

**GOVERNMENT OF SINDH  
SINDH REVENUE BOARD****Commissionerate-I  
12<sup>th</sup> Floor Shaheen Complex,  
M.R Kiyani Road, Karachi  
Dated 10<sup>th</sup> April, 2019**

**M/s Cube XS Weatherly (Pvt) Ltd,**  
1st Floor, Federation House,  
Block-5, Shahrah-e-Firdousi,  
Main Clifton, Clifton Road,  
Karachi.

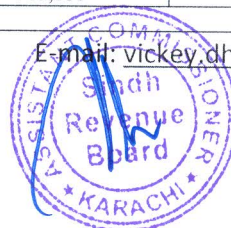
Subject: **NOTICE FOR SUSPENSION OF REGISTRATION OF M/S. CUBE XS WEATHERLY (PVT) LIMITED (SNTN NO.2741379-9).**

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, 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. M/s Cubexs Weatherly (Pvt) Ltd bearing SNTN No. S2741379 (hereinafter referred to as “the registered person”) are registered with SRB since 24.8.2011. Perusal of their tax profile reveals as under:

- That registered person have filed “Nil” Sindh sales tax returns for the tax periods from **October 2013 to January 2019** and claimed/adjusted heavy amount of input tax wherein the input-to-output tax ratio is as much as 2,573% which is neither economically possible nor is allowed under the provision of the Act-2011. Month-wise summary is given in the following Table:

Tax Period	Status	Output	Input	Payable	Input Output%
Jan-19	Nil	1,844,429	642,526	0	35%
Dec-18	Nil	243,568	710,068	0	292%
Nov-18	Nil	98,484	725,159	0	736%
Oct-18	Nil	1,853,533	768,671	0	41%
Sep-18	Nil	215,655	764,618	0	355%
Aug-18	Nil	1,104,393	836,301	0	76%
Jul-18	Nil	449,134	787,303	0	175%
Jun-18	Nil	240,673	734,790	0	305%
May-18	Nil	348,164	824,121	0	237%
Apr-18	Nil	2,237,341	891,994	0	40%
Mar-18	Nil	207,244	885,189	0	427%
Feb-18	Nil	487,993	585,978	0	120%
Jan-18	Nil	4,913,834	694,551	0	14%
Dec-17	Nil	323,473	908,076	0	281%
Nov-17	Nil	368,975	979,251	0	265%
Oct-17	Nil	331,083	882,951	0	267%
Sep-17	Nil	329,330	804,205	0	244%
Aug-17	Nil	280,276	864,569	0	308%
Jul-17	Nil	477,038	787,065	0	165%
		<b>10,545,424</b>	<b>9,842,740</b>		
Jun-17	Nil	298,710	713,871	0	239%
May-17	Nil	439,468	833,854	0	190%
Apr-17	Nil	1,524,434	776,494	0	51%
Mar-17	Nil	449,034	902,749	0	201%
Feb-17	Nil	756,988	743,589	0	98%
Jan-17	Nil	1,471,841	789,748	0	54%
Dec-16	Nil	385,888	1,090,920	0	283%
Nov-16	Nil	315,824	860,258	0	272%
Oct-16	Nil	1,369,747	705,181	0	51%





Sep-16	Nil	376,711	558,898	0	148%
Aug-16	Nil	370,991	669,428	0	180%
Jul-16	Nil	1,492,348	201,068	0	13%
		<b>9,251,984</b>	<b>8,846,058</b>		
Jun-16	Nil	225,226	656,276	0	291%
May-16	Nil	130,555	1,047,864	0	803%
Apr-16	Nil	1,368,662	812,664	0	59%
Mar-16	Nil	380,084	913,534	0	240%
Feb-16	Nil	197,126	605,820	0	307%
Jan-16	Nil	310,305	846,969	0	273%
Dec-15	Nil	30,481	784,166	0	2573%
Nov-15	Nil	878,143	568,870	0	65%
Oct-15	Nil	274,436	793,250	0	289%
Sep-15	Nil	880,383	809,669	0	92%
Aug-15	Nil	79,132	857,250	0	1083%
Jul-15	Nil	537,899	725,459	0	135%
		<b>5,292,432</b>	<b>9,421,791</b>		
Jun-15	Nil	250,688	712,795	0	284%
May-15	Nil	820,948	973,062	0	119%
Apr-15	Nil	602,938	707,274	0	117%
Mar-15	Nil	137,404	616,649	0	449%
Feb-15	Nil	911,231	698,946	0	77%
Jan-15	Nil	156,966	753,362	0	480%
Dec-14	Nil	407,996	822,476	0	202%
Nov-14	Nil	1,202,252	764,431	0	64%
Oct-14	Nil	571,621	867,749	0	152%
Sep-14	Nil	62,398	936,082	0	1500%
Aug-14	Nil	1,391,759	757,171	0	54%
Jul-14	Nil	116,027	701,389	0	605%
		<b>6,632,228</b>	<b>9,311,386</b>		
Jun-14	Nil	130,130	864,186	0	664%
May-14	Nil	1,065,277	754,563	0	71%
Apr-14	Nil	418,340	715,324	0	171%
Mar-14	Nil	968,284	745,284	0	77%
Feb-14	Nil	347,723	670,970	0	193%
Jan-14	Nil	815,825	691,311	0	85%
Dec-13	Nil	747,666	778,837	0	104%
Nov-13	Nil	110,232	559,403	0	507%
Oct-13	Nil	494,219	671,741	0	136%
Sep-13	Payable	1,458,462	1,088,882	0	75%
Aug-13	Payable	1,085,577	286,869	0	26%
Jul-13	Payable	33,404	0	0	0%
		<b>7,675,139</b>	<b>7,827,370</b>		

- That, perusal of their Annex-C of the returns shows that they have declared to have provided services at the tax rate of 0%/3%/6%/8%/13%/15%/17%/18%/19.5% without supporting any documentary evidence. As such, there is no any service under the Act-2011 which is subject to 0%/17% rate of SST which shows that the registered person has not filed true and correct Sindh sales tax returns as required under section 30 of the Act-2011 read with Rule 11, 12 and 13 of the said Rules-2011.
- That, as per sub-rule (3) rule 22 of the Rules-2011, input tax used in providing or rendering taxable services and also (i) non-taxable or (ii) exempt services or (iii) services liable to reduced rate of tax or (iv) specific rate of tax and (v) services rendered out-side Sindh, the input tax shall be apportioned according to the tax fraction formula prescribed therein. The registered person have adjusted/claimed full amount of input tax without apportioning the same which is tantamount to tax fraud under section 2(94)(f) of the Act-2011 and is also contravention of provisions of section 15, 15A of the Act-2011 read with Rule 21, 22 of the Rules-2011.
- That the registered person was required under section 52 of the Act-2011 during the hearing dated 14.2.2019 to furnish the copies of audited financial statements along with bifurcation of revenues/sales but registered person failed to do so.
- That the registered person has neither deposited the Sindh sales tax nor e-filed the returns for the tax period of February 2019.



3. Letters dated 14.1.2019 and 25.2.2019 were served upon registered person. Mr. Rehan Umar, Senior Manager Finance appeared on 22.1.2019, 31.1.2019 and 14.2.2019 wherein he was required to submit the record/information. On 29.3.2019, Mr. Shahid Hussain, FCA from M/s Tax Clinic appeared and produced cheque of Rs.400,000/-. He committed to furnish the requisite record along with schedule of payment of Sindh sales tax by 8.4.2019. Record shows that, they have failed to comply with the same.

4. Non-filing of true and correct Sindh sales tax returns is contravention of provisions of section 30 of the Act-2011 read with Rule 11, 12 and 13 of the said Rules-2011. Adjustment/claim of inadmissible input tax is tantamount to tax fraud under section 2(94)(f) of the Act-2011 and is also contravention of provisions of section 15, 15A of the Act-2011 read with Rule 21, 22 of the Rules-2011. The above position shows serious violation of provision of the Act-2011 and the rules made thereunder.

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 **25-4-2019**;

- Furnish the copies of audited financial statements for the period from July 2011 to June 2013.
- Provide the month-wise summary in the following given format:

S.No.	Tax Period	Value of services								Total Output tax	Input tax Adjusted	Justification for tax rate of 0%/3%/6%/8%/13%/15%/17%
		Taxable @13%/15%	Taxable @17%	Taxable @8%/6%/3%	Taxable @0%	Non-Taxable	Exempt	Total				

- Justify the claim/adjustment of input tax in terms of section 15, 15A of the Act-2011 read with Rule 21, 22 and 22A of the Rules-2011 and calculate the inadmissible input tax amount in terms of Rule 22(3) of the Rules-2011.
- Deposit the inadmissible input tax amount, as determined above, along with default surcharge under section 44 of the Act-2011 and penalties under section 43 of the Act-2011 for aforementioned tax periods and deposit the same in the Government of Sindh head of account B-02384.
- to e-file the true and correct monthly Sindh sales tax returns (Form SST-03) for the said tax periods.
- Deposit the SST amount for the tax period February 2019 and e-file the return for the said tax period.

6. In case of non-satisfactory response or failure to take remedial measures as suggested above on or before **25-4-2019**, your case shall be further proceeded for cancellation of your registration with SRB.

7. This notice and suspension of registration are without prejudice to the assessment proceedings, penal and recovery action as may be taken against you in accordance with the provisions of the Act-2011 or the Rules-2011.



(Vickey K. Dhingra)  
Assistant Commissioner (Unit-01)



C.C to;

1. AT&T Global Network Services International - Pakistan Branch, BRR Tower, 14th Floor, I.I Chundrigar Road, Karachi
2. Pakistan Petroleum Limited, 3<sup>rd</sup> Floor PIDC House Dr. Ziauddin Ahmed Road, Saddar Town, Karachi.
3. Atlas Asset Management Limited, Ground Floor, Federation House, Shahrah-E-Firdousi Clifton, Karachi.
4. The Aga Khan Hospital & Medical College Foundation, Aga Khan Hospital & Medical College Foundation, Stadium Road Campus, Karachi 74800, Pakistan, Gulshan E Iqbal Town, Karachi East, Distt: Karachi East, Sindh.
5. MCB-Arif Habib Savings and Investments Limited, 24th Floor, Centre point, Off Shaheed-E-Millat Expressway, Near KPT Interchange Road, Karachi.
6. Pak Oman Microfinance Bank Limited, 2<sup>nd</sup> Floor, Block-C Finance and Trade Centre Shahrah-E-Faisal, Karachi.
7. Commissioner-I/II/III/IV, SRB.
- ~~8.~~ Mr. Shahid-ul-Ghani, Head of IT, SRB, for placing it on SRB website.
9. Mr. Shaiq Jafri, Chief Manager, PRAL in SRB.
10. Manager Call Centre, SRB.

  
(Vicky K. Dhingra)  
Assistant Commissioner (Unit-01)  
