

IN THE HIGH COURT OF SINDH, KARACHI

Present:

Mr. Justice Muhammad Saleem Jessar

Mr. Justice Nisar Ahmed Bhanbhro

Const. Petition No. D-130 of 2026

*(M/s. Shakarganj Limited and another v. Special Judge (Central-I) Karachi and
04 others)*

Petitioners : *M/s. Shakarganj Limited and another through
M/s. Saqib Soomro and Ameer Ali,
Advocate*

Respondents No.1 : *through Ms. Shazia Hanjra, Deputy
to 4 Attorney General for Pakistan*

Respondent No.5 : *through Mr. Ahmed Masood, advocate*

Date of hearing : **10.03.2026**

Date of Order : **02.04.2026**

ORDER

NISAR AHMED BHANBHRO, J. Through this petition, the petitioner has sought following reliefs:

“i. Declare the order dated 06.01.2026 passed by Respondent No. 1 (Special Judge (Central 1), Karachi) in Cr. Misc. Application No.01/2023 as illegal, without lawful authority, in excess of jurisdiction, of no legal effect and quash the same.

ii. Set aside the impugned order dated 06.01 2026 and all consequential actions including registration of FIR, investigation, and coercive measures.

iii. Suspend the operation and effect of the Impugned Order dated 06.01.2026 passed in Cr. Misc. Application No.01/2023, and all proceedings emanating therefrom, during the pendency of this Petition.

iv. Restrain FIA and all law-enforcement agencies from taking any coercive action against the Petitioners in respect of the subject matter or in purported compliance with the Impugned Order.

v. Grant any other relief not specifically mentioned or claimed, deemed just and proper in the peculiar circumstances of this case, including the costs of these proceedings."

2. Learned counsel for the petitioners submits that the learned Special Judge (Central-I), Karachi (**Trial Court**), acted without lawful jurisdiction in directing registration of an FIR by the Federal Investigation Agency (FIA), despite the fact that Enquiry No.47/2023 had already been concluded and a Supplementary Secret Confidential Final Report was submitted by FIA recommending for closure of case. He contended that once the statutory mechanism under the Federal Investigation Agency Act, 1974 had been duly exercised, the learned Special Judge could not assume supervisory authority over the Agency's discretion, thus the impugned order is void ab initio. It is contended that the impugned order unlawfully substitutes judicial opinion for statutory discretion and amounts to judicial overreach, as courts cannot compel registration of an FIR or dictate the course of investigation after due inquiry has been concluded. The learned counsel further submits that the learned Special Judge misapplied the law laid down in case of *Sughran Bibi v. The State (PLD 2018 SC 595)*, as the bar relates to duplication of FIRs on the same cause of action, not chronology, as Petitioners have already registered an FIR No 2335 of 2025 on the same facts, therefore second FIR cannot be recorded. Lastly, it is argued that Section 22-A, CrPC is limited to ensuring performance of duty where an agency refuses to act, and cannot be invoked to mandate a specific outcome. In the present case, the FIA duly performed its function through a detailed inquiry and reports; thus, the impugned order exceeds jurisdiction. He prays that the petition may be allowed.

3. Learned Deputy Attorney General contended that Respondent No.05 lodged a written complaint before the FIA alleging that the petitioners, in collusion and with dishonest intent, procured forged and duplicate share instruments, manipulated official and electronic record, and effected unauthorized transfer of shares, thereby causing wrongful loss to the complainant. It is contended that pursuant thereto, Enquiry

No.47/2023 was lawfully registered on 22.11.2023 at FIA Corporate Crime Circle, Karachi, and during course of inquiry, statements of relevant persons were recorded and documentary evidence collected. Upon completion, a Confidential Final Report was submitted recommending criminal proceedings under relevant provisions of the PPC and the Prevention of Corruption Act, 1947 against the nominated accused. Learned DAG further submits that the said report was placed before the FIA Zonal Board, on 23.01.2025, however Board disagreed with the recommendation and directed submission of a Supplementary Confidential Final Report (SCFR). In compliance, the SCFR was prepared and referred for legal opinion, and the matter is presently pending final decision. Meanwhile, the inquiry officer has been transferred and relinquished charge on 28.10.2025. She contended that Respondent No 5 has filed a complaint with FIA, and if the complaint discloses the commission of a cognizable offence, then FIA should record the FIR. She supported the impugned orders.

4. Learned counsel for the Respondent No.05 submits that the petitioners, through acts of fraud, forgery, and manipulation of statutory and depository record, have caused grave financial loss, business disruption, and persistent mental distress to Respondent No.05, besides unlawfully depriving him of valuable shareholding and forcing him into protracted litigation. It is contended that prior to initiating criminal proceedings, Respondent No.05 had already instituted Suit No.2765 of 2021 before this Court seeking, inter alia, transfer of 20 million shares of Shakarganj Food Products Limited, wherein interim orders are still operating and the matter is sub judice. The said civil proceedings, it is urged, operate independently of the criminal liability arising from the same set of facts. Learned counsel further submits that on the basis of documentary material and regulatory correspondence, Respondent No.05 approached FIA through a written complaint dated 31.10.2023 for registration of an FIR regarding cognizable offences, but no action was taken, compelling him to invoke the jurisdiction under Section 22-A (6)(i) CrPC before the learned Special Judge. He contended that Learned trial Court passed a detailed order on appreciating the material placed on record and directed for registration of FIR. He contended that impugned order was legal and did not suffer from any infirmity warranting interference by this Court. He placed reliance on the cases of **Younas**

Abbas and others v. Additional Sessions Judge, Chakwal and others (PLD 2016 Supreme Court 581), Abdul Qadir Farooqui v. the Federal Ministry of Finance through Secretary Central Board of Revenue Islamabad and others (2018 CLC 758), Syed Hashim Ali Shah v. Special Judge, Central Lahore and 2 others (1999 MLD 2237), Misbah Karim and others v. Federation of Pakistan through Secretary and others (PLD 2016 Sindh 462), Muhammad Rafique and another v. Director General, Federal Investigation Agency Islamabad and another (2023 P Cr.LJ 38), Muhammad Bilal Nawaz v. Director General, FIA, Punjab Lahore and 5 others (PLD 2024 Lahore 584) and unreported order dated 18.12.2025 passed by this Court in Cr. Revision Application No.35 of 2022. He, therefore, prays that the petition may be dismissed.

5. Heard arguments of the parties and perused the material made available before us on record.

6. Learned Counsel for the Petitioners painstakingly tried to convince this Court that it was a case of the registration of second FIR on same subject for which Petitioners had recorded an earlier FIR No 2335 of 2024 at Police Station Gulberg Lahore. Practice of recording multiple FIRs for the same offence has been depreciated by Honorable Supreme Court in the case of Sughra Bibi (supra). This argument of the Learned Counsel for the Petitioner is not in consonance with the facts as are borne out from the record. Respondent No 5 seeks investigation of an offence of cheating and money laundering committed by the Petitioner Company, which is a separate and distinct crime from the facts narrated in FIR No 2335 of 2024, thus Sughra Bibi Case (Supra) would not be attracted in the present matter.

7. Petitioner No 1 is a public listed company, undertaking the business of Sugar and other products, and Petitioner No 2 is Deputy Chief Executive of the Company. Respondent No 5 along with one Sohail Elahi filed an application under section 22 - A CrPC before Learned Trial Court seeking registration of FIR against the Petitioner Anjum Saleem and Asrar Ahmed. Learned Trial Court vide impugned order dated 06.01.2026 allowed the application and directed FIA to record and register the FIR under section 154 CrPC and to proceed with the investigation. For the ease

of reference the operative part of the order dated 06.01.2026 is reproduced below:

“In view of the foregoing discussion, the application is allowed. The concerned officer of the Federal Investigation Agency is directed to record and register an FIR under section 154 of the law on the basis of the Applicants’ complaint, material annexed herewith and the original Confidential Report, and to proceed with investigation in accordance with law. A compliance report shall be submitted before this Court within 10 days. It is clarified that nothing stated herein shall be construed as an opinion on the merits of the case.”

8. The impugned order from face of it, appears to be a *corum non judice* on two accounts. Firstly for the reason that Special Court Central / Trial Court was established to try the offenses under the provisions of the Prevention of Corruption Act, 1947 and other special enactments on a complaint or report furnished by the Investigation Agencies. Special Court Central / Trial Court was not vested with the powers of Ex-Officio Justice of Peace in terms of Section 22 or 25 of the Code of Criminal Procedure, 1898 (CrPC). Secondly for the reason that the pleas raised by the Respondent No 5 related to the affairs of Company, which is an exclusive domain and subject matter of the investigation by Securities & Exchange Commission of Pakistan (SECP) under the provisions of the Companies Act 2017 (TCA). Though Counsel for the Petitioners failed to render proper assistance on the referred points, however Mr Ahmed Masood Learned Counsel for the Respondent No 5 advanced impressive arguments to console that the impugned orders were passed by a Court competent under the law.

9. Adverting to the First Issue of exercise of the powers of Ex-Officio Justice of Peace by Special Court Central established for purpose of trial of offences relating to white Collar Crime. Ex-Officio Justice of Office is appointed by the provincial government under the statutory command of Code of Criminal Procedure. Under Section 22 CrPC provincial

government is empowered to appoint a Justice of Peace for a local area to be specified in the notification. Section 22 reads as under:

22. Appointment of Justice of Peace: The provincial Government may by notification in the official Gazette, appoint for a such period as may be specified in the notification, an subject to such rules as may be made by it, any person who is citizen of Pakistan and as to whose integrity and suitability it is satisfied, to be a Justice of Peace for a local area to be specified in the notification, and more than one Justice of the Peace may be appointed for the same local area.

10. Legislation under its own intent and wisdom has conferred the powers of Ex - Officio Justice of Peace to a District and Sessions Judge in a District and on nomination by District & Sessions Judge to an Additional District & Sessions Judge under Section 25 CrPC . Section 25 reads as under:

25. Ex-officio Justice of the Peace.-By virtue of their respective offices, the Sessions Judges and on nomination by them, the Additional Sessions Judges, are Justices of the Peace within and for whole of the District of the Province in which they are serving"

11. Learned Trial Court, was neither a Court of District & Sessions Judge for a particular Sessions Division or District to exercise the powers of Ex - Officio Justice of Peace under section 25 CrPC, nor was notified by the Provincial Government o exercise such powers of Justice of Peace under section 22 CrPC. In the given circumstances, Trial Court was not competent to entertain and decide an application under section 22 - A CrPC and to direct FIA for registration of an FIR. Argument of the Learned Counsel for Respondent No 5 that Special Court can issue such directions to FIA was not substantiated from any law. Law is undoubtedly a set of commands of the sovereign. It can endure and stay efficacious if exercised by the Court with due caution and within the boundaries fixed by the law. The Court of law exercises powers vested in it, and cannot borrow the powers under presumption and assumptions.

12. Though learned Trial Court in its impugned order has referred the case of **NBP Vs The State reported as PLD 2021 Lahore 670** and **Munir Bhatti Vs Director FIA Cyber Wing Lahore reported as PLD 2022 Lahore 654** to justify its jurisdiction to entertain an application under section 22 A CrPC and pass an order. In the case of NBP and Munir Ahmed Bhatti (supra) the learned Lahore High Court has held that Section 4(2) of the Federal Investigation Act 1974 provides that the administration of the Federal Investigation Agency (FIA) shall vest in the Director General who shall exercise, in respect of the FIA, the powers of an Inspector General of Police under the Police Act, 1861. While Section 5(1) in most unequivocal manner provides that the members of the FIA shall, for the purpose of an inquiry or investigation under the FIA Act, have throughout Pakistan such powers, including powers relating to search, arrest of persons and seizure of property, and such duties, privileges and liabilities as the officers of Provincial Police have in relation to the investigation of offenses under the CrPC or any other law for the time being in force. Likewise, section 5(2), for the purpose of any inquiry, empowers a member of the agency, who is not below the rank of a Sub-Inspector to exercise any of the powers of an officer-in-charge of a Police Station. Therefore, when status, functions, rights, privileges and liabilities of officials of F.I.A. are same as that of Provincial Police officer under the CrPC, ex-officio justice of peace is competent to issue directions to the FIA as it can issue to the Provincial Police. The referred pronouncements related to powers of Justice of PEace to issue appropriate directions to FIA. Since Learned Trial Court was not notified by the Provincial Government to exercise the powers of Justice of Peace, therefore, was not competent to issue such directions.

13. Adverting to the Second issue. Admittedly, Petitioner No 2 and Respondent No 5 are the proprietors of the company incorporated under the **Companies Act, 2017 (TCA)**. Respondent No 5 alleges fraud committed by a Company (Petitioner No 1). In Para No 27 of the complaint filed before Trial Court, it is alleged that Petitioners have committed fraud in respect of 20 Million shares and were involved in money laundering. The complaint further alleged that Company was required to maintain share register under section 119 of TCA and this fraud constituted a scheduled offence, which may be investigated by FIA.

14. In case of any grievance relating to Fraud etc. by a company, TCA provides a forum. Since Respondent No 5 alleges fraud against Petitioners, a matter falling under exclusive domain of SECP to adjudicate under Section 256 and 257 of TCA. The proper forum available to Respondent No. 5, being a non-member or non-director of the company, was to file a complaint under section 257 of TCA before SECP. Upon receipt of such complaint, SECP, after providing Petitioner company an opportunity of being heard, was required to proceed further in accordance with law. For the sake of convenience Section 257 of TCA is reproduced hereunder:-

"257. Investigation of company's affairs in other cases. –

(1) Without prejudice to its power under section 256, the Commission –

(a) shall appoint one or more competent persons as inspectors to investigate the affairs of a company and to report thereon in such manner as the Commission may direct, if –

(i) the company, by a special resolution, or

(ii) the Court, by order,

declares that the affairs of the company ought to be investigated; and

(b) may appoint one or more competent persons as inspectors to investigate the affairs of a company and to report thereon in such manner as the Commission may direct if in its opinion there are circumstances suggesting –

(i) that the business of the company is being or has been conducted with intent to defraud its creditors, members or any other person or for a fraudulent or unlawful purpose, or in a manner oppressive of any of its members or that the company was formed for any fraudulent or unlawful purpose; or

(ii) that persons concerned in the formation of the company or the management of its affairs have in connection therewith been guilty of fraud, misfeasance, breach of trust or other misconduct towards the company or towards any of its members or have been carrying on unauthorised business; or

(iii) that the affairs of the company have been so conducted or managed as to deprive the members thereof of a reasonable return; or

(iv) that the members of the company have not been given all the information with respect to its affairs which they might reasonably expect; or

(v) that any shares of the company have been allotted for inadequate consideration; or

(vi) that the affairs or the company are not being managed in accordance with sound business principles or prudent commercial practices; or

(vii) that the financial position of the company is such as to endanger its solvency:

Provided that, before making an order under clause (b), the Commission shall give the company an opportunity of being heard.

(2) While appointing an inspector under sub-section (1), the Commission may define the scope of the investigation, whether as respects the matters or the period to which it is to extend or otherwise."

15. In case, after investigation and on perusal of the inspector's report, if appointed, the SECP was of the view that Petitioner Company had committed an offence as alleged, it could have referred the case under Section 263 of TCA for prosecution. Section 263 reads as under:-

"263. Prosecution.—(1) If, from any report made under section 262, it appears to the Commission that any person has, in relation to the company or in relation to any other body corporate, whose affairs have been investigated by virtue of sections 256, 257 and 258, been guilty of any offense for which he is criminally liable, the Commission may, prosecute such person for the offence, and it shall be the duty of all officers and other employees and agents of the company or body corporate, as the case may be, other than the accused in the proceedings, to give the Commission or any person nominated by it in this behalf all assistance in connection with the prosecution which they are reasonably able to give.

(2) Sub-section (3) of section 261 shall apply for the purpose of this section as it applies for the purposes of that section."

16. The Offence of false statement, falsification, forgery, fraud and deception was defined under section 496 of TCA and was punishable from one year to seven years. Section 482 of TCA articulated that that an

offence under the provisions of TCA which was punishable with imprisonment was triable on a complaint filed by SECP before the Court of Sessions notified by SECP under section 37 of the SECP Act, 1997. Section 476 lays down that an offence under TCA was cognizable. Section 37 reads as under:

37. Cognizance of offences. – (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act No. V of 1898) but subject to the administered legislation, no court other than the court of sessions shall take cognizance of any offence punishable with imprisonment or imprisonment in addition of fine under this Act or any administered legislation, except on a complaint by an officer authorized in this behalf by the Commission signed by a Commissioner:

Provided that the Federal Government may, in consultation with the Chief Justice of the concerned High Court, notify any other court established under any other law presided by sessions judge or equivalent to take cognizance of any offences under this Act or any administered legislation.

(2) Subject to sub-section (1), in case of transfer of case from court of sessions it will not be necessary to recall any witness or record any evidence a new that may have been recorded and the court to which the case is transferred shall continue proceedings from the stage before such transfer.

17. Section 37 of the SECP Act 1997 grants an exclusive jurisdiction to Court of Sessions for Cognizance of offences on a complaint by SECP. It starts with a *non-obstante* clause that notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act No. V of 1898) but subject to the administered legislation, no court other than the court of sessions shall take cognizance of any offence punishable with imprisonment or imprisonment in addition of fine under this Act or any administered legislation, except on a complaint by an officer authorized in this behalf by the Commission.

18. Moreover, the entire case of Respondent No 5 hinges upon a facilitation agreement allegedly executed by the parties in year 2018. Petitioners vehemently deny the execution of such agreement and claim it to be a forged document. In this regard Petitioners have recorded an FIR No 2335/2024 at police station Gulberg Lahore. It can only be determined through a proper inquiry by SECP that whether the alleged facilitation agreement was a genuine document or not and whether the Petitioners committed an offence of Fraud which resulted in money laundering.

19. Respondent No 5 further alleged that fraud of 20 Million shares has resulted into money laundering, therefore, provisions of Anti Money Laundering Act 2020 (AMLA) would apply to the case in hand. No doubt an offence under the provisions of AMLA was a scheduled offence and FIA was competent to investigate but primary question involved in the present matter is the alleged facilitation agreement, which relates to affairs of Company and was covered under TCA.

20. It is trite law that the provisions of special law have the overriding effect upon the common law and in case an injury is caused to a person which covers the provisions of both common and special law then latter shall prevail. The petitioners were allegedly accused of fraud which constituted an offence under the Special Law, under such circumstances, the appropriate remedy available to the Respondent No.5 was to invoke the provisions of TCA and to file complaint before SECP, which is burdened with a responsibility of oversight upon the affairs of the Company. If during investigation SECP unearthed any element of money laundering, it was equally competent to refer the case to FIA for further proceedings.

21. Respondent No 5 chose a wrong forum for prosecution of the Petitioners. The proceedings lodged before Trial Court seeking directions for registration of an FIR in the matter were not tenable under the law and coram non judice. In the administration of justice determination of the jurisdiction by the Court seized with the matter is one of the important elements and deviation whereof would result in coram non judice orders, having no legal sanction behind it.

22. The case laws relied upon by the Learned Counsel for the parties though enunciated the principle of law but with due reverence were on different footings, hence are distinguishable from the case in hand.

23. For the foregoing reasons, we are of the considered view that, Special Court Central - I Karachi assumed the jurisdiction of the Ex - Officio Justice of Peace without the sanction of law, therefore, a case for indulgence of this Court to exercise the powers of judicial review under article 199 of the Constitution of Islamic Republic of Pakistan of 1973 is made out. Consequently this petition is allowed. Order dated 06.01.2026 passed by Learned Trial Court is declared to be illegal, ab initio void, and coram non iudice and is hereby set aside. Respondent No 5 may however file a complaint before SECP for investigation into the affairs of company regarding fraud. The complaint, if any filed by the Respondent No 5 shall be decided by SECP strictly in accordance with law preferably within a period of 90 days from the date of receipt of this order and without being influenced or prejudiced by any of the observations made in the instant order. If SECP concludes that an offence of fraud or that of money laundering was committed by the Petitioners, the due process of law for prosecution shall follow.

24. The Petition stands disposed of in above terms. Office to send copy of this Order to SECP for compliance. Learned MIT - II to ensure compliance.

JUDGE

JUDGE

HEAD OF CONST. BENCHES

MAK-Nadir

Approved for reporting