

THE HIGH COURT OF SINDH AT KARACHI

Criminal Bail Application No.2276 of 2025

Applicant : Usman son of Samad through
M/s. Shaheer-ul-Islam and Shahid
Mushtaq, Advocates

Respondent : The State, through Mr. Irshad Ahmed,
Assistant Attorney General, Pakistan
along with Inspector – Rehana Syed,
FIA, AML Circle, Karachi

Date of Hearing : 23.10.2025

Date of Decision : 07.11.2025

ORDER

Jan Ali Junejo, J.- The applicant, Usman son of M.A. Samad, seeks post-arrest bail under Section 497 Cr.P.C. in FIR No.07/2025, registered at FIA AML/CFT Circle, Karachi, for offences punishable under Sections 3 and 4 of the Anti-Money Laundering Act, 2010 (as amended 2020).

2. The prosecution case, in essence, is that the applicant/accused was allegedly involved in an online financial fraud scheme—commonly known as the “lottery scam”—operating through online platforms, wherein unsuspecting individuals, both within Pakistan and abroad (including Saudi Arabia, Kuwait, and the UAE), were induced to transfer funds via Western Union and other channels. It is alleged that the proceeds of these fraudulent activities were laundered through the acquisition of assets, including a Toyota Revo (Reg. No. KX-7717) and bank account transactions at Bank Al-Habib Ltd., Abdul Hassan Isphani Road Branch, Karachi, thereby constituting an offence of money laundering under Sections 3 and 4 of the AMLA, 2010.

3. It is further alleged that the said assets were acquired to disguise or conceal the true origin of funds obtained from the predicate offences, including those under the Prevention of Electronic Crimes Act, 2016 (PECA) read with Sections 419, 420, and 109, PPC, registered as FIR No. 41/2023 at FIA Cybercrime Reporting Centre, Karachi, which serves as the predicate offence for the present case.

4. The applicant was arrested during investigation, remanded to judicial custody, and his bail plea before the learned District & Sessions Judge, Malir, Karachi in B.A. No.3118/2025 was dismissed vide order dated 05.08.2025. Hence, the present application.

5. Learned counsel for the applicant, argued that the applicant is innocent and has been falsely implicated by the complainant FIA official, Mr. Ameer Ali, on account of personal enmity and demand of illegal gratification. It is contended that the FIR was lodged after an unexplained delay of two years, no independent or private witness has been associated during investigation, and that the alleged Revo vehicle is not registered in the applicant's name. It was further submitted that the applicant is a regular taxpayer, has no criminal antecedents, and has been implicated in multiple FIRs by the same complainant—amounting to double jeopardy. It is further argued that where the offence does not fall within the prohibitory clause of Section 497 Cr.P.C., bail is a rule and refusal an exception. Lastly, the learned counsel prayed for grant of bail.

6. Conversely, learned Assistant Attorney General, assisted by Inspector Rehana Syed of FIA AML Circle, opposed the application. He submitted that the applicant is a central figure in a transnational financial fraud network, having orchestrated online scams resulting in large-scale losses to citizens and foreign nationals. It is asserted that credible evidence links the applicant to the acquisition of high-value assets, including the Toyota Revo purchased for over Rs.10 million, financed through illicit proceeds. Witness statements, including that of the applicant's own brother, and corroborating bank documents, substantiate the money trail. It was further contended that the applicant had absconded during the FIA raid, indicating consciousness of guilt. Hence, no ground for bail exists. Lastly, the learned A.A.G. prayed for dismissal of bail.

7. I have carefully considered the arguments advanced by the learned counsel for both sides and examined the record with their able assistance. The offence of money-laundering under Section 3 of the AMLA 2010 is complete only when the property involved constitutes "proceeds of crime", i.e. property derived, directly or indirectly, from a predicate offence listed in the Schedule, and when the accused knows or has reason to believe the same to be tainted. Although reference is made to FIR No. 41/2023 (cyber-fraud), no conviction or substantive proof of that predicate offence has yet been brought on record. Explanation II to Section 3 clarifies that conviction for predicate offence is not required, but the existence and nexus of such offence with the alleged proceeds must be shown. The

investigation record so far does not sufficiently demonstrate that the funds utilized for purchase of the Toyota Revo or bank deposits originated from the said cyber-crime. The Toyota Revo in question is admittedly not registered in the applicant's name, nor has any direct recovery of tainted funds been made from his possession. The prosecution relies primarily on bank statements and speculative linkage without an audit trail conclusively tracing the funds to criminal origins. The FIR was lodged after a considerable delay. Although the FIA attributes this to complexity of tracing financial transactions, such delay still weakens the immediacy of the accusation. The evidence collected is documentary and already in custody of the agency; hence, further detention of the applicant serves no investigative purpose.

8. Given that the predicate offence remains unproven and that the nexus between the alleged proceeds and the applicant's assets is uncertain, the case falls within the ambit of further inquiry as contemplated under Section 497(2) Cr.P.C. It is now well-settled that money-laundering cannot exist in a vacuum; there must be at least prima facie material connecting the property to a scheduled/ predicate offence. Moreover, the Applicant has annexed copies of Rent Agreements executed by him, as well as various Sale Agreements executed by him in favour of different persons, including additional sale agreements executed in favour of others. In similar circumstances, in the case of ***Jabran and another v. The State through Director General FIA and others (2025 SCMR 1099)***, the Honourable Supreme Court was pleased to grant bail in a case registered under the Anti-Money Laundering Act, 2010, by observing that: *"Furthermore, in the impugned judgment it is incorrectly noted that sale consideration for two properties i.e. Office No. 102, First Floor Aria Tower and Toyota Corolla AYX-296, were given by one "Muhammad Umer Kiani, who is also accused in this case". Muhammad Umer Kiani is not an accused in FIR No.02/2024 and the petitioner has contended that he himself has paid sale consideration for Office No. 102, First Floor Aria Tower in cash. The petitioner has appended his Asset Declarations for the years 2018 to 2021 to demonstrate availability of funds. Similarly, the appended documents also indicate that sale consideration for Toyota Corolla AYX-296 was paid by the petitioner himself through banking channels, as said transactions are reflected in his bank statements, which have been attached. In the light of these circumstances, we are of the considered view that the case of both the petitioners falls within the ambit of further inquiry under Section 497(2) of the Cr.P.C and they are entitled to the grant of post-arrest bail. The*

observations made above are tentative in nature which shall not prejudice the case of either party before Trial Court”.

9. While the offences under AMLA are serious and strike at the financial integrity of the State, the courts must balance this concern with the constitutional guarantee of liberty under Article 9 of the Constitution. Bail should not be withheld as a measure of punishment. Each case must be decided on its own facts. In the present circumstances, absence of a demonstrated money trail from the predicate offence, lack of recovery, and completion of investigation tilt the balance in favour of liberty rather than continued incarceration.

10. In view of the foregoing, it appears that reasonable grounds are lacking to believe that the applicant has committed the offence as alleged, and the matter requires further inquiry within the meaning of Section 497(2) Cr.P.C. Consequently, the applicant Usman son of Samad is admitted to post-arrest bail, subject to his furnishing solvent surety in the sum of Rs. 500,000/- (Rupees Five Hundred Thousand only) and P.R. bond in the like amount to the satisfaction of the trial Court. The observations made herein are tentative in nature, confined to the present order, and shall not influence the trial Court at the stage of final adjudication.

JUDGE

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