



Unit-17/2021-22/131980
GOVERNMENT OF SINDH
SINDH REVENUE BOARD
Commissionerate-III
Karachi, dated May 14, 2022

ORDER U/S 25 OF THE Sindh SALES TAX ON SERVICES ACT, 2011

Whereas, M/s. EASY TRACK LOGISTICS having SNTN:1583477 (herein after referred as 'registered person') is engaged in providing "Courier services" (tariff heading 9808.0000) of the Second Schedule to Sindh Sales Tax on Services Act, 2011 (referred to as "Act, 2011"), which are chargeable to Sindh sales tax @ 13% under section 8 of the Act, 2011 read with section 3 and the Second Schedule thereof. That section 15 of the Act, 2011 allows the registered person to get input tax credit in respect of sales tax paid on purchases of goods or services used in providing taxable services subject to restrictions as envisaged in section 15A read with Rule 22 of the Rules, 2011. According to aforesaid provisions of the Act, 2011 and per normal business practice, the sales values are required to be higher than the values of purchases.

2. However, it was revealed (from the monthly Sindh sales tax returns of the aforesaid registered person filed with SRB for the tax periods from July, 2021 up to January, 2022,) that the aforesaid registered person had claimed input tax of Rs.22,721,328/- in respect of purchases of Rs.174,779,430/ against sales revenue of Rs.175,472,201/- (Annex-A). Likewise, the registered person had claimed input tax of Rs.36,474,488/- in respect of purchases of Rs.280,572,986/ on account of sales revenue of Rs.280,911,074/-, for the tax periods from July, 2018 up to June 2020 (Annex-B), and had claimed input tax of Rs.2,663,762/- on account of purchases of Rs.20,398,076/- against sales of Rs.7,466,088/- (Annex-C) which shows the value of sales are either equivalent to value of purchases or higher than the value of purchases of goods/services.

3. Keeping in view the aforesaid facts and legal provisions of the Act, 2011, the input tax claims higher than the output tax by the registered person enunciates either short-declared ~~taxable~~ taxable sales or the registered person had claimed input tax on purchases which are not used in taxable sales and the same are not allowed under section 15A(1a) and Rule 22 (1) and (2) of the Rules, 2011. The registered person was provided an opportunity (vide notice dated 13-03-2022) to justify the admissibility of the under reference input tax adjustments. Regrettably, the registered person failed to make compliance. Vide above referred notice, relevant sales and purchase records were also sought under section 27(2) of the Act, 2011, in order to reconcile the short declared sales and inadmissible input tax claimed thereon by the registered person.

4. However, the registered failed to appear and comply with aforesaid notice. The aforesaid substantial evidences establish deliberate violation of provisions of section 15, 15A(1a) and section 27(2) of the Act, 2011 and Rule 22 of the Rules, 2011, and deliberate failure of the registered person to perform his statutory obligations. Therefore, the registered person was show-cause and was provided an opportunity of being heard vide this notice to explain as to why his registration may not be suspended under section 25(1)(a)(ii) of the Act, 2011 (referred to as

“Act, 2011”), read with rule 10 of the Rules, 2011 (refer to as “Rules, 2011”) for violation of section 9, 15, 15A of the Act and rule 22 of the Rules, 2011. The registered person was advised to make payment of the short paid Sindh sales tax dues on account of under reference inadmissible input tax of Rs.61,859,578/- and/or justify the admissibility of the said input claims to be supported with relevant information/records sought under section 27(2) of the Act. Hearing was fixed on 10th May, 2022 at 11:30 am in this office. However, the registered neither deposited the aforesaid short paid SST dues nor submitted any justification thereof.

5. Now, this order is being issued to you under section 25(3) of the Act, 2011 read with Circular No.02 of 2013 and Rule 10(1) of the Rules, 2011 to the effect that the registration of M/s. Easy Track Logistics. SNTN:1583477, is hereby suspended with immediate effect, which shall be revoked when the registered person takes following remedial actions by 20th May, 2022;

- a) to deposit short paid SST of Rs.61,859,578/- in respect of under reference inadmissible input tax claims, along with default surcharge under section 44(1) of the Act, 2011 for aforementioned tax periods and deposit the same in the Government of Sindh head of account B-02384 ---Sindh Sales Tax on Services.
- b) Provide copies of all sales invoices, income tax returns and bank statements for the under reference tax periods, and copies of sales tax returns filed with other sales tax authorities, if any.

6. This order of suspension is without prejudice to the penal action, prosecution and recovery as may be taken against the registered person in accordance with the provisions of the Act, 2011 and the relevant rules of Rules, 2011.

7. Copy of this order is also forwarded taxpayer’s registered email ID < rajanaveed@primegroups.com.pk & < ghaffarp@agaccounting.net > in terms of section 75 of the Act, 2011 and the rule made thereunder.

M/s. Easy Track Logistics
(SNTN: 1583477)

(Muhammad Yousuf Bukhari)
Assistant Commissioner-Unit-17

Copy for Information to:

1. The Commissioner-III, SRB.
2. The Project Manager, PRAL, SRB.
3. Deputy Commissioner (IT), SRB, for placing it on SRB website.
4. Office Copy
5. M/S. Al-Waris Prime Associates, Karachi.

(Muhammad Yousuf Bukhari)
Assistant Commissioner-17

