

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

**C.P. No. D-5950 of 2025**

*[Muhammad Saeed Khan & others v Federation of Pakistan and Others]*

Date	Order with signature of Judge(s)
------	----------------------------------

Before:  
Mr. Justice Adnan-ul-Karim Memon  
Mr. Justice Muhammad Hasan Akbar

**Date of hearing and Order: 20.05.2026**

Mr. M. Rais Awan advocate for the Petitioners.  
Mr. Abdul Samad advocate for NADRA  
Mr. Khaleeq Ahmed DAG, along with  
Mr. M. Akbar, Assistant Attorney General, and SI M. Shafi, FIA AMC Karachi  
\*\*\*\*\*

**ORDER**

**Adnan-ul-Karim Memon, J.** – Petitioners have filed this Constitution Petition under Article 199 of the Constitution of the Islamic Republic of Pakistan 1973, seeking the following relief:-

- i) *To direct the Respondents to unblock & unfreeze all accounts, Bank Account as well as mobile account, and allow the petitioners to run their business as per law;*
- ii) *To direct the respondents to produce a complete record of enquiry, if any, against the petitioners, and may kindly be declared null and void, having no legal effect;*
- iii) *To direct the respondents to stop illegal action against the petitioner on the behest of an enemy of the travel & tours business market;*
- iv) *To direct the respondents to unblock passports and CNICs of the petitioners so that the petitioners can travel and move to anywhere they want for business purposes;*
- v) *To direct the respondents to oblige & observe the constitutional & fundamental rights of the petitioners and not to restrict freedom of business, freedom of movement according to the constitution of the state;*
- vi) *Grant any other relief which is deemed fit and proper in the circumstances of the case.*

2. Learned counsel for the petitioners submitted that petitioner No.1 is a retired Government pensioner maintaining a pension account with HBL Gulistan-e-Johar, Karachi, while his CNIC, passport, and bank account have allegedly been blocked and frozen by FIA without any notice or lawful justification. It was further submitted that petitioner No.2 is associated with M/s Kaif International (Pvt.) Limited, a company duly incorporated with SECP and engaged in the business of travel, Umrah, and Ziyarat services, whereas petitioner No.3 is carrying on business under the name and style of “Sabri Traders.” Learned counsel contended that the business accounts, mobile wallet accounts, passports, and CNICs of the petitioners have been blocked by FIA despite the petitioners being registered taxpayers with FBR and carrying on lawful business activities. It was argued that the impugned actions of the respondents have been taken without issuance of any show-cause notice, disclosure of allegations, or providing an

opportunity of hearing, thereby violating the fundamental rights of the petitioners guaranteed under the Constitution of the Islamic Republic of Pakistan, including freedom of business, movement, and due process of law. Learned counsel further submitted that due to the freezing of accounts, the petitioners have been deprived of their livelihood and are unable to operate their businesses or meet family expenses. Counsel further stated that although FIR No.178/2021 under Sections 406, 420, and 109 PPC was registered at FIA AHT Circle Karachi against the petitioners, they were ultimately acquitted by the learned trial Court vide judgment dated 08.07.2025. Despite such acquittal and subsequent directions issued by the learned trial Court for release/unblocking of the passports, the respondents failed to comply with the said directions and continued to block the passports, CNICs, and bank accounts of the petitioners without lawful authority. Learned counsel lastly prayed that the respondents be directed to immediately unblock and unfreeze the petitioners' bank accounts, mobile accounts, CNICs, and passports, restrain them from taking any illegal coercive action against the petitioners, and produce the complete record of any inquiry or proceedings pending against them.

3. Learned DAG assisted by the SI M. Shafi, FIA AMC Karachi, submitted that the instant constitutional petition is misconceived, frivolous, and not maintainable, having been filed with ulterior motives. It was argued that the relief sought by the petitioners pertains to matters governed by the Contempt of Court Act, 2003, and the petition is liable to dismissal. He further submitted that Respondent No.4 has neither blocked nor caused the blocking of the CNICs or passports of the petitioners. It was contended that any directions regarding the passports were issued by the learned Judicial Magistrate to the Directorate of Immigration and Passports, which is an independent authority separate from Respondent No.4; hence, no liability can be attributed to the respondent No.4 in this regard. It was further argued that Enquiry No.128/2024 under the Anti-Money Laundering Act, 2010, is no longer pending before the FIA AML/CFT Circle, Karachi, concerning allegations of laundering of crime proceeds through cheating and fraud. Learned DAG submitted that the enquiry was assigned by the competent authority and is being conducted strictly in accordance with law. It was stated that although no substantial incriminating material has yet surfaced, the bank accounts of M/s Kaif International (Pvt.) Limited, through which allegedly huge financial transactions were routed, are under lawful scrutiny, and the counter-parties involved in such transactions are also being examined. Learned DAG further contended that proceedings under the Anti-Money Laundering Act were independent in nature and do not automatically terminate merely because the accused persons have been acquitted in the predicate offence. Reliance was placed upon the settled principle of law that acquittal in the predicate criminal case does not ipso facto invalidate or conclude AML proceedings.

4. It was also submitted on behalf of NADRA that, according to the report of the Verification & Compliance Branch, Regional Head Office NADRA Karachi, the CNICs of the petitioners have not been digitally impounded in the NADRA record; therefore, no cause of action has accrued against NADRA.

5. The officer SI M. Shafi, FIA AMC Karachi present produced correspondence dated 20.08.2024 issued by FIA AML/CFT Circle Karachi under Section 25(1) of the Anti-Money Laundering Act, 2010, whereby various banks were directed to provide details of accounts, transactions, statements, remittances, and counterparty information relating to the petitioners and associated entities for purposes of investigation into alleged money laundering activities. However, he submitted that this was a mere inquiry which is no longer operative on the subject issue.

6. At this stage, learned counsel for the petitioners submitted that the impugned correspondence issued by S.I of FIA, without lawful authority, amounts to harassment of the petitioners, as a consequence, whereof the concerned banks blocked their transactions and accounts, causing severe financial hardship to the petitioners due to the alleged malicious actions of SI M. Shafi, FIA AML/CFT Circle, Karachi.

7. It transpired from the record that the learned Judicial Magistrate-I, Karachi East, vide order dated 25.08.2025 passed in JM Case No.57/2022 arising out of FIR No.178/2021 under Sections 406, 420, and 109 PPC, Police Station FIA AHTC Karachi, directed the Director Immigration & Passport, Karachi, to forthwith unblock the passports of applicants namely Muhammad Saeed Khan Sabri and Muhammad Shahzad Ali Khan, provided the said passports were not required in any other criminal case or proceedings, and further directed submission of compliance report before the learned trial Court at the earliest.

8. We have heard learned counsel for the parties, including SI M. Shafi, FIA AML/CFT Circle, Karachi, perused the record, and considered the submissions advanced at the bar.

9. It is an admitted position that the petitioners were acquitted by the competent criminal Court in FIR No.178/2021 vide judgment dated 08.07.2025, and thereafter the learned Judicial Magistrate-I, Karachi East, vide order dated 25.08.2025, specifically directed the concerned authorities to unblock the passports of petitioner Nos. 1 and 3 if the same were not required in any other criminal proceedings. Despite such judicial directions, no material has been placed on record by the respondents to demonstrate that the passports, bank accounts, or mobile wallet accounts of the petitioners were lawfully restrained

pursuant to any valid order passed by a competent Court or competent authority under the relevant provisions of law.

10. Although the respondents have taken the plea that proceedings under the Anti-Money Laundering Act, 2010, are independent in nature and may continue notwithstanding acquittal in the predicate offence, yet it is equally settled that any coercive action affecting the fundamental rights of citizens must strictly conform to the mandate of law, transparency, and procedural fairness. Mere pendency of an inquiry, without reasonable grounds, tangible incriminating material, or lawful authorization, cannot justify indefinite interference with the lawful business activities, bank operations, passports, and financial affairs of citizens. More particularly, when the respondents themselves conceded that the inquiry in question was merely exploratory in nature and no substantial incriminating material had surfaced against the petitioners yet.

11. It further appears from the record that correspondence dated 20.08.2024 issued by FIA AML/CFT Circle Karachi under Section 25 of the AML Act was utilized by certain banks for blocking or restricting the operation of accounts of the petitioners, despite the absence of any freezing order passed by a competent Court or lawful authority. Such actions, undertaken without due process and without communicating any lawful justification to the affected persons, amount to an arbitrary exercise of authority and offend the constitutional guarantees embodied under Articles 4, 18, 23, and 24 of the Constitution of the Islamic Republic of Pakistan, 1973.

12. The State functionaries are under a legal obligation to act strictly within the bounds of law and cannot, under the guise of inquiry, subject citizens to harassment, humiliation, and financial paralysis without lawful authority or reasonable basis. Powers conferred under the Anti-Money Laundering Act are to be exercised cautiously, fairly, and upon the existence of reasonable grounds supported by lawful authorization from the competent forum. Any deviation therefrom constitutes misuse of authority and abuse of process.

13. In the circumstances, this petition is disposed of with the directions that if the passports, bank accounts, mobile wallet accounts, or any other facilities of the petitioners have been blocked or restricted solely based on the impugned inquiry or correspondence, and no lawful restraint order of a competent Court or authority exists against the petitioners, the same shall forthwith be unblocked and restored in accordance with law. The respondents are further directed not to interfere in the lawful business activities of the petitioners except strictly in accordance with due process of law.

14. The Director General, FIA, is further directed to examine the conduct of the all delinquent officers, particularly regarding the issuance of communications and coercive measures without lawful sanction, reasonable grounds, or approval from the competent authority, and to initiate appropriate departmental/disciplinary proceedings, if any misuse of powers, mala fide, or unlawful harassment of citizens is found, strictly in accordance with law. The aforesaid exercise shall be undertaken within three months; those officers shall not be given operational duties. The Director General, FIA, shall ensure that no officer of FIA misuses powers or authority in excess of law, and in case any such misconduct is brought before this Court in future proceedings, appropriate action may be initiated in accordance with Article 204 of the Constitution of the Islamic Republic of Pakistan, 1973.

15. All pending application(s) stand disposed of in the above terms.

JUDGE

JUDGE