

# THE HIGH COURT OF SINDH AT KARACHI

## Special Criminal Bail Appl. No. 210 of 2025

[Usman Ali versus The State]

Applicant : Usman Ali son of Muhammad Yar  
through Mr. Aqil Ahmed, Advocate.

Respondent/State : Through Syed Asif Ali, Advocate.  
Ms. Rabia Khalid, Assistant Attorney  
General for Pakistan.

Date of hearing : 13-08-2025

Date of decision : 13-08-2025

FIR No. 03/2025  
u/s: 50A of the Sales Tax Act, 1990 read with  
sections 2(37)(g), (h) and (k), 37A and 37B of the Act,  
punishable under section 33(11)(b), 33(13)(a) & (b),  
33(22)(a), (c) & (f) of the Act  
PS: Director I&I Inland Revenue, 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 23-07-2025.

2. Per the FIR, lodged on 16-06-2025, it was reported to the Directorate of Intelligence and Investigation-Inland Revenue that the ID and password of M/s. Safa Steel (registered person) for accessing the sales tax computer system had been misappropriated; that the culprits had uploaded fake revised sales tax returns and invoices to the profile of M/s. Safa Steel; that such fraud was committed from District Kasur, Punjab; that the Applicant was a suspect as the fee for revising sales tax returns of M/s. Safa Steel was paid *via* an *Easypaisa* account (microfinance bank account) registered to the Applicant who was in the business of providing tax-related services though he was not registered as authorized representative of M/s. Safa Steel; and that one M. Aqeel Shah (co-accused) was suspected to be the person

who uploaded the fake returns and invoices inasmuch as the IP address of the computer server linked in the activity pointed to an internet connection registered to him. The tax sought to be evaded by such fraud was estimated at Rs. 36 million. The Applicant and co-accused persons were thus booked for the offence of tax fraud defined in section 2(37) of the Sales Tax Act, 1990 [STA], punishable under clauses 11 and 13 of section 33 of the STA, and for the offence of unauthorized use of the sales tax computer system, punishable under clause 22 of section 33 of the STA. The Applicant was later apprehended from a shop in District Kasur where he was carrying on business as a *bardana* merchant.

3. Heard learned counsel and perused the record.

4. In this case, the tax fraud alleged in the FIR is not committed by persons registered under the STA or who are part of the supply chain, rather it is alleged to be committed by persons who are not registered under the STA but are involved in theft of sales tax profiles for creating fake and flying sales tax invoices for onward sale to registered persons. In these facts, learned counsel are queried whether the FIR would be hit by the case of *Directorate of Intelligence & Investigation -FBR v. Taj International (Pvt.) Ltd.* (2025 SCP 235), decided on 04-12-2024, where the Honorable Supreme Court of Pakistan interpreted erstwhile provisions of the STA to hold that an FIR cannot be lodged for the offence of tax fraud until tax liability of the offender is determined by the department. The learned Prosecutor makes a point in submitting that the case of *Taj International* deals with tax fraud committed by a person registered under the Act or at least required to be so registered, whereas the Applicant is neither. Therefore, I leave that point for consideration in a case more appropriate and proceed to examine the merits of the bail application.

5. The role assigned to the Applicant in the interim challan is as follows:

*“14.6 Further investigation and interrogation of the accused Usman Ali led to the recovery and retrieval of substantial incriminating evidence from his mobile phone, particularly from his WhatsApp chats. It was confirmed that the accused had made an online payment of Rs. 100/- on 30-09-2024, via CPRN: ST-20240930-0101-2085443, against the NIN of M/s. Safa Steel, using his Easy Paisa account. Examination of the mobile phone data further revealed that the relevant PSID (bearing #183559670 dated 30-09-2024), amounting to Rs. 100/-, had been sent to him via WhatsApp by another individual, whose credentials and role in the offence is being investigated. That individual ostensibly instructed the accused to make payment against the said PSID.”*

6. Therefore, the allegation against the Applicant is that he was provided a PSID (Payment Slip ID generated by FBR’s WeBOC System) for Rs. 100/, which was the challan for submitting revised sales tax returns of M/s. Safa Steel, and on 30-09-2024 the Applicant paid the same using his *Easypaisa* account. It is not alleged that he was one who misappropriated the computer ID and password of M/s. Safa Steel, or the one who generated the PSID, nor is it alleged that he uploaded the fake sales tax invoices/returns onto the system. After investigation, the co-accused M. Aqeel Shah was also released from custody. It is then also acknowledged in the interim challan that the person who had sent the PSID to the Applicant is still under investigation. Therefore, it has yet to be ascertained whether payment made by the Applicant as aforesaid was with knowledge that it was intended for committing sales tax fraud.

7. Sections 2(37) and 33 of the STA were amended by the Finance Act, 2024, and more recently by the Finance Act, 2025. Since the offence alleged to be committed by the Applicant was on 30-09-2024, the provisions relevant would be those that stood after the Finance Act, 2024 and before the Finance Act, 2025.

8. Given the role assigned to the Applicant discussed above, it is difficult to say that offences then punishable under clauses 11 and 22 of section 33 of the STA would be attracted to him. As regards the offence punishable under clause 13(b) of section 33 of the STA *viz.* abetment in tax fraud, even if that is made out, the tax implication is less than one billion rupees. The maximum imprisonment provided

for that is five years which does not fall within the prohibitory clause of section 497 Cr.P.C. Thus, bail becomes the rule and its refusal, the exception.

9. In view of the foregoing, the Applicant Usman Ali son of Muhammad Yar is granted post-arrest bail in the aforesaid FIR subject to furnishing solvent surety in the sum of Rs. 500,000/- [Rupees Five 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 should not be construed to prejudice the case of either side at trial.

**JUDGE**

Karachi  
Dated: 13-08-2025  
*SHABAN\**