

**ORDER FOR RESTORATION OF SUSPENSION OF
M/S. ZAFAR ELECTRICAL ENGINEERING**

Name & NTN of Person Suspended:	M/s. Zafar Electrical Engineering SNTN: 7209907-7
Address:	Plot # R-62, Sector 5-A/4, North Industrial Area, Karachi.
Date of Institution:	01 st December, 2020
Reason for Suspension	Non-compliance of the provisions of section 9, 17 and 30 of the Sindh Sales Tax on Services Act, 2011 and rule 12, 13 and 14 of the Sindh Sales Tax on Services Rules, 2011.
Tax Periods	July, 2018 to October, 2020

Brief facts of the case are that M/s. Zafar Electrical Engineering (hereinafter referred as 'the registered person') having SNTN: S7209907-7 are registered with Sindh Revenue Board under the category of "services provided or rendered by "technical, scientific and engineering consultants" classified under tariff heading 9815.5000 to the second schedule of Sindh Sales Tax on Services Act, 2011 (hereinafter "Act, 2011").

2. Whereas, scrutiny of the Sindh sales tax profile of M/s Zafar Electrical Engineering 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. And 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 has also failed to e-file monthly Sindh sales tax return declarations for the tax-periods July, 2018 to October, 2020.

4. Hence, this office notice bearing No.SRB-COM-II/AC-28/2020/167 dated 01st December, 2020 was served upon the registered person under section 25 of the Act, 2011 read with Circular No. 02 of 2013 and Rule 10 of the Rules, 2011, whereby, the registration of the registered person was suspended with



immediate effect. The registered person was advised to take certain remedial actions, as mentioned below, by 08-12-2020 so that the suspension may be revoked:-

- 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.

The registered person was also 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.

5. In compliance to this office suspension letter bearing No.SRB-COM-II/AC-28/2020/167 dated 01st December, 2020, Mr. Muhammad Akram of M/s Zafar Electrical Engineering appeared and requested to revoke suspension so that they may e-file their returns and reflect deposited challans in the SRB profile. They are, further, of the view that the complete payment schedule shall be provided to this office by next Monday dated 14-12-2020. They have also deposited Rs. 100,000/- in the SRB treasury. The remaining amount shall also be worked out and payment shall be made instantly.

6. I have gone through the submissions of the registered person and came to the conclusion that, as a matter of procedure, on suspension of registration of taxpayer, the complete tax profile of registered person is blocked on i.srb portal due to which the taxpayer can neither e-file the return nor can generate the PSID on their SNTN. Since, the registered person has made the payment of Rs. 100,000/- and the remaining shall be made instantly, therefore, taking a lenient view and for the purpose of carrying on their business activity and subsequent remedial actions to be taken by the registered person, the suspension of the registered person, made though this office notice bearing No.SRB-COM-II/AC-28/2020/167 dated 01st December, 2020, is hereby **revoked with immediate effect**. In case of failure to fulfil the stated remedial actions, registration of taxpayer may be subject to suspension again.

7. This order contains Two (02) pages, each bearing my seal and initial.

(MUHAMMAD ALI SIDDIQUI)
Assistant Commissioner (Unit-28)

Copy for Information 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)