

**THE HIGH COURT OF SINDH, CIRCUIT COURT, HYDERABAD**

Criminal Bail Application No.S-1139 of 2026

Criminal Bail Application No.S-1140 of 2026

Applicant: Lal Chand through Mr. Muhammad Hashim Laghari, Advocate.

Respondent: The State through Mr. Shawak Rathore, Deputy Prosecutor General, Sindh along with ASI Bhai Khan Mangrio.

Complainant: Usman Ghani through Mr. Inayat Ali Sahito, Advocate.

Date of hearing: 19.10.2026.

Date of order: 19.10.2026.

**ORDER**

**MUHAMMAD HUMAYON KHAN, J:** - Through this single order, I intend to decide the captioned two Criminal Bail Applications whereby the applicant, Lal Chand son of Ramo Mal Utwani, seeks post-arrest bail in Crime No.289/2026 and Crime No.300/2026, registered at Police Station Tando Muhammad Khan, for offences under sections 420 and 489-F, P.P.C. His earlier applications were dismissed by the learned Additional Sessions Judge-II, Tando Muhammad Khan, vide separate orders dated 24.08.2026.

**2.** The prosecution case, briefly stated, is that the applicant and the complainant were engaged in business dealings relating to a petrol pump and financial transactions. According to the complainant, the applicant issued cheque No.00000191 for Rs.20,00,000/-, which was returned unpaid due to difference in signatures, and cheque No.00000182 for Rs.50,00,000/-, which was dishonored for insufficient funds. The present cases were consequently registered against the applicant.

**3.** Learned counsel for the applicant contends that the parties had longstanding business relations and the disputed cheques arose out of financial dealings, including an alleged loan transaction, rather than any dishonest intention from the inception. He contends that the applicant claims to have paid substantial amounts through banking channels, supported by transaction particulars placed on record, and that the question of adjustment of accounts remains disputed. He further contends that the applicant maintains that the cheques were handed over as security; that the complainant has initiated two criminal cases arising

from the same course of dealings, and that civil proceedings concerning the disputed cheques are pending. He contends that the alleged offences, particularly under section 489-F, P.P.C., require determination of the purpose of issuance of the cheques and the applicant's intention, which cannot conclusively be determined at the bail stage. He adds that the applicant is in judicial custody, the matter calls for further inquiry under section 497(2), Cr.P.C., and the offences do not fall within the prohibitory clause of section 497, Cr.P.C. He, therefore, prays for grant of bail.

**4.** Conversely, learned D.P.G., Sindh, opposes the applications and contends that the applicant issued the disputed cheques towards discharge of his financial obligations, which were dishonored upon presentation. He contends that the bank return memos support the prosecution version and that the applicant has not established any sufficient ground for the concession of post-arrest bail. He prays for dismissal of the applications.

**5.** Learned counsel for the complainant, adopting the submissions of the learned D.P.G., further contends that the applicant received substantial amounts from the complainant and issued the disputed cheques against his outstanding liability. He also relies upon the agreements allegedly executed between the parties and submits that the applicant's plea of repayment and security cheques is a matter of defence requiring evidence at trial. He maintains that the dishonor of the cheques establishes a *prima facie* case and prays for dismissal of the applications.

**6.** I have heard the learned counsel for the parties and perused the available record.

**7.** At this stage, the admitted background of business dealings between the parties, the applicant's plea regarding the purpose for which the cheques were issued, the alleged payments through banking channels, and the competing versions concerning settlement of accounts require examination in the light of the evidence to be recorded at trial. The bank return memos establish dishonor of the cheques; however, dishonor, by itself, does not conclude the question whether the requisite dishonest intention existed when the cheques were issued. The genuineness, purpose and legal effect of the alleged agreements, as well as the applicant's plea of repayment, are matters requiring further probe.

**8.** In the case of AQEEL AHMED KHAN v. The STATE through Federal Prosecutor-General, Islamabad and another (2025 SCMR 1955), the Honorable Supreme Court reiterated that section 489-F, P.P.C., falls within the non-prohibitory clause of section 497, Cr.P.C., and that bail is ordinarily to be considered favourably unless exceptional circumstances, such as likelihood of abscondence, tampering with evidence or repetition of the offence, justify refusal. The quantum of the alleged liability, by itself, does not constitute such an exception. Similarly, in the case of ATIF ALI v. The STATE and others (2024 SCMR 2066), the Honorable Supreme Court held that where the purpose of issuance of a disputed cheque and the existence of dishonest intention require determination at trial, the matter may fall within the ambit of further inquiry. In the case of Syed BASIT HYDER TAQVI v. The STATE (PLD 2026 SC 75), the Honourable Supreme Court also emphasized that section 489-F, P.P.C., is not intended to serve as a substitute for civil remedies for recovery of disputed financial liabilities. In the referred cases, the bail was granted to the accused persons.

**9.** It is well settled that the provisions of Section 489-F, P.P.C. is not intended to be used as a tool for recovery of amounts arising out of business dealings. In the case of Sheikh REHMAN AHMED v. JUDICIAL MAGISTRATE-II, SOUTH, KARACHI and 2 others (2019 MLD 636), this Court had observed that criminal proceedings ought not to be employed to exert pressure upon a party for settlement of disputed monetary obligations, particularly where the matter is essentially connected with business transactions and the remedy of recovery is available under civil law. Accordingly, the purpose of issuance of the cheques and the circumstances surrounding the underlying transactions require careful examination.

**10.** Applying the above principles and the material available on record, I am of the considered view that the applicant has made out a case for further inquiry within the meaning of section 497 (2), Cr.P.C. The disputed nature of the underlying transactions, the competing claims regarding payment and adjustment of accounts, and the question of dishonest intention require deeper examination. No exceptional circumstance has been pointed out from the material presently available that would justify withholding bail merely because substantial amounts are involved. The grant of bail, in these circumstances, shall neither amount to an acquittal nor affect the merits of the prosecution case.

**11.** For the forgoing reasons, both captioned bail applications are **allowed**. The applicant, Lal Chand, is admitted to post-arrest bail in Crime No.289/2026 subject to furnishing a solvent surety in the sum of Rs.1,000,000/- (One million) and PR bond in the like amount and in Crime No.300/2026, subject to furnishing a solvent surety in the sum of Rs.500,000/- (Five Hundred Thousand only), to the satisfaction of the learned trial Court.

**12.** The observations made herein are tentative in nature and shall not influence the merits of the case at trial.

JUDGE

**\*Abdullah Channa/PS\***