



NO.SRB-COM-II/U-23/GT/1784

**GOVERNMENT OF SINDH
SINDH REVENUE BOARD**

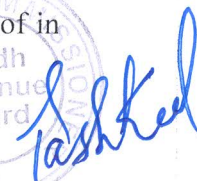
Commissionerate-II
Shaheen Complex, 9th Floor, Karachi.
Dated, the 19th September, 2019

ORDER FOR REVOCATION OF SUSPENSION

Name & SNTN of Person Suspended:	M/S MIAN SUBHAN GENERAL LAND TRANSPORT COMPANY (SNTN#S3965490)
Address:	PLOT NO.A388, 2 nd FLOOR, ROOM NO.7, GATE NO.2, STREET NO.1, NEW QUAID-E-AZAM TRUCK STAND, HAWKS BAY ROAD, KARACHI.
Date of Institution:	26-06-2019
Reason for Suspension	Non-compliance of the provisions of sections 9 and 17 of the Sindh Sales Tax on Services Act, 2011 and the rules made thereunder
Tax Periods:	Jul-2016 to May-2019

Brief facts of the case are that M/S MIAN SUBHAN GENERAL LAND TRANSPORT COMPANY bearing SNTN#S3965490 are registered with SRB under the principal service category of Inter-City transportation services which are chargeable to the Sindh Sales Tax ("SST") under section 8 read with tariff heading **9836.0000** listed to the Second Schedule of the Sindh Sales Tax on Services Act-2011 (hereinafter referred to as "the Act-2011") read with rule 42G of the Sindh Sales Tax on Services Rules-2011 (hereinafter referred to as "the Rules-2011").

2. Whereas, M/S MIAN SUBHAN GENERAL LAND TRANSPORT COMPANY were required to deposit Rs.534,531/- received from M/s. Ontex Pakistan Pvt Ltd (NTN#3798389) during tax periods **Sept-2016 to Dec-2018**. The withholding statements filed by M/s Ontex Pakistan Pvt Ltd with the SRB also revealed that M/s Ontex Pakistan Pvt Ltd paid SST **Rs.505,889/-** to the registered person for the tax periods **Jan-2019 to May-2019**. The registered person also provided taxable services of sales value **Rs.6,070,021/-** during the tax periods **Jul-2016 to Feb-2019** to his various clients {i-e. M/s New Era Industries SMC-PVT LTD (NTN#3080056) Rs.1,787,800/- during the tax periods Oct-2016 to Dec-2018, M/s Continental Biscuits Ltd (NTN#0710106) Rs.3,303,449/- during the tax periods Aug-2016 to Mar-2018, M/s Community Health Solutions Pvt Ltd (NTN#4257453) Rs.958,500/- during the tax periods Mar-2017 to Nov-2018, M/s Korona Films Pvt Ltd (NTN#4242725) Rs.17,000/- during the tax periods May-2017, M/s Careem Network(NTN#7227403) Rs.3,272/- during the tax period Aug-2018} and failed to charge, collect and deposit SST **Rs.485,200/-** (at the rate of 8%) thereof in the SRB Head of Account No.B-02384..


Sindh Revenue Board

3. Accordingly, a notice bearing NO.COM-III/AC-23/TRANS/2019/4295 dated 26-06-2019 was served upon the registered person 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 whereby the registration of M/S MIAN SUBHAN GENERAL LAND TRANSPORT COMPANY 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 29-06-2019 failing which, further necessary action shall be taken as envisaged under the Act-2011

4. With reference to remedial measures as suggested vide aforesaid suspension notice, M/S MIAN SUBHAN GENERAL LAND TRANSPORT COMPANY have submitted a cheque no.6631064 dated 31-07-2019 of **Rs.534,531/-** in relation to payments received from M/s Ontex Pakistan Pvt Ltd. However, the registered person has not deposited aforementioned remaining SST Rs.505,889/- and Rs.485,200/-. The registered person also failed to submit all the requisite information sought in the notice suspension notice 26-06-2019

5. The registered person vide his letter no. NIL dated 12-09-2019 received on 17-09-2019 contended that he has deposited SST Rs.534,531/- in relation to payments received from M/s Ontex Pakistan Pvt Ltd. As regards M/s Continental Biscuits Ltd, he submitted the company says, "they (M/s Continental Biscuits Ltd) have already deducted SST 13% on sales value". As regards the remaining companies, he contended that the rest of the companies only paid income tax whereas they have not paid SST on taxable services of inter-city transportation (tariff heading **9836.0000**); the registered person also stated that SRB may directly contact the companies for recovery of Govt dues.

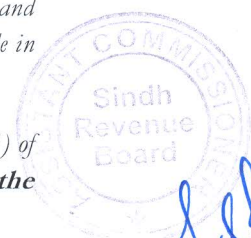
6. M/S MIAN SUBHAN GENERAL LAND TRANSPORT COMPANY were required to charge and collect due SST from the service recipients and deposit the same in the SRB Head of Account No.B-02384. The excerpts of the sections 8, 9 and 17 are reproduced hereunder for ready reference.

Section 8. Scope of tax. (1) *Subject to the provisions of this Act, there shall be charged, levied and collected a tax known as sales tax on the value of a taxable service at the rate specified in the Schedule in which the taxable service is listed.*

Section 9. Person liable to pay tax (1) *"Where a service is taxable by virtue of sub-section (1) of section 3, the liability to pay the tax shall be on the registered person providing the service."* (emphasis supplied)

Section 17. Time, manner and mode of payment (1). *"The tax in respect of a taxable service provided or rendered during a tax period shall be paid by a person by the due date prescribed for payment of tax."*

7. M/S MIAN SUBHAN GENERAL LAND TRANSPORT COMPANY have partially complied with the above suspension order. M/S MIAN SUBHAN GENERAL LAND TRANSPORT COMPANY are still required to deposit Sindh Sales Tax (SST) **Rs.991,089/-** {505,889+ 485,200} during the tax periods Jul-2016 to May-2019 along with default surcharge (DS) under section 44 of the Act-2011 and default surcharge (DS) on (**Rs.534,531/-**) vide Para-4 & 6 and submit complete details and copies of withholding and tax deduction certificates of above-mentioned tax periods with copy of Income Tax Returns of 2016-17 & 2017-18 within ten



(10) days from the receipt of this order failure which necessary legal proceedings shall be instituted against them under relevant provisions of the Act-2011.

8. I have examined the facts of M/S MIAN SUBHAN GENERAL LAND TRANSPORT COMPANY 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 SNTN. Since M/S MIAN SUBHAN GENERAL LAND TRANSPORT COMPANY have made partial compliance and also assured full compliance of the provisions of the Act-2011 in future, therefore, taking a lenient view and for purpose of carrying on their business activity and to take the remedial action provided in this office notice dated 26-06-2019, the suspension of the registered person is hereby **revoked with immediate effect**. This order is without prejudice to penalty and default surcharge as envisaged under the provisions of the Act-2011.

9. This order contains three (03) pages, each bearing my seal and signature.


(TASHKEEL HUSSAIN)
Assistant Commissioner-23

Mr. Shaiq Jafri,
Chief Manager,
PRAL in SRB.

Copy for information forwarded to:

1. The Member (Operations), SRB, Karachi.
2. The Commissioner-II, SRB, Karachi.
3. The Head of IT, SRB, for placing it on SRB website.
- ✓ 4. Cluster In-charge (Unit-23), SRB, Karachi.
5. Assistant Commissioner (Withholding), SRB, Karachi .
6. M/s Ontex Pakistan Pvt Ltd.
7. M/s New Era Industries SMC-PVT LTD.
8. M/s Continental Biscuits Ltd.
9. M/s Community Health Solutions Pvt Ltd.
10. M/s Korona Films Pvt Ltd.
11. M/s Careem Network.



(TASHKEEL HUSSAIN)
Assistant Commissioner-23