

**IN THE HIGH COURT OF SINDH AT KARACHI**

Criminal Bail Application No. 2319 of 2025

Applicant : Zafar Iqbal son of Muhammad Iqbal  
through Mr. Mujtaba Sohail Raja, Advocate

Respondents : The State through Ms. Rubina Qadir,  
Additional Prosecutor General Sindh

Date of hearing : 29.01.2026

Date of order : 29.01.2026

**ORDER**

**TASNEEM SULTANA, J.**— Through this Criminal Bail Application, the applicant Zafar Iqbal seeks pre-arrest bail in Crime No.481 of 2025, for the offence under Section 489-F, P.P.C., registered at Police Station, Sohrab Goth, Karachi. Earlier his pre arrest bail application No.3562 of 2025 declined by the learned Additional Sessions Judge-VII, Malir, Karachi, vide order dated 04.09.2025. Hence this application for the same concession.

2. Brief facts of the prosecution case are that the complainant Muhammad Ali Taj lodged the present FIR alleging that he entered into a partnership agreement with the present applicant under Z Administrative Services (SMC-Pvt.) Limited had invested a sum exceeding PKR 20,000,000/- (Pakistani Rupees Twenty Million); that the applicant misappropriated the invested funds, and upon demanding repayment, the applicant issued Cheque No.CA-54906523 dated 01.05.2025 for PKR 20,000,000/- drawn against his Bank Account No.2000-7088028, at Soneri Bank, Shahrah-e-Faisal Branch, Karachi; that 09.07.2025, the complainant deposited the aforementioned cheque into his bank account No.01830107301765 at Meezan Bank, Highway Trade Center Branch, Sohrab Goth, Karachi, which was dishonoured due to insufficient funds; that despite subsequent demands for repayment, the applicant allegedly delayed settlement under various pretexts, prompting the complainant to approach the concerned Police Station, resulting the registration of instant FIR against the applicant.

3. Learned counsel for the applicant contends that the applicant is innocent and has been falsely implicated with mala fide intention and ulterior motives; that the applicant serves as the Chief Executive Officer of Z Administrative Services (SMC) Private Limited; that the complainant was

employed as Accounts Officer by the Company in 2019 having access to highly sensitive financial information; including (but not limited) corporate credit cards, business bank accounts, transactional authorizations as well as the personal financial instruments of the company's clients as well as employees; that during a reconciliation exercise conducted by the company's clients had been utilized for foreign and online transactions; that upon further investigation, it was revealed that, over a period exceeding two (02) years beginning in May 2022, the complainant fraudulently misappropriated substantial sums from clients' credit cards to fund personal expenditures; that this systematic embezzlement resulted in a total financial loss amounting to PKR 101,741,839.52/- (Pakistani Rupees One Hundred One Million, Seven Hundred Forty-One Thousand, Eight Hundred Thirty Nine and Fifty Two Paisa Only) to the company; that upon being confronted upon his return from Medina, the complainant formally admitted to all aforementioned unauthorized transactions; that the company summarily terminated his employment vide termination letter dated 03.12.2024; that the complainant faced with potential civil and criminal proceedings voluntarily agreed to full restitution and requested additional time to comply; that the complainant proceeded to liquidate his personal vehicle for fulfillment of this obligation and remitting an initial payment of PKR 4,500,000/- (Pakistani Rupees Four Million Five Hundred Thousand Only) toward his outstanding liability; that in view of unconditional acknowledgment of liability and intention to make repayment, the company acceded to grant him a time of six (06) months to make repayment of entire liability through multiple negotiable instruments and undertook to commence repayment by June 2025 and gave post-dated cheque accordingly; that the company did not take any action(s) against the complainant till June 2025, however, upon presentation, the cheque given was dishonored in view of stop payment instructions issued by complainant; that the complainant never intended to repay the amount and the instruments given was solely to defraud the company; that on 18.07.2025, the applicant was contacted by officials of Police Station Model Colony, summoning him for investigation and informed that the Hon'ble XIIth Additional District & Sessions Judge, Karachi (Central) had passed an order dated 21.03.2025 in Cr. Misc. Application No.848 of 2025 (Muhammad Ali Taj v. SHO PS Model Colony & others) pursuant to a frivolous petition filed by the complainant seeking registration of an FIR against the applicant without serving the notice to the applicant relating to proceedings under Section 22-A; that the applicant diligently pursued his legal remedies by filing Cr. Misc. Application No.631/2025 (Zafar Iqbal & another v.

Muhammad Ali Taj & others) before this Court challenging the order dated 21.03.2025 passed in Cr. Misc. Application No.848/2025 and suspended the impugned order dated 21.03.2025 vide order dated 21.07.2025 passed in Cr. Misc. No.631/2025; that it is pertinent to note that prior to the registration of FIR No.481/2025, applicant had already initiated appropriate legal proceedings, both civil and criminal, against the complainant for his failure to discharge his financial obligations and for dishonoring the repayment commitments he had undertaken; that the applicant had previously lodged FIR No.387/2025 under Section 489-F PPC at P.S. Clifton, Karachi, against the complainant; that the applicant also sought recovery of embezzled amounts, which the complainant had undertaken to repay via negotiable instruments, by instituting Summary Suit No.149/2025 (Z-Administrative Services (SM Pvt.) Limited v. Muhammad Ali Taj), which is pending adjudication before the VIIth Additional District & Sessions Court, Karachi (South); that the dispute is purely financial pertains to embezzlement of amounts of the applicant's company; that the applicant has been maliciously and falsely implicated in the instant crime as part of a calculated strategy by the complainant to intimidate the applicant into abandoning legitimate legal proceedings against the complainant's established financial misconduct and retaliate against the applicant for exposing the complainant's fraudulent activities and embezzlement of substantial company funds; that the FIR itself suffers from an inexplicable and inordinate delay; that the alleged cheque dated 01.05.2025 was withheld for over three months before being presented on 09.07.2025, whereas, the FIR was registered on 05.08.2025; that the complainant failed to justify this unreasonable delay, which contradicts ordinary banking practices and suggests the FIR was lodged as afterthought to harass the applicant; that the belated registration, coupled with the absence of credible evidence, demonstrates that law enforcement acted under collusive influence rather than independent discretion, constituting a blatant abuse of process; that the FIR does not meet with essential prerequisites constituting an offence under Section 489-F PPC i.e. issuance of cheque; such issuance was with dishonest intention; and the purpose of issuance of should be (i) to repay a loan; or (ii) to fulfill and obligation (which in a wide term inter alia applicable to lawful agreements, contracts, services, promises by which one is bound or an act which binds a person to some performance; that none of the requisite conditions attracts the present cheque, thereby warranting grant of bail, that the case is predominantly documentary requiring deeper appreciation of evidence, hence he prayed confirmation of bail .

4. Conversely, learned Addl. P. G. Sindh vehemently opposes confirmation of pre-arrest bail; submits that dishonour of cheque issued by the applicant attracts penal consequences under Section 489-F, P.P.C.; therefore, the applicant does not deserve the extraordinary relief of pre-arrest bail.

5. Heard. Record perused.

6. Perusal of record reflects that the complainant was employed as Accounts Officer by the Company in 2019 having access to highly sensitive financial information; including (but not limited) corporate credit cards, business bank accounts, transactional authorizations as well as the personal financial instruments of the company's clients as well as employees; that during a reconciliation exercise conducted by the company's clients had been utilized for foreign and online transactions; that upon further investigation, it was revealed that, over a period exceeding two (02) years beginning in May 2022, the complainant fraudulently misappropriated substantial sums from clients' credit cards to fund personal expenditures; that this systematic embezzlement resulted in a total financial loss amounting to PKR 101,741,839.52/- (Pakistani Rupees One Hundred One Million, Seven Hundred Forty-One Thousand, Eight Hundred Thirty Nine and Fifty Two Paisa Only) to the company. Prima facie, such material indicates existence of relations of employee and employer; however, nexus with the issuance of the disputed cheque towards discharge of legally enforceable liability, are questions which can only be determined after recording of evidence and full-dress trial, and thus at this tentative stage cannot be conclusively adjudicated upon. The matter, therefore, falls within the ambit of further inquiry as contemplated under Section 497(2), Cr.P.C.

7. In this context, reference may also be made to the recent unreported judgment in ***Muhammad Anwar v. The State (Crl. Petition No.442-L/2024)***, decided on 03.06.2024, wherein the Honourable Supreme Court of Pakistan observed as under:

“8. This Court has held in the case titled Mian Allah Ditta that every transaction involving dishonour of a cheque does not per se constitute an offence. The essential ingredients required to attract Section 489-F PPC include: (i) issuance of a cheque; (ii) such issuance being with dishonest intent; (iii) the cheque must have been issued in discharge of a loan or fulfillment of an obligation; and (iv) the cheque is dishonoured”

8. Further guidance may also be drawn from *Abdul Rasheed v. The State* [2023 SCMR 1948], wherein it was observed as under:

“Even otherwise, even if the complainant seeks recovery of money, Section 489-F PPC is not designed by the Legislature as a recovery mechanism. The question as to whether a cheque was issued in discharge of a loan or obligation is to be determined by the trial court upon recording of evidence. The maximum punishment under Section 489-F PPC is three years, which does not bring the case within the prohibitory clause of Section 497 Cr.P.C. It is settled law that in offences not falling within the prohibitory clause, grant of bail is a rule and refusal an exception.”

9. Similarly, in a case of like nature, the Honourable Supreme Court of Pakistan in *Ali Anwar Paracha v. The State and another* (2024 SCMR 1596) held as under:

“In this view of the matter, the question whether the cheque was issued towards fulfilment of an obligation within the meaning of section 489-F, P.P.C. is a question, which would be resolved by the learned Trial Court after recording of evidence. The petitioner is behind the bars since his arrest. The maximum punishment provided under the statute for the offence under section 489- F, P.P.C. is three years and the same does not fall within the prohibitory clause of section 497, Cr.P.C. It is settled law that grant of bail in the offences not falling within the prohibitory clause is a rule and refusal is an exception”.

10. In view of the above circumstances, the applicant has made out a case for confirmation of pre-arrest bail. Consequently, the instant pre-arrest bail application is allowed and the interim pre-arrest bail earlier granted vide order dated 08.09.2025 is hereby confirmed on the same terms and conditions.

11. Needless to mention that the observations made herein are tentative in nature and shall not prejudice the case of either side at trial.

12. These are the reasons for my short order dated 29.01.2026.

**JUDGE**