

THE HIGH COURT OF SINDH KARACHI

Spl. Cr. Bail Application No. 13 of 2025

Applicant/Accused : Sheraz Ahmed son of Niaz Ahmed through M/s. Umar Faoq and Shahzad Akbar Ali, Advocates.

The State : M/s. Barrister Syed Ahsan Ali Shah and Syed Mohsin Ali Shah, Advocates along with Mr. Azam Nafees, Assistant Director (Audit), Directorate of I&I-IR, Karachi

Date of hearing : 11-02-2025

Date of order : 11-02-2025

*FIR No. 02/2024-25 dated 18.11.2024
U/s 3, 3(1A), 6(1) & (2), 7(1), (2)(i)(ii), 8(1)(a), (ca) & (d),
8A, 22(1), 23(1), 26(1) and 73 of the Sales Tax Act, 1990
read with Section 2(37) of the Sales Tax Act, 1990; liable to be
prosecuted under 37A and 37B of the Act ibid and punishable
under section 33(3), (5), (8), (11c), (13), (16), (18) of the Act ibid
P.S. Directorate of Intelligence & Investigation-IR- (FBR) Karachi*

ORDER

Adnan Iqbal Chaudhry J. - The Applicants seek post-arrest bail in the aforesaid crime after the same has been declined by the Special Judge (Customs Taxation and Anti-Smuggling-II), Karachi by order dated 20.12.2024.

2. The Applicant was arrested for committing tax fraud as defined in section 2(37) of the Sales Tax Act, 1990, punishable by the Special Court as offences listed at serial 11c and 13 of the Table under section 33 of the Sales Tax Act for a term of imprisonment which may extend to 10 years if the tax sought to be evaded is Rs. 1 billion and above. The allegation against the Applicant is that for the tax period November 2023 to January 2024 he used the ID and password of a deceased e-intermediary namely Arshad Mehmood Noor Awan and uploaded a fake Annexure-C to supplement sales tax returns filed by M/s. Safa International Marketing, a proprietorship of Mst. Firdous Anwar, to reflect that Safa International had made enormous sales generating input tax of Rs. 290 billion; whereas Safa International had

disowned those documents and made a complaint to the FTO that it's IRIS ID and password had been hacked.

3. Learned counsel for the Applicant submits that apart from a cell number which is also not registered in the Applicant's name, there is no evidence with the prosecution that connects him to the alleged offence; and that persons who are ostensibly beneficiaries of fake documentation have not even been arrayed as accused persons. On the other hand, learned counsel for the Department submits that the investigation discussed in the interim challan dated 05.12.2024 clearly shows that the Applicant was the one who uploaded the fake documents to the tax profile of Safa International.

4. Heard learned counsel and perused the record.

5. The case of the prosecution is that the Applicant used the ID and password of a deceased e-intermediary to access and then manipulate the sales tax profile of Safa International to show enormous sales by it to certain buyers namely Gravity Traders, New Metro Footware Co., Yasir Confectionary and World Gate Trading - the alleged beneficiaries. It is alleged that the new cell number added to the manipulated tax profile was registered in the name of the Applicant's sister, and the new email address added to the tax profile was found to be in the Applicant's use. While all of that has yet to be proved at trial, it is acknowledged in the very least by the prosecution that said manipulation was made to ultimately benefit certain buyers of Safa International who were registered for sales tax and that the Applicant himself was not such a buyer. the involvement of those buyers in the scam is still under investigation. Thus far, the investigation has also not found a money trail leading to the Applicant. Therefore, the case against the Applicant is one of further inquiry falling within the ambit of sub-section (2) of section 497 Cr.P.C.

6. Custody of the Applicant is no longer required for investigation. The entire evidence is documentary and in custody of the prosecution. It is unlikely that the Applicant would be able to tamper with it if released. It is also not alleged that the Applicant is a flight risk. The investigation is likely to take time and the Applicant cannot be kept behind bars indefinitely.

7. For the foregoing reasons, the Applicant Sheraz Ahmed is granted bail in FIR No. 02/2024-25 subject to furnishing solvent surety in the sum of **Rs.1,000,000/- [Rupees One Million only]** alongwith P.R. Bond in like amount to the satisfaction of the trial Court.

Needless to state that observations herein are tentative and nothing herein shall be construed to prejudice the case of either side at trial.

PA/SADAM

JUDGE