant/accused, Maryam Bibi, has sought pre-arrest bail in the aforesaid crime. Her earlier application for the same relief, being Crl. Bail Application No. 99 of 2025, was dismissed by the Anti-Terrorism Court

No. XVI, Karachi **("Trial Court")**, vide common order, dated 14.05.2025. She was admitted to interim pre-arrest bail by this court vide order dated 18.06.2025; now she seeks confirmation of the same. While by means of Crl. Bail Application No. 2007 of 2025, applicant/accused, Muhammad Sabal Solangi, seeks post-arrest bail in the aforesaid crime. His earlier application for the same concession, being Crl. Bail Applications No.145 of 2025, was declined by the Trial Court, vide said common order.

3. Briefly stated facts of the case are that, on 16.04.2025, the aforesaid FIR was registered pursuant to Enquiry No. E-17/2024 initiated on a communication received through INTERPOL Skopje, Macedonia, regarding involvement of certain Pakistan-based Non-Governmental Organizations (NGOs) in financial transactions purportedly inconsistent with their declared charitable objectives, raising suspicion of terrorism financing and money laundering. Pursuant thereof, the FIA commenced an inquiry into the affairs of three interlinked organizations, namely, Indus Community Empowerment Foundation (ICEF), the Pukar Foundation, and Hope for Mankind, all registered as societies under the Societies Registration Act, 1860, and were operating primarily in Sukkur and Karachi. The investigation identified Muhammad Sabal Solangi, the applicant, as the *founder and controlling mind* of ICEF and its affiliated entities, while Maryam Bibi, his spouse and co-applicant, was shown as the *initial Chief Executive Officer* and a *joint signatory* of the organization's principal bank accounts. It is alleged by the prosecution that during 2018–2025, these organizations received foreign remittances exceeding PKR 1.585 billion from donor entities based in Macedonia, the United Kingdom, and other countries. According to the FIA, a substantial portion of these

funds was transferred to accounts of employees and associates functioning as *benamidars*, while large sums were withdrawn in cash or placed in fixed deposits of PKR 110.2 million to derive profit and that certain residential properties, vehicles, and business investments in the names of the applicants/accused and their relatives were financed out of these funds. The record also indicates that the FIA attributes to the applicants the preparation and use of forged Memoranda of Understanding **("MoUs")**, fabricated audit documents, and false donor correspondence, ostensibly to secure further inflows of foreign aid. The said NGOs operated from overlapping premises, shared administrative personnel, and maintained interlinked accounts, thereby suggesting a common control structure and deliberate "layering" of transactions to obscure the true origin and use of funds. These acts constitute *criminal breach of trust, cheating, forgery, impersonation,* and *money laundering* with potential nexus to *terrorism financing*; for that the applicants were booked in the aforesaid FIR.

4. Learned counsel for the applicants has contended that the entire prosecution's case rests on conjecture and documentary guesswork rather than direct incriminating evidence; that neither the FIR nor the interim challan discloses any transaction linked to a proscribed organization or person, or any element of violence or coercion satisfying the definition of *"terrorism"* under Section 6 of the Act of 1997; hence, the application of Section 11-N *(ibid)* is misconceived; that the Act of 2010 has been invoked without identifying any predicate offence or *"proceeds of crime,"* - a statutory prerequisite under Sections 2(xxviii), 3, and 4 of the said Act; that all relevant bank records, digital devices, and audit data have already been seized and the accounts frozen, leaving no scope for tampering; that the

alleged offences under PPC do not fall under the prohibitory clause of Section 497, CrPC; that continued detention would amount to pre-trial punishment in violation of Articles 9 and 10-A of the Constitution; that the case of applicant Muhammad Sabal Solangi, even if accepted at face value, calls for further inquiry under Section 497(2), CrPC, particularly when the statutory ingredients of the Acts of 2010 and 1997 are not met; that the implication of applicant Maryam Bibi is vicarious, which is based on her being the spouse and signatory of ICEF accounts, without any overt act of misappropriation or forgery and she, being a woman with clean antecedents, has cooperated fully during investigation, therefore, she qualifies for pre-arrest bail under Sections 498 & 497(1), CrPC read with Section 21-D of the Act of 1997; that the guilt of both the applicants requires further inquiry, therefore, they are entitled to be admitted to bail.

5. Conversely, the learned DAG, assisted by the Investigating Officer of FIA, has opposed the bail pleas, maintaining that the facts and allegations disclose a well-orchestrated financial fraud and laundering scheme of international magnitude, involving foreign remittances exceeding Rs. 1.6 billion, layered transactions through benami accounts, and investment of Rs. 110 million in fixed deposits for personal gain under the guise of charity; that applicant Muhammad Sabal Solangi was the controlling mind and beneficiary of the network, while applicant Maryam Bibi actively participated as CEO, she was a joint-signatory, thereby she facilitated the diversion and concealment of donor funds; that forged MoUs and falsified audit reports demonstrate deliberate deception and misuse of the NGOs' platform to attract foreign funds, raising grave suspicion of terrorism financing under Section 11-N of the Act of 1997; that

seeing the magnitude of funds, transnational character of transactions, and continuing investigation, the release of either applicant would enable influence over witnesses, tampering with financial evidence, and obstruction of justice; hence, both the bail applications are liable to be dismissed.

6. We have heard the learned counsel for the applicants as well as the learned DAG and have carefully examined the material available on record with the degree of tentative assessment permissible at the bail stage.

7. It may be observed that the invocation of Section 11-N of the Act of 1997 is contingent upon credible material establishing that the funds in question were either utilized for, or intended to be utilized in, the support or furtherance of a proscribed organization, or for the commission or facilitation of an act of terrorism as defined under Section 6 of the Act. In the instant case, neither the FIR nor the challan discloses any allegation or evidence suggesting that the remittances or transactions were connected to any proscribed entity or intended for any terrorist objective. The record is devoid of any material indicating violence, threat, public endangerment, intimidation of the State, or creation of terror or insecurity among the public, ingredients that constitute the core of the definition of "*terrorism*" under Section 6 of the Act of 1997. The mere quantum of foreign remittances, even if substantial, or any alleged procedural or regulatory non-compliance, without demonstrable nexus to terrorist activity or intent, does not attract the mischief of Sections 6 or 11-N of the Act of 1997. At this stage, therefore, the essential statutory elements justifying prosecution, *prima facie*, under the Act of 1997 appear to be missing, rendering the

application of its provisions unwarranted for the limited purpose of determining bail.

8. Sections 3 and 4 of the Act of 2010 criminalize the act of laundering proceeds derived from a predicate offence. However, neither the FIR nor the challan specifies any such predicate offence, illicit source, or discernible financial trail linking the alleged funds to criminal activity. The mere receipt or investment of foreign donations, without proof of illegality in origin, cannot *ipso facto* constitute money laundering. This omission materially undermines the applicability of the provisions of the said Act to the present case. In case of *Jabran and another v. The State through Director General FIA and others* **(2025 SCMR 1099)**, the Honourable Supreme Court of Pakistan has observed that: "*The cheque, pay order, deposit slip and bank statement of the petitioner are appended. Therefore, at this stage there is no evidence on record that the petitioner actually paid the consideration amount to the sellers for the plot purchased by the wife of principal accused and the same will be appreciated by the Trial Court after reading the evidence. All other properties of the petitioner mentioned in the impugned order are not part of FIR No.02/2024 and are declared in the appended tax returns of the petitioner, which give rise to the presumption that the same have been legally acquired through declared sources. Whether these properties are actually connected to any illegal activity will ultimately be determined by the Trial Court. Furthermore, the prosecution case is based upon documentary evidence only which is already available with FIA authorities and there is no apprehension of tampering with the same if the petitioner is admitted to bail*".

9. The prosecution case, as it presently stands, is entirely documentary and digital in nature. The relevant records, comprising bank statements,

transactional data, and electronic devices, have already been taken into custody by the FIA since 15 April 2025. The concerned bank accounts remain frozen, and no further recovery or collection of evidence has been shown to be pending. In such circumstances, custodial interrogation of the applicants no longer serves any meaningful investigative purpose, and their continued detention would amount to punitive pre-trial confinement rather than a legitimate aid to investigation. The offences alleged under Sections 406, 419, 420, 468, 471, and 109, PPC fall within the category of non-prohibitory offences, carrying punishments of less than ten years and not falling within the prohibitory clause of Section 497(1), CrPC. When viewed in conjunction with the apparent statutory deficiencies in the invocation of special laws, such as the Acts of 1997 and 2010, the case clearly attracts the beneficial application of Section 497(2), CrPC, where further inquiry into the guilt of the applicants is required. It is a well-settled principle of criminal jurisprudence that where reasonable doubt exists regarding the applicability of the charged offences, or where the offences do not entail death punishment or imprisonment for life, or imprisonment for ten years, the grant of bail is a rule and its refusal an exception. The superior Courts have consistently emphasized that pre-trial detention is not to be used as a tool of punishment, particularly where the evidence is documentary in nature and already secured with the investigating agency. Accordingly, on tentative assessment, the continued incarceration of the applicant Muhammad Sabal Solangi appears unwarranted and disproportionate to the requirements of investigation, thereby entitling him to the concession of bail within the spirit of Section 497(2), CrPC.

10. The only specific attribution against applicant Maryam Bibi pertains to her erstwhile role as Chief Executive Officer and joint signatory of the organization. No direct allegation of forgery, withdrawal, embezzlement, or misappropriation has been levelled against her. The charge of abetment under Section 109, PPC, requires clear particulars of participation, intent, and *mens rea*, which are *prima facie* conspicuously absent from the record. She is, therefore, entitled to the benefit of the statutory protection embodied in the proviso to Section 497(1), Cr.P.C.

11. For the foregoing facts, discussion and reasons, Crl. Bail Application of Maryam Bibi being No. 1596 of 2025 is allowed by confirming her interim pre-arrest bail granted to her by this Court, vide Order dated 18.06.2025, on the same terms and conditions, and Crl. Bail Application of Muhammad Sabal Solangi being No. 2007 of 2025 is allowed. Consequently, the said applicant is admitted to post-arrest bail, subject to his furnishing solvent surety in the sum of Rs. 10,00,000/- *(Rupees One Million only)* and a personal recognizance bond in the like amount to the satisfaction of the Trial Court.

12. Needless to mention here that the observations made hereinabove are tentative in nature and would not influence the Trial Court while deciding the case of the applicants on merits. However, in case the applicant(s) misuses the concession of bail in any manner, the Trial Court shall be at liberty to cancel the same after giving him/her notice, in accordance with law.

JUDGE

ACTING CHIEF JUSTICE