IN THE HIGH COURT OF SINDH AT KARACHI

Special Criminal Appeal No. 14 of 2026

Between

M/s. Brands Unlimited (Private) Limited,
through its authorised representative,
Muhammad Essa, and another. **.........APPELLANTS**

And

The State and others. **.........RESPONDENTS**

Appellant	**:**	**Through Mr. Mushtaque Hussain Qazi, advocate**
Respondent No.2	**:**	**Through Syed Ahsan Ali Shah, Advocate**
Date of hearing	**:**	**07-08-2026**
Date of Judgment	**:**	**27-08-2026**

JUDGMENT

Jan Ali Junejo, J.:-- Through this appeal under Section 23 of the Anti-Money Laundering Act, 2010 (the "AMLA"), the appellants call in question the order dated 27 March 2026 (hereinafter referred to as the *"Impugned Order"*) passed by the learned Special Judge (Customs, Taxation & Anti-Smuggling-I), Karachi (hereinafter referred to as the *"Trial Court"*), whereby their application seeking recall, review and modification of the earlier order dated 05 January 2026 was dismissed as not maintainable. The order dated 05 January 2026 had granted, under Section 8(1) of the AMLA, provisional attachment of vehicle bearing registration No. EAA-408 and Meezan Bank account No. 0111-0103512221.

2. Briefly, the facts of the case are that FIR No. 10/2025 dated 31 December 2025 was registered by the Directorate of Intelligence and Investigation (Inland Revenue), Karachi, against M/s Brands Unlimited (Private) Limited and its directors, Muhammad Essa and Muhammad Farhan Khan, under the provisions of the AMLA read with the Income Tax Ordinance, 2001, and the Sales Tax Act, 1990. The allegations were that the company suppressed sales and furnished inaccurate particulars, thereby allegedly evading income tax, claimed inadmissible input tax on fake or dummy invoices, and that the directors possessed or acquired assets said to be undeclared and derived from the alleged predicate offences. On 05 January 2026, the Investigating Officer moved an application under Section 8(1) of the AMLA. The learned Special Judge, after hearing the Investigating Officer and perusing the application, provisionally attached only vehicle No. EAA-408 and Meezan Bank account No. 0111-0103512221, while directing the Investigating Officer to furnish further particulars and documentary proof concerning other properties and an HBL account. The appellants thereafter sought recall, review, and modification of the attachment order, contending, inter alia, that no prior assessment, adjudication, show-cause notice, or hearing had preceded the FIR or attachment, and that their declared assets could not be treated as proceeds of crime. By order dated 27 March 2026, the learned Special Judge dismissed that application on the ground that the AMLA contains

no provision for recall, review, or modification and that the appellants' remedy was an appeal under Section 23 of the AMLA.

3. Learned counsel for the appellants submitted that the appeal is competent because an order under Section 8 of the AMLA, although described as provisional, has immediate and final practical consequences for the person affected when bank accounts and assets are restrained; consequently, it is appealable under Section 23. He argued that the learned Special Judge correctly identified the appellate remedy but erred in refusing to examine the legality of the attachment order. According to learned counsel, the attachment was made without notice or an opportunity of hearing, in breach of due process and natural justice, and without any lawful determination of tax liability under the Income Tax Ordinance, 2001 or the Sales Tax Act, 1990. It was further contended that the Investigating Officer and the Directorate had no authority to undertake an assessment or quantify evaded tax in the absence of a competent assessment order; that the appellants' bank accounts, properties and wealth had been disclosed in their tax returns and wealth statements; that the respondents' subsequent notices to banks and to the appellants demonstrated that no sufficient material existed at the time of the FIR or attachment; and that the FIR incorrectly alleged non-response to notices despite the appellants' asserted replies. Learned counsel maintained that mere allegations or suspicion could not establish a nexus between the attached assets and any predicate offence, and

that the attachment had paralysed the appellants' business. He therefore prayed that the order dated 27 March 2026 and the attachment order dated 05 January 2026 be set aside, the attached assets and account be released, or, in the alternative, the matter be remanded for a fresh decision in accordance with law. The learned counsel has relied upon the following case laws:

i) ***Muhammad Aslam (deceased) through L.Rs. and another v. Molvi Muhammad Ishaq (deceased) through L.Rs. and others (2024 SCMR 1390).***

ii) ***Faqir Muhammad v. Khursheed Bibi and others (2024 SCMR 107).***

iii) ***Arshad Aziz Abbasi and others v. The Special Judge, Customs, Taxation & Anti-Smuggling-I, Karachi and another (unreported Order).***

iv) ***Khadim Hussain Rajpar and another v. Muhammad Ibrahim Rajpar and others (2014 CLC 215).***

4. Conversely, learned counsel appearing for Respondent No.2 sought dismissal of the appeal. He submitted that the attachment was made in strict compliance with Section 8 of the AMLA after the Investigating Officer obtained the Court's prior permission, and that notice under Section 9 was issued to the accused within seven days. He argued that the appellants appeared before the Investigating Officer, their statements under Section 161 of the Code of Criminal Procedure were recorded, and the investigation disclosed apparent tax evasion, concealment of income and acquisition or possession of properties from the proceeds of crime. Learned counsel submitted that the AMLA proceedings are

independent of proceedings under the fiscal statutes and that the stage of provisional attachment does not require a final assessment or adjudication of tax liability. He further contended that the assets could ultimately be confirmed or released in accordance with law, that the learned Special Judge had no power to recall or review his predecessor's order, and that the application filed before the Special Court was therefore misconceived. Reliance was placed upon PLD 2016 Sindh 607 and the order dated 17 February 2026 passed by the Hon'ble Supreme Court in Criminal Petition No. 120 of 2026. The prayer was that the appeal be dismissed and both Orders be maintained.

5. I have considered the arguments advanced by the learned counsel for the parties and carefully perused the material available on record. Since the Appellants have invoked the jurisdiction of this Court by filing the present appeal under Section 23 of the Anti-Money Laundering Act, 2010 ("AMLA"), it would be appropriate to examine the scope and ambit of the said provision, which is reproduced hereunder:

> ***"23. Appeal to High Court.—Any person aggrieved by final decision or order of the Court may prefer an appeal to the High Court within sixty days from the date of communication of the decision or order on any question of law or fact arising out of such decision or order: Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be submitted within a further period not exceeding sixty days.***
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> ***Explanation. ___ For the purposes of this section, "High Court" means, ___***

> ***(a) the High Court within the jurisdiction of which the aggrieved party ordinarily resides or carries on business or personally works for gain; and***
>
> ***(b) where the Federal Government is the aggrieved party, the High Court within the jurisdiction of which the respondent, or in a case where there are more than one respondent, any of the respondents, ordinarily resides or carries on business or personally works for gain".***

Section 23 of the AMLA permits an aggrieved person to appeal to the High Court against a final decision or order of the Court on any question of law or fact. The expression "final decision or order" in that provision qualifies the decision or order of the Court; it does not necessarily mean only an order finally determining the criminal charge or finally confiscating property. An order under Section 8, though provisional in duration, operates immediately against the affected person and may restrain the use of bank accounts, vehicles and other property for a substantial statutory period. Its practical effect is therefore final for the period during which it remains operative. The position is also consistent with the Supreme Court's observation, reproduced in the order under appeal, that an order of attachment under Section 8 is not to be treated as an ordinary interim order merely because the statute uses the expression "provisionally attach".

6. The present appeal is, therefore, competent. The appellants have challenged the order dated 27 March 2026, but the substance of their grievance is directed against the attachment order dated 05 January 2026. The Court must consequently examine both Orders,

not merely the technical question whether a recall application was maintainable before the Special Court.

7. The learned Special Judge was correct to the extent that the AMLA does not confer an express power upon the Special Court to review its own order under Section 8 in the manner of an appellate court. The general principle that a court cannot review or recall its final judicial order in the absence of statutory authority is not displaced merely because a party describes the application as one for recall, review or modification. On this limited issue, the conclusion that the application, as framed, was not maintainable cannot be termed without lawful basis.

8. However, the learned Special Judge treated the existence of an appellate remedy as a complete answer to every objection raised by the appellants and did not examine whether the order dated 05 January 2026 itself reflected the jurisdictional and statutory conditions of Section 8(1). Once the appellants had specifically questioned the legality of the attachment, including the alleged absence of a reasonable belief, absence of a demonstrated nexus between the property and the alleged money laundering, and violation of due process, the Court was required to record that such objections were matters for appellate examination and to preserve the distinction between lack of power to review and the High Court's power under Section 23 to examine the impugned order. The order dated 27 March 2026 consequently gives an incomplete answer to the controversy. It is not sufficient to say that the

application was not maintainable without addressing the legal effect of the serious objections, particularly when the attachment order had immediate consequences for the appellants' banking and business operations.

9. The order dated 27 March 2026 is therefore set aside to the extent that it foreclosed examination of the legality and propriety of the order dated 05 January 2026. This does not mean that the Special Court possessed an unqualified power of review. It means only that the appellants' challenge is properly before this Court in appeal and must be decided on its own merits.

10. Section 8(1) of the Anti-Money Laundering Act, 2010 ("AMLA") permits provisional attachment, with the prior permission of the Court, of property which the Investigating Officer reasonably believes to be involved in money laundering. The exercise of this power is subject to judicial scrutiny and, therefore, cannot be undertaken mechanically or merely upon the assertion of the Investigating Officer.

11. In the present case, the appellants were neither given notice nor afforded an opportunity of hearing before the attachment order dated 05 January 2026 was obtained. The application under Section 8 of the AMLA substantially relied upon the allegations contained in the FIR and sought attachment of the appellants' properties, vehicle and bank accounts. The learned Special Judge allowed the application in part after hearing only the Investigating

Officer and perusing the application, but without recording any independent finding on the material warranting attachment of the particular assets. Such an approach does not satisfy the requirement of meaningful judicial scrutiny contemplated by Section 8 of the AMLA.

12. The principle laid down by the Honourable Supreme Court in ***Arshad Aziz Abbasi and others v. The Special Judge, Customs, Taxation & Anti-Smuggling-I, Karachi and another***, Criminal Petition No.120 of 2026, decided on 17 February 2026, is directly applicable to the facts of the present case. While examining a materially similar matter, the Honourable Supreme Court observed:

> ***"Similarly, no opportunity has been provided before obtaining an order of attachment of properties of the petitioners under section 8 of the Act of 2010. From perusal of the application filed under section 8 of the Act of 2010 before the Special Judge (Customs, Taxation, Anti-smuggling-I), Karachi reference has been made to the allegations as contained in FIR No.6/2025 dated 24.12.2025 which seems to be the basis of invoking the provisions of the Act of 2010, including attachment of properties of the petitioners, whereas, the order of attachment of immovable properties, vehicles and bank accounts of the petitioners has been made as prayed in the application filed by the Directorate of Intelligence & Investigation-IR, Karachi".***

13. The aforesaid principle squarely applies to the present case. Where the State seeks to restrain a person from dealing with his property and to disable his bank account, the opportunity of hearing cannot be reduced to a mere formality. The Special Court is required to independently examine the material placed before it, determine whether the belief of the Investigating Officer is

supported by reasonable grounds, identify the specific property alleged to be involved in money laundering, and record reasons demonstrating the nexus between such property and the alleged predicate offence. Mere reproduction of the allegations contained in the FIR or adoption of the relief sought in the application of the Investigating Officer cannot substitute for such independent judicial determination.

14. A subsequent notice under Section 9 of the AMLA, or the appellants' subsequent appearance before the Investigating Officer, cannot retrospectively cure the absence of a prior opportunity of hearing or the failure to undertake independent judicial scrutiny at the stage of attachment. Likewise, the subsequent recording of statements under Section 161 Cr.P.C. cannot supply reasons which are absent from the attachment order itself. Since the order dated 05 January 2026 was founded substantially upon the allegations contained in the FIR and adopted the relief sought in the application without an independent assessment of the material, the defect goes to the legality and propriety of the impugned order.

15. In Case of *Arshad Aziz Abbasi*, the Honourable Supreme Court, relying upon the case of ***Directorate of Intelligence & Investigation-FBR through its Director and others v. Taj International (Pvt.) Ltd. and others (PLD 2025 SC 633)***, held that criminal proceedings founded upon alleged tax fraud or evasion cannot precede determination of the tax liability through the statutory process of assessment or adjudication. The

Honourable Supreme Court further held that initiation of such proceedings and attachment of property without determination of liability and without affording an opportunity of hearing violates Article 10A of the Constitution and the principles of natural justice.

16. The record in the present case discloses no prior show-cause notice, assessment, adjudication or other lawful determination of the alleged income-tax or sales-tax liability. The amounts referred to in the FIR and in the application under Section 8 of the AMLA are, therefore, merely allegations or estimates and do not constitute an adjudicated tax demand. Where the alleged predicate offences themselves are founded upon such unadjudicated tax claims, the respondents could not lawfully invoke the AMLA to impose the impugned criminal and attachment measures or to use AMLA proceedings as a substitute for the assessment and adjudication process prescribed under the relevant fiscal statutes.

17. The appellants' assertion that they had filed their tax returns and wealth statements and had responded to departmental notices further underscores the necessity of due notice and hearing. Whether such documents establish compliance with the applicable fiscal laws is a matter to be determined by the competent tax authority in accordance with the prescribed statutory procedure. Until such determination is lawfully made, however, the appellants cannot be deprived of their property and banking facilities merely on the basis of an unassessed or unadjudicated tax liability.

18. Attachment of a functioning business account is a serious coercive measure, capable of disrupting or even bringing commercial operations to a standstill. The order dated 05 January 2026 contains no meaningful consideration of the nature of the account, the funds maintained therein, the proportionality of attaching the entire account, or the nexus, if any, between the funds in the account and the alleged proceeds of crime. In the absence of a lawful determination of the underlying tax liability, a prior opportunity of hearing, and independent material establishing the requisite nexus under the AMLA, continuation of the attachment would perpetuate the illegality identified by the Honourable Supreme Court.

19. The operative approach adopted by the Honourable Supreme Court in *Arshad Aziz Abbasi* was to suspend the attachment pending final decision of the appeal. Having now finally examined the present appeal and found that the impugned attachment order was passed without the safeguards and legal foundation required by law, the restraint cannot be permitted to continue on the existing record. The appellants are, therefore, entitled to restoration of the position obtaining immediately prior to 05 January 2026, without prejudice to the right of the competent authorities to initiate or pursue any proceedings subsequently, strictly in accordance with law and after observing the statutory safeguards and principles of natural justice.

20. For the reasons recorded above, the appeal is allowed in part. The order dated 27 March 2026 is set aside to the extent whereby the appellants' challenge to the legality and propriety of the attachment order dated 05 January 2026 was dismissed solely on the ground of maintainability. The order dated 05 January 2026 is also set aside for want of adequate reasons demonstrating independent application of mind to the statutory requirement of reasonable belief and to the nexus between the attached vehicle and bank account and the alleged money laundering. The matter is remanded to the learned Special Judge (Customs, Taxation & Anti-Smuggling-I), Karachi, for a fresh decision on the application filed by Respondent No.2/Investigating Officer under Section 8 of the Anti-Money Laundering Act, 2010. The learned Special Judge shall provide the appellants and the Investigating Officer a meaningful opportunity of hearing, verify compliance with all notices and other statutory requirements, and decide the application afresh through a reasoned and speaking order. While doing so, the learned Court shall consider the material supporting the alleged predicate offences; the alleged nexus of vehicle No. EAA-408 and Meezan Bank account No. 0111-0103512221 with the alleged proceeds of crime; the appellants' tax returns and wealth statements; their asserted replies to departmental notices; the respondents' subsequent notices and investigative material; the applicable statutory timelines; and the proportionality of any proposed restraint. Until the fresh order is passed, no third-party interest shall be created in, and no disposal or alienation shall take place

of, the vehicle or any property covered by the order dated 05 January 2026 on the basis of that set-aside order. In respect of the Meezan Bank account, the learned Special Judge shall consider the matter expeditiously and determine, after hearing the parties, whether any interim protective arrangement is warranted and, if so, whether a narrowly tailored restraint would sufficiently protect the investigation without unnecessarily disrupting the appellants' legitimate business operations. The fresh order shall preferably be passed within thirty days of receipt of this judgment. Nothing stated herein shall be construed as a final finding regarding the appellants' guilt, the existence or quantum of tax liability, or the ultimate character of any property. The appeal stands disposed of in the above terms.

JUDGE