



NO. SRB-COM-I/Unit-3/2018/1968

GOVERNMENT OF SINDH
SINDH REVENUE BOARD

Commissionerate – I
Shaheen Complex, 12th Floor, Karachi
Dated: 8th March, 2018

ORDER FOR RESTORATION OF SUSPENSION OF
M/S. SIEMENS PAKISTAN ENGINEERING COMPANY LIMITED

Name & NTN of Person Suspended:	M/s. Siemens Pakistan Engineering Company Limited SNTN: S0712140-7
Address:	B-72, Estate Avenue, S.I.T.E Area, Karachi
Date of Institution:	3 rd March, 2018
Reason for Suspension	Non-compliance of the provisions of section 15, 15A and 2(94)(c) of the Sindh Sales Tax on Services Act, 2011 and the rules made thereunder
Tax Periods:	May 2016 to December 2017

Whereas, M/s. Siemens Pakistan Engineering Co. Limited having SNTN: S0712140-7 are registered with Sindh Revenue Board under the category of "Contractual Execution of Work or Furnishing Supplies" classified under tariff heading 9809.0000 to the second schedule of Sindh Sales Tax on Services Act, 2011 (hereinafter "Act, 2011").

2. Scrutiny of tax profile revealed that they registered person has failed to comply with the statutory provisions of section 15 and 15A of the Act, 2011 read with rule 22 and of the Sindh Sales Tax on Services Rules, 2011 (hereinafter referred to as "the Rules, 2011") by way of adjusting inadmissible input tax to the value of Rs. 127,282,430/- and failed to declare true and correct Sindh sales tax returns (Form SST-03) by means of declaring fake, false, forged, flying or fraudulent invoices in Annexure-A of their SST returns which exclusively comes under the ambit of Tax fraud defined in section 2(94)(c) of the Act, 2011 pertaining to the tax periods May 2016 to December 2017.

3. Accordingly, the registered person was served with suspension notice vide NO. SRB-COM-I/Unit-3/2018/1912 dated 03-03-2018 under section 25 of the Act, 2011 may read with Circular No.02 of 2013 and Rule 10 of the Rules, 2011 whereby the registration of M/s Siemens Pakistan Engineering Company Limited was suspended for violation of aforesaid provisions of the law. Moreover, the registered person was required to comply with the said provisions of the Act, 2011 and the Rules made thereunder before 12-03-2018 failing to which the case shall be proceeded for cancellation of registration.



Sindh Revenue Board, 12th Floor, Shaheen Complex Building, M.R. Kiyani Road, Karachi
Phone: No.021-99217800 Ext.217, Email: Allah.rakhio@srb.gos.pk

4. In response to the aforesaid notice of suspension, Mr. Arshad Iqbal Qureshi, Head of Indirect Taxes M/s. Siemens Pakistan Engineering and their representative, Mr. Mazhar Saleem Shah, Sr. Director, M/s. KPMG Taseer Hadi & Co. appeared in person on 08-03-2018 and stated their factual position regarding this instant case. They have also submitted that there was no any malafide intention behind declaring of their own NTN in Annexure A of their Sindh sales tax returns SST Form-03, and the company has remained compliant with SRB, however, they also stated that with the suspension of the company's registration the learned person is facing with difficulties in fulfilling their tax obligation with Sindh Revenue Board and with their clients.

5. On point of adjusting input tax of Rs. 127,282,430/-, representatives submitted that the company procures services of foreign expatriates within the Group companies in order to utilize professional/technical expertise. While making payment to such foreign expatriates, the company also deducts and pays SST in reverse charge mode under the provisions of the Act, 2011. Moreover, the company claimed input tax against those invoices issued by foreign expatriates on reverse charge mode of taxation by showing the company's own NTN in Annexure A of their SST Return does not lead to any willful malafide intention on the part of the company and the treatment so made is entirely based on the taxpayer's understanding of the relevant provisions of the law. The company also contented to rectify the mistake of showing own NTN to claim input tax by filing the revised SST returns along with supporting documents for the relevant tax periods.

6. However, to the satisfaction of the legal provisions of the Act, 2011 the registered person will provide complete breakup of all the invoices pertaining to foreign expatriates, work order and other relevant record, on above treatment of input tax.

ORDER

7. I have heard the representatives of M/s. Siemens Pakistan Engineering Co. Limited 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 neither can e-file the return nor can generate the PSID on its NTN. Since, M/s. Siemens Pakistan Engineering Co. Limited provided sufficient justification by way of promising to revise the SST returns (Form SST-03) in order to rectify mistakes arisen therein. Therefore, taking a lenient view and for purpose of carrying on their business activity and subsequent remedial actions to be taken by the learned person, this office notice dated 03-03-2018, the suspension of the registered

person is hereby **revoked with immediate effect**. In case of failing to fulfilment of stated remedial actions, registration of learned taxpayer may be subject to suspension.

8. This order contains two (03) pages, each bearing my seal and initial.


(ALLAH RAKHIO JOGI)
Assistant Commissioner (Unit-03)



Copy for Information to:

1. SA to Chairman, Sindh Revenue Board, Karachi.
2. The Secretary, Finance Department, Government of Sindh, Karachi.
3. The Managing Director, Sindh Public Procurement Regulatory Authority (SPPRA), Karachi.
4. The Accountant General, Karachi.
5. Chief Collector Customs (Enforcement South), Custom House, Karachi.
6. Collector Customs (Preventive), Custom House, Karachi.
7. Chief Commissioner, LTU, PIC Towers, Moulvi Tamizuddin Road, Karachi
8. The Collector, MCC Appraisement (East), Custom House, Karachi, with the request to enforce suspension of M/s. Siemens Pakistan Engineering Co. Limited having NTN # 0712140-7.
9. Chief Commissioner, RTO-I/II/III KARACHI, 6th Floor, Income Tax House, (Income Tax Building), Sharah-e-Kamal Ata Turk, Karachi.
10. Chief Commissioner, RTO SUKKUR, Income Tax Building, Sukkur.
11. Chief Commissioner, RTO HYDERABAD, A-49, SITE Area, Hyderabad
12. The Chairman, Planning & Development Board, Government of Sindh, Karachi.
13. The Advisor (Tax Policy), Sindh Revenue Board, Karachi.
14. PS to Senior Member (Audit), Sindh Revenue Board, Karachi.
15. The Commissioner-I/II/III/IV/Audit, Sindh Revenue Board, Karachi.
16. The C.E.O PRAL, House#28, Street 37, F-6/1, Islamabad.
17. The Project Manager, PRAL, SRB.
18. All Deputy Commissioner/Assistant Commissioners concerned, SRB, Karachi.
19. All Deputy Commissioner/Assistant Commissioners concerned, SRB, Sukkur.
20. Deputy Commissioner (IT), SRB, for placing it on SRB website.
21. Manager Call Centre, SRB.
22. Treasury Office, Karachi.
23. All District Account Officers,
(Badin/Dadu/Ghotki/Hyderabad/Jacobabad/Jamshoro/Kashmore/Khairpur/Kamber-Shahdadkot/Matiari /Mirpurkhas/Naushahro Feroze/Shaheed Benazirabad/Sanghar/Shikarpur/Sukkur/Tando Allahyar/Tharparket/Thatta and Umerkot).
24. Mr. Rashid Ahmed, Assistant Commissioner (Unit-3), SRB with reference to its Order for kind information and record.
25. K Electric Limited, KESC House Plot 39-B, Sunset Boulevard Phase-II, Defence Housing Authority, Karachi
26. Pak-Arab Refinery Limited, Corporate Headquarter, Korangi Creek Road, Korangi, Karachi
27. National Refinery Limited, National Refinery ,7-B Korangi Industrial Area, Korangi Town, Karachi