

IN THE HIGH COURT OF SINDH AT KARACHI

Criminal Bail Application No.2930 of 2026

a/w

Criminal Bail Application No.2949 of 2026

Applicant : Muhammad Hussain
[in Cr.B.A No.2930/2026] son of Ansar Hussain,
Through M/s. Ali Akbar Poonawala
and Muhammad Sami, advocates

Applicant : Syed Tanveer Hussain,
[in Cr.B.A No.2949/2026] son of Sikandar Hussain,
Through Syed Aamir Shah, advocate

The State : The State: Through Mr. R. D. Kalhoro
Assistant Attorney General
Pakistan

Date of hearing : 06.10.2026.

Date of Order : 06.10.2026.

ORDER

Jan Ali Junejo, J:- By this common order, I intend to decide the above captioned bail applications, as they arise out of same FIR.

2. Through these Criminal Bail Applications, the Applicant Muhammad Hussain son of Ansar Hussain [in Cr. B.A No.2930/2026] and applicant Syed Tanveer Hussain son of Sikandar Hussain [in Cr. B.A No.2949/2026] seek post-arrest bail in FIR No. CBC-KHI-54/2026 registered at Police Station Commercial Banking Circle, Karachi for offences under Sections 4, 5, and 23 of the Foreign Exchange Regulation Act, 1947 ("FERA") read with Sections 109 PPC. The Applicants earlier post-arrest bail applications bearing No. 3497/2026 & 3592/2026, respectively, were dismissed by the learned Sessions Judge/Special Judge (CNS), Karachi South vide joint order dated 04.09.2026. Being aggrieved, the Applicants have approached this Court.

3. Concisely facts leading to instant bail application, as depicted in the FIR are that consequent upon Enquiry No. 115/2026 registered at PS FIA CBC Karachi on receipt of credible source information that Muhammad

Hussain and others are engaged in violating the provision of Foreign Exchange Regulation Act (amended 2020) either by engaging in sending remittances abroad as well as foreign deposit through Hawala without using the legal channel of banks in violation of provision of Foreign Exchange Regulation Act (FIRA 1947 2(amended 2020)). Subsequently, raid was conducted by FIA at Shop ABC Communication Ground Floor, Shop No. G-80, Odeon Center, Karachi, and intercepted one person coming So from the said shop on pointation of informer, who on inquiry disclosed his name as Muhammad Hussain and further disclosed that he had just handed over the hawala payment inside the shop and upon entering inside the shop along with Muhammad Hussain, one person was found available, who on inquiry disclosed his name as Syed Tanveer Hussain and admitted regarding receiving of payment of Rs. 7.5 million from Muhammad Hussain and produced the same laying in one big shopper containing two other shoppers. The raiding team also recovered one mobile phone (from accused Hussain), two mobile phones (from accused Syed Tanveer), PKR 75,00,000/- and copy of CNIC of both accused persons during raid. The mobile phones contained audio and text messages with foreign numbers containing instructions to collect / deliver cash, which constitute offences punishable under Foreign Exchange Regulation Act. Hence, present FIR.

4. Learned counsel for the applicant in Cr. Bail Application No. 2930 of 2026 submits that the applicant is innocent and has been falsely implicated, as no specific role in the alleged Hawala/Hundi transaction has been attributed to him; no Pakistani or foreign currency was recovered from his possession and the alleged amount of Rs.7.5 million was recovered from co-accused Syed Tanveer Hussain, whereas the applicant was neither apprehended while handing over the said amount nor was any independent person shown to have witnessed such transaction. He submitted that the prosecution case substantially rests upon the alleged statement of the co-accused before the FIA, which, in the absence of independent corroboration, cannot by itself constitute substantive evidence against the applicant. He further argued that the alleged audio/text messages recovered from mobile phones are yet to be

forensically examined and their authorship, authenticity and connection with the alleged transaction remain unestablished; hence, such material requires further inquiry. Learned counsel also contended that the mandatory requirements of Sections 19(3) of the Foreign Exchange Regulation Act, 1947 and 103 Cr.P.C. were not complied with during the raid and seizure, as no independent mashirs were associated despite prior information. He maintained that the prosecution has failed to produce any tangible evidence showing the applicant's involvement in sending, receiving or transferring money through Hawala/Hundi or any mens rea on his part, and that the learned Trial Court prematurely relied upon unverified investigative material and the alleged statement of the co-accused, while the case squarely falls within the ambit of further inquiry under Section 497(2) Cr.P.C. He, therefore, submitted that the impugned order suffers from misreading and non-appreciation of the material on record and prayed that the applicant be admitted to bail in accordance with law.

5. Learned counsel for the applicant in Cr. Bail Application No.2949 of 2026 submits that the applicant is innocent and has been falsely implicated by foisting a fabricated recovery upon him, as there was no business transaction between the applicant and co-accused Muhammad Hussain, who, according to the defence, was planted and used by the FIA officials to create a false case against the applicant. He submitted that no alleged payment or foreign currency was recovered from the applicant and that the mere presence of Pakistani currency in the applicant's shop/office does not constitute an offence, particularly when the FIR contains no allegation regarding recovery of foreign currency. He further argued that there is no direct or indirect transaction or contact between the applicant and the alleged person living in abroad, nor has the prosecution specified the amount or nature of the alleged payment, which renders the case doubtful and one of further inquiry. Learned counsel maintained that the prosecution has failed to collect CCTV footage, video clips or CDRs to corroborate the alleged occurrence and has also failed to associate any private witness during the alleged search and recovery, in violation of Section 103 Cr.P.C. He further contended that the applicant has no

previous criminal record, is a permanent resident of Karachi, has remained in custody since his arrest, and there is no likelihood of his absconding or tampering with the prosecution evidence. He submitted that the alleged offence does not fall within the prohibitory clause of Section 497 Cr.P.C. and, therefore, the applicant is entitled to the concession of bail. He accordingly prayed that the applicant be admitted to bail subject to furnishing solvent surety to the satisfaction of the Court.

6. Conversely, learned Assistant Attorney General opposes the bail by asserting that the material collected depicts an organized transnational Hundi/Hawala network causing loss to the national exchequer. 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.

7. I have heard the learned counsel for the applicants and the learned Assistant Attorney General and have perused the FIR, impugned order and material available on record.

8. At the bail stage, the Court is required to make a tentative assessment of the material and is not to conduct a deeper appreciation of evidence or record a final finding on guilt or innocence. The question is whether the available material reasonably connects the applicants with the alleged offences or brings their cases within the ambit of further inquiry under Section 497(2) Cr.P.C.

9. As regards applicant Muhammad Hussain, the FIR shows that the alleged amount of Rs.7.5 million was recovered from co-accused Syed Tanveer Hussain and not from his possession. Although the prosecution alleges that Muhammad Hussain handed over the amount to the co-accused inside the shop, no member of the raiding party is stated to have witnessed such transaction. The allegation, therefore, requires corroboration through independent and legally admissible material. Likewise, the mobile phones allegedly containing audio and text messages involving foreign numbers have yet to be forensically examined and their

authorship, authenticity, context and nexus with the alleged transaction remain to be established. These aspects, therefore, call for further inquiry.

10. As regards applicant Syed Tanveer Hussain, the alleged amount of Rs.7.5 million was recovered from his possession. However, the prosecution has yet to establish through independent material the precise nature, source and purpose of the recovered amount and its nexus with an offence under the relevant provisions of FERA. The alleged statement of co-accused Muhammad Hussain also requires assessment in accordance with law and, without independent corroboration, cannot by itself conclusively establish the prosecution case at the bail stage.

11. The prosecution has also not produced CCTV footage, video recording or CDR material to independently corroborate the alleged transaction and presence of the relevant persons. The defence has further raised the issue of compliance with procedural safeguards relating to search and seizure, particularly Section 103 Cr.P.C. These matters, though ultimately to be determined at trial, add an element of doubt requiring further examination.

12. The contention of the learned Assistant Attorney General that the case concerns an organized Hundi/Hawala network and that bail may prejudice the investigation has been considered. However, such apprehension cannot substitute for tangible material connecting each applicant with the alleged offence. The alleged currency and mobile phones are already in prosecution custody, and no specific material has been shown to establish that the applicants, if released, would tamper with evidence or otherwise prejudice the investigation.

13. It is also noteworthy that no foreign currency was recovered from either applicant. The precise role of each applicant, the nature and source of the recovered Pakistani currency, and its nexus with offences under Sections 4, 5 and 23 of FERA require evidence and cannot be conclusively determined at this stage. Thus, without expressing any final opinion on

the merits, the material presently available makes the cases of both applicants one of further inquiry under Section 497(2) Cr.P.C.

14. Moreover, the alleged offences do not attract the prohibitory clause of Section 497 Cr.P.C. The applicants are in custody since their arrest, and no material has been shown indicating that they are likely to abscond or tamper with the prosecution evidence. In such circumstances, the discretion of bail is required to be exercised in favour of the applicants.

15. For the foregoing reasons or expressing any final opinion regarding the guilt or innocence of the applicants, I am of the considered view that both cases call for further inquiry within the meaning of Section 497(2) Cr.P.C. The learned Court below, while declining bail, has not properly appreciated these aspects in their proper perspective. Consequently, both instant Criminal Bail Applications are allowed. The applicants Muhammad Hussain son of Ansar Hussain and Syed Tanveer Hussain son of Sikandar Hussain are admitted to post-arrest bail subject to furnishing solvent surety in the sum of **Rs.5,00,000/- [Rupees Five Lac only] each**, with PR bond in the like amount to the satisfaction of the learned Trial Court. The observations made herein are tentative and shall not prejudice the case of either party at trial.

JUDGE