

# THE HIGH COURT OF SINDH AT KARACHI

## Special Criminal Bail Application No. 43 of 2025

[Fayyaz Ahmed v. The State]

Applicant : Fayyaz Ahmed son of Ashfaq Ahmed through Mr. Yassa Ali Mahar, Advocate.

Respondent : The State, through Rana Sakhawat Ali, Advocate along with Mr. Muhammad Javed Khalid, Deputy Attorney General for Pakistan

Date of hearing : 25-03-2025

Date of decision : 25-03-2025

*FIR No. 01/2023  
U/s: 2(37), 2(9), 2(14)(a), 3, 3(1A), 6(1), 6(2), 7(1),  
(2)(i)(ii), 8 (1)(a) (ca) & (d), 8A, 14, 21, 22(1), 23(1),  
25, 26(1) and 73 of the Sales Tax Act, 1990 punishable  
u/s 33(11), 33(13) of the Sales Tax Act, 1990 r/w Sales  
Tax Rules, 2006,  
P.S. Commissioner-IR Range-A, Corporate Tax Office, Karachi*

## ORDER

**Adnan Iqbal Chaudhry J.** - The Applicant seeks post-arrest bail in the aforesaid crime after the same has been declined by the Special Judge (Customs, Taxation & Anti-Smuggling-II), Karachi by order dated 12.02.2025.

2. Heard learned counsel and perused the record.

3. FIR lodged on 13.02.2023 was for the offence of tax fraud punishable under clauses (11)(c) and (13) of section 33 of the Sales Tax Act, 1990 committed by four accused persons during the tax period February, 2021 to August, 2022. It was alleged that upon the death of Aslam Farooq, sole proprietor of M/s. UFT Corporation, his sales tax registration and profile were hacked and taken over by the accused persons to create and file fake sales tax invoices and fake sales tax returns so as to claim input tax adjustments and refunds. The Applicant was not amongst the persons nominated in the FIR. An interim challan dated 08.03.2023 was submitted to array a

number of other accused persons who were involved in the scam, but again, the Applicant was not amongst them.

4. The Applicant was arrested on 16.01.2025 while alleging that there was evidence to show that he was an accomplice in the aforesaid offence. However, no further challan has been submitted to show the role of the Applicant in the alleged offence. Instead learned counsel for the Respondent/Department has filed "Supplementary Progress Report" dated 11.02.2025, said to have been submitted by the I.O. to the trial Court, wherein the role of the Applicant has been set-out.

5. While I do not see how a progress report can be equated with a challan, the allegation against the Applicant seems to be that the internet connection used in uploading fake documents through the registered account of the deceased Aslam Farooq (UFT Corporation) was found to be in the name of the Applicant. It is alleged that he was working for the absconding accused, Muhammad Farhan (Shani), who is the master mind of the scam. Even if that is the material discovered against the Applicant, it is yet to be seen whether he was complicit in the tax fraud or whether he was only a hired office boy. Therefore, the allegation against the Applicant calls for further inquiry into his guilt.

6. In view of the foregoing, the Applicant, Fayyaz Ahmed is granted bail in the aforesaid FIR subject to furnishing solvent surety in the sum of Rs. 300,000/- [Rupees Three Hundred Thousand only] alongwith P.R. Bond in like amount to the satisfaction of the trial Court.

Needless to state that the observations herein are tentative, and shall not be construed to prejudice the case of either side at trial.

**JUDGE**

Karachi

Dated: 25-03-2025

\*PA/SADAM