



NO.SRB/COM-III/A.C-7/MRT/2022-23/ 70309

**SINDH REVENUE BOARD  
GOVERNMENT OF SINDH  
Dated 15<sup>th</sup> November, 2022**

Assistant Commissioner-7

**M/s. M.R TRADERS (PRIVATE) LIMITED**  
SNTN: S1149072  
SUITE NO. 1208-1210, 12TH FLOOR, CHAPAL  
PLAZA, HASRAT MOHANI ROAD, OFF: I.I.  
CHUNDRIGAR ROAD, KARACHI

**SUBJECT: ORDER FOR SUSPENSION OF REGISTRATION OF M.R TRADERS  
(PRIVATE) LIMITED BEARING SNTN: S1149072**

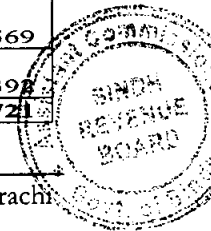
Whereas, section 25(1)(a)(ii) of the Sindh Sales Tax on Services Act, 2011 'Act-2011' enunciates that the registration of a registered person may be *suspended* where registered person *have failed to comply with its obligations under this Act*. Rule 10 of the Sindh Sales Tax on Services Rules, 2011 '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. M. R. TRADERS (PVT.) LIMITED** bearing SNTN **S1149072-1** are registered with SRB since 30<sup>th</sup> August, 2012 in the service category of 'Custom Agent' classified vide tariff heading 9805.4000 to the second schedule of the Sindh Sales Tax on Services Act, 2011 'Act-2011'. As per the provisions of section 3, 5, 8, 9, 13, 17 and 30 of the Act-2011 read with rule 37 and rules enumerated in the Chapter-III of the Sindh Sales Tax on Services, Rules, 2011, the registered person had to deposit the SST and e-file the SST return [SST Form-03] as prescribed below;

- i. deposit the amounts of Sindh sales tax under the Sindh Government's head of account "B-02384" in a SRB-authorized branch of NBP by 15<sup>th</sup> of the following month,
- ii. e-file their tax return (SST-03) in the manner prescribed under section 30 of the Act-2011, read with the rules in Chapter-III of the Rules, 2011 within 3 days of due date of payment of the tax.

3. Perusal of SST returns [SST Form-03] for subject tax periods revealed that the registered person have failed to file true and correct SST returns for the cited tax periods which is contrary to their declaration in their financial statement. Details are illustrated in the table below:

YEAR	VALUE OF SERVICE AS DECLARED IN FINANCIALS	TAX RATE	SST AMOUNT	SST DECLARED WITH SRB	SHORT PAID SST
JULY-2016 TO JUNE-2017	8,048,484	13%	1,046,303	42,400	1,003,903
JULY-2017 TO JUNE-2018	8,508,127	13%	1,106,057	33,200	1,072,857
JULY-2018 TO JUNE-2019	17,204,380	13%	2,236,569	46,000	2,190,569
JULY-2019 TO JUNE-2020	38,558,403	13%	5,012,592	55,200	4,957,392
<b>Total</b>	<b>72,319,394</b>		<b>7,249,162</b>	<b>176,800</b>	<b>9,224,721</b>



4. The registered person were required to produce revenue bifurcation and reconciliation during the proceedings of this office notice No. SRB-COM-IV/AC-7/C. A/M. R/2021-22/132421 dated 16<sup>th</sup> May, 2022 but the registered person failed to produce any satisfactory response despite affording adequate opportunity in respect of time.

5. The registered person were therefore, called upon to show cause as to why their registration shall not be *suspended* in terms of section 25 of the Act-2011 read with rule 10 of the Rules-2011.

6. Mr. Bashir Ahmed appeared on behalf of the registered person on 14<sup>th</sup> June, 2022. They contended that the services are related to freight forwarding agents and have filed SST returns [SST Form-03] on the basis of Bill of Lading B/L and produced Membership Certificate of Pakistan International Freight Forwarders Association bearing No. SK-0003 which is valid up to the March 31, 2023. They were advised to produce copies of invoices, details of freight (in value) & revenue bifurcation. The record was required on a detailed excel sheet latest by 29<sup>th</sup> June, 2022. He appeared on 29<sup>th</sup> June, 2022 and requested for some time to submit revenue bifurcation and information required for this case. Request was considered and case was adjourned for 11<sup>th</sup> July, 2022. He appeared on 15<sup>th</sup> July, 2022 wherein he reiterates that their composition of revenue is entirely based on B/Ls and their support services. This office vide notice No. SRB-COM-IV/AC-7/C.A/M.R/2022-23/7562 dated 4<sup>th</sup> August, 2022 apprised the registered person that their registration may be *suspended* if they do not conform to the remedial actions as prescribed below latest by or before the 11<sup>th</sup> August, 2022.

- Deposit the SST dues and declare the same in their SST returns [SST Form-03].
- Produce of copy of service agreements with all trading partners for the confronted tax periods.
- Business Bank Statement for the confronted tax periods.
- GDs cleared through WBOC or PSW for confronted tax periods.
- Any other information pivotal for pleading case and to ascertain the actual SST liability.

In response to the subject notice, they submitted breakup of revenue month wise, B/L wise which could not coincide with the declaration made in their Annual Audited Financial Statements for the year ended June 30, 2018 and June 30, 2020 (obtained from M/s SECP) in addition to some invoices on sample basis.

*[Handwritten signature]*

**M. R. TRADERS (PVT) LTD.**  
 Suite No. 108E-101E, 220 Floor, Central Plaza, Hayat Mohamud Road,  
 OFFICE: Chaudhry Road, Karachi - 74000 Pakistan. Tel: 333311671  
 Fax: 33331204/3333121 Email: info@mrtraders.com http://www.mrtraders.com

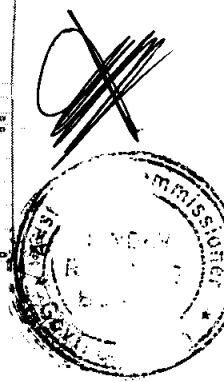
**INVOICE**

BL/AWB NO: MR-4993-002-FLK	Master B/L/AWB	Statement Date: 20/07/2022
Client: TALON SPORTS (PVT) LTD.		Invoice #: 341
Shipper: TALON SPORTS (PVT) LTD.		Date: 20/07/2022
Shipper's Invo: TALON SPORTS (PVT) LTD.		Invoice: 499
CO Agent: PABIAN CARGO		Terminal: KHI
PCSI: PELIARTOWE		Package: 143 CTYR
Commodity: CARBONITE	Each Rate: 170.000000	Volume: 1.000000
Vessel: HANSA AMERICA	Voyage: 0128	Job #:
Container: MBRK0212893		Freight COLLECT

SEQ.	PARTICULARS	AMOUNT USD	AMOUNT RS
1	OCEAN FREIGHT	124.99	25,958.00
2	Service Charges		261.00
TOTAL			26,219.00

RUPEES TWENTY SIX THOUSAND ONE HUNDRED ONLY

**M. R. TRADERS (PVT) LTD.**  
 Accounts Department  
 Note: This is computer-generated invoice and does not need any stamp.



Please cut along the line

BL/AWB NO: MR-4993-002-FLK	Client: TALON SPORTS (PVT) LTD.	Total Amount: 26,219.00
Invoice #: 341	Job #:	

Notes: Please refer to the invoice by the service of the bill of lading.



7. It is worth submitting that the registered person have also failed to issue invoice in accordance with rule 29 of the Rules-2011. Further, they were advised to produce client wise, party wise, service recipient wise sales ledger to ascertain the factual position of SST for which he requested for time till **27<sup>th</sup> September, 2022**.

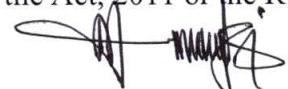
8. The registered person, despite availing adequate opportunities in respect of time have failed to plead on merits thereby failing to produce plausible reasons duly substantiated with their material documentary evidence rather have attempted to delude the proceedings of the case by requesting undue adjournments and producing irrelevant material.

9. This order is issued in terms of the provision of section 25 of the Act-2011 read with Circular No.02 of 2013 and Rule 10 of the Rules, 2011 to the effect that registration of the registered person is hereby **suspended** with immediate effect for violation of the provisions of section 17 and 30 of the Act-2011 read with relevant rules of Rules-2011. However, suspension shall be revoked if the registered person takes following remedial actions on or before the **28<sup>th</sup> day of November, 2022**.

- Deposit the SST dues and declare the same in their SST returns [SST Form-03].
- Produce of copy of service agreements with all trading partners for the confronted tax periods.
- Business Bank Statement for the confronted tax periods.
- **GDs** cleared through WEBOC or PSW for confronted tax periods.
- Any other information pivotal for pleading case and to ascertain the actual SST liability.

10. In case of non-satisfactory response or failure to take remedial measures as suggested above on or before the **28<sup>th</sup> day of November, 2022**, the case shall further be proceeded for legal action.

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



**Yousuf Ali Magsi**  
Assistant Commissioner  
Unit-7

**Copy for Information is forwarded to:**

- i. The Senior Member Operations, Sindh Revenue Board, Karachi.
- ii. The Commissioner-III, Sindh Revenue Board, Karachi.
- iii. Chief Commissioner, RTO-I/II/III Karachi, 6<sup>th</sup> Floor, Income Tax House, Income Tax Building, Shahrah e Kamal Ata Turk, Karachi.
- iv. The Collector, MCC Appraisalment (East), Custom House Karachi with the request to enforce suspension of **M/s. M. R. TRADERS (PVT.) LIMITED** having NTN **No.1149072** & Custom House Agent **License No. 1930** in the WEBOC System.
- v. The Project Manager, PRAL, Sindh Revenue Board, Karachi.
- vi. Deputy Commissioner (IT), SRB, Karachi (for placing on SRB Website).
- vii. Manager Call Centre, SRB.
- viii. Karachi Custom Agents Association Head Office, 2<sup>nd</sup> Floor, Burhani Terrace, Bohri Road, Off Eduljee Dinshaw Road, Opp. Custom House, Karachi.

**Yousuf Ali Magsi**  
Assistant Commissioner  
Unit-7

