THE HIGH COURT OF SINDH KARACHI

Spl. Cr. Appeal No. No. 32 of 2026
[Mst. Nazia Sarfataz & another v. The State]

Appellants	:	Mst. Nazia Sarfaraz and Mst. Afsheen Asim through Mr. Qamar Riaz Virk, Advocate.
Respondent	:	The State through Directorate General Post Clearance Audit (South), Karachi through Mr. Farooq Hashmat, Advocate.
Date of hearing	:	03-08-2026
Date of decision	:	03-08-2026

O R D E R

Adnan Iqbal Chaudhry J.– On the application under section 426 Cr.P.C., heard learned counsel and perused the record.

2. By the impugned judgment dated 22.07.2026, the Appellants, both ladies, have been convicted for offences punishable under clauses 12A, 12B and 14(A) of section 156(1) of the Customs Act, 1969 by the Special Judge (Customs, Taxation & Anti-Smuggling-II), Karachi. Clauses 12A and 12B relate to offences under sections 26A and 26B of the Customs Act, viz. for frustrating the provisions for conducting audit by the Customs, whereas clause 14A is for the offence of fiscal fraud under section 32A of the Act. It was alleged that the Appellants were the principal officers of M/s. Material House, a non-existent AOP that had imported machinery scrap while availing exemptions and concessions from customs duties and taxes, which were available only to genuine manufacturers. The Appellants had denied involvement in the business of said AOP.

3. I have gone through the judgment. The Appellants' conviction is premised primarily on their failure to produce record of the imported consignments for audit in the backdrop of the testimony of prosecution witnesses that the AOP was a fictitious entity that did not carry on any business. But then, the judgment does not go on to discuss the Customs' record of the imported consignments which

could establish that those consignments were imported with the active knowledge of the Appellants. Therefore, there is some force in the submission of the Appellants' counsel that the judgment of the trial court suffers from a mis-reading of the evidence. The other consideration is that the Appellants are ladies who remained on bail suspension throughout trial.

4. For the forgoing reasons, the sentence awarded to the Appellants by judgment dated 22.07.2026 in the Case No.152/2024 arising from FIR No. PCA-7389/2024-Audit, is suspended, and the Appellants are granted bail under section 426 Cr.P.C. subject to furnishing solvent surety in the sum of Rs.500,000/- (Rupees Five Hundred Thousand only) each and P.R. bond in like amount to the satisfaction of the Nazir of this Court. MA No.11424/2026 is allowed in said terms.

JUDGE

**PS/SADAM*