THE HIGH COURT OF SINDH KARACHI

Spl. Cr. Appeal No. No. 31 of 2026
[Asif Razzak Deenar & another v. The State]

Appellants	:	(i) Asif Razzak Deenar son of Abdul Razzaq Deenarwala (ii) Muhammad Ali Latif son of Ghulam Latif through Mr. Ahmed Ali Hussain, Advocate, alongwith Mr. Ahmed Hanif, Advocate.
Respondent-State	:	Mr. Khalid Mahmood Rajpar, Advocate, alongwith Mr. Haseeb Ahmed Bajwa, Assistant Director.
Date of hearing	:	06-08-2026
Date of decision	:	06-08-2026

O R D E R

Adnan Iqbal Chaudhry J.– M.A. No. 11414/2026: The charge against the Appellants was that as officers of the importing company, they had misused the Export Facilitation Scheme (EFS) by utilizing imported duty-free raw material for home consumption instead of employing the same in the manufacture of goods for export. They were further charged for suppressing documents/record summoned by the Customs for audit proceedings initiated to unearth the misuse of the EFS. The Appellants were thus convicted for offences punishable under clauses 10A, 12A, 12B, 14A and 77 of section 156(1) of the Customs Act, 1969. The sentences run concurrently, with the maximum sentence being imprisonment for five years apart from the fines imposed.

2. Learned counsel for the Appellants submits that all imports made by them under the EFS had been duly exported in the form of finished goods, however, conviction followed on the unsubstantiated allegation that the imported raw material had been sold in the local market while using local raw material to make exports. He submitted that though Order-in-Original passed in adjudication proceedings was

against the Appellants, same is in appeal; however, the fact that the Appellants had paid the adjudicated amount, that was construed by the trial Court as an admission of guilt. On the other hand, learned counsel for the Respondent submits that goods imported under the EFS remained unaccounted for even after a search of the Appellants' factory.

3. From a perusal of the impugned judgment, it appears that the learned trial Court convicted the Appellants for their inability to account for duty-free goods imported under the EFS. However, the judgment does not substantiate the conviction by a comparison of the GDs filed by the Appellants for import under the EFS and its subsequent export.

4. Apparently, the Customs had also initiated an audit to ascertain the mis-use of the EFS albeit for purposes of adjudication proceedings. Nevertheless, an audit report in that regard would be a crucial piece of evidence with the prosecution. Learned counsel for the Respondent acknowledges that fact. However, the impugned judgment makes no reference to any audit report. Therefore, there is force in the submission that the conviction followed merely on an adverse inference drawn from the duty and taxes paid by the Appellants upon adjudication proceedings.

5. Learned counsel for the Appellants further submits that they remained on bail throughout the trial.

6. Though learned counsel for the Respondent opposes the application, in view of the foregoing I am inclined to allow the same. Therefore, the sentence awarded to the Appellants by judgment dated 22-07-2026 in the Case No.182/2025 arising from FIR No.20/2024-PCA, is suspended, and the Appellants are granted bail under section 426 Cr.P.C. subject to furnishing solvent surety in the sum of Rs.1,000,000/- (Rupees One Million only) each, and P.R. bond in like amount to the

satisfaction of the Nazir of this Court. M.A. No. 11414/2026 is allowed in said terms.

JUDGE

SHABAN*