



To,

M/s Zafar Electrical Engineering
Plot # R-62, Sector 5-A/4,
North Industrial Area, Karachi.

SUBJECT: NOTICE FOR SUSPENSION OF REGISTRATION OF M/S. ZAFAR ELECTRICAL ENGINEERING HAVING SNTN: 0709681-0.

Whereas, section 25(1)(a)(ii) of the Sindh Sales Tax on Services Act, 2011 provides that registration of a registered person can be suspended where registered person "has failed to comply with its obligations under this Act". Rule 10 of the Sindh Sales Tax on Services Rules, 2011 also provides that where a registered person commits any act of fraud or deliberate and intentional non-payment, short payment or evasion of tax or non-filing of returns for four consecutive tax periods, the Board or an officer of SRB authorized by the Board in this behalf may, without *prejudice* to any other action under the law for the time being in force, suspend the registration of such person.

2. In this regard, scrutiny of the Sindh sales tax profile of M/s Zafar Electrical Engineering, bearing SNTN: 0709681-0, registered under services provided or rendered by "technical, scientific and engineering consultants" having tariff heading 9815.5000, reveals that the registered person have failed to:

- make the payment of Sindh sales tax on services as required under section 9 and section 17 of the Act, 2011, read with rule 14 of the Rules, 2011;
- e-file the true & correct Sindh sales tax return (Form SST-03) as required under section 30 of the Act, 2011 read with rule 12 and rule 13 of the Rules, 2011;

3. Therefore, it is to inform you that non-payment of Sindh sales tax and non-filing of Sindh sales tax returns within the prescribed time limit and manner under the law are the contravention of aforesaid provisions of the Act-2011 and the rules made thereunder.

4. Whereas, perusal of the monthly Sindh sales tax return declarations as filed by your service recipient M/s K-Electric reveal that they have received taxable services from M/s Zafar Electrical Engineering, amounting to Rs. 34,309,666/- involving Sindh sales tax of Rs. 4,460,255/- for the different tax-periods. Whereas, the said service recipient has also withheld the amount of Rs. 892,051/- as per withholding rules defined under the Act, 2011. Hence, the remaining amount of Rs. 3,568,204/- was required to be deposited by M/s Zafar Electrical Engineering. However, you have so far deposited an amount of Rs. 1,109,901/- in the Government treasury which resulted in short-payment of Sindh sales tax amount of Rs.

2,458,303/-. The aforesaid act of non-payment/ short-payment of Sindh sales tax is covered under the “**tax fraud**” as defined under the provision of section 2(94) of the Act, 2011 and also attracts initiation of quasi-judicial proceedings including suspension of registration with SRB, recovery of “Government Dues” from service recipients/ bank accounts under the relevant provisions of law. In addition to this, M/s Zafar Electrical Engineering have also failed to e-file monthly Sindh sales tax return declarations for the tax-periods **July, 2018 to October, 2020**.

5. Now, this notice is being issued to you under section 25 of the Sindh Sales Tax on Services Act, 2011 read with Circular No.02 of 2013 and Rule 10 of the Sindh Sales Tax on Services Rules, 2011 to the effect that your registration is hereby **suspended** with immediate effect. However, your suspension shall be revoked if you take following remedial actions by **08-12-2020**;

- to discharge your Sindh sales tax liability of **Rs. 2,458,303/-** along with default surcharge under section 44 of the Act-2011 under the Government of Sindh head of account B-02384 and deposit the said tax amount;
- to e-file the true and correct monthly Sindh sales tax returns (Form SST-03) for the tax periods **July, 2018 to October, 2020**.

6. You are required to appear before the undersigned along-with paid CPRs of aforesaid confronted amount and duly filed return declarations as suggested above on or before **08-12-2020**, failing which, your case shall be proceeded for cancellation of your SRB registration as per the legal provisions of law as defined under the Act, 2011.

7. This notice and suspension of registration are without prejudice to the penal action; prosecution action and recovery action as may be taken against M/s. Zafar Electrical Engineering in accordance with the provisions of the Act, 2011 or the Rules made thereunder.

(Muhammad Ali Siddiqui)
Assistant Commissioner

C.C to:

1. Chief Collector Customs (Enforcement South), Custom House, Karachi.
2. Chief Collector Customs (Preventive South), Custom House, Karachi.
3. Chief Commissioner LTU, PIC Towers, Moulvi Tamizuddin Road, Karachi.
4. Chief Commissioner, RTO-I/II/III KARACHI, Income Tax House, 6th Floor, Income Tax Building, Shahrah-e-Kamal Atta Turk, Karachi.
5. The Commissioner-II, Sindh Revenue Board, Karachi.
6. M/s K-Electric Limited.
7. Mr. Shahid-ul-Ghani, Deputy Commissioner IT, SRB, for placing it on SRB website.
8. Mr. Shaiq Jafri, Chief Manager, PRAL in SRB.
9. Manager Call Centre, SRB.

(Muhammad Ali Siddiqui)
Assistant Commissioner (Unit-28)