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No. SRB-COM-IV/DC-3/2023-24/288265
GOVERNMENT OF SINDH
SINDH REVENUE BOARD
Shaheen Complex, 2nd Floor, Karachi
Dated: 21st November, 2023

ORDER FOR PROVISIONAL REVOCATION OF SUSPENSION

Name & NTN of Person Suspended:	M/s. China Harbour Engineering Co (SNTN: 0660569-9)
Address:	House # 21-A, Street No-16, Khayaban-e-Tanzeem Ph-V, DHA, Karachi South.
Date of Institution:	24 th August, 2023
Reason for Suspension	Inadmissible Input Tax Adjustment
Tax Periods:	December, 2016 to June, 2019

Whereas, M/s. China Harbour Engineering Co are registered with Sindh Revenue Board having SNTN: 0660569-9, are engaged in providing or rendering taxable services of "Construction Services" classified under tariff heading 9824.0000 of the Second Schedule of the Sindh Sales Tax on Services Act, 2011 (referred as "Act, 2011").

2. Scrutiny of their tax profile revealed that they had claimed input tax amounting to Rs. 221,401,952/- during the exempt tax periods from December, 2016 to June, 2019, which is inadmissible in terms of Section 2(52), 15 and 15A of the Sindh Sales Tax on Services Act, 2011. In this regard, meetings were held before the Commissioner-IV and the undersigned wherein the registered person agreed to deposit the inadmissible input amounting to Rs. 136,331,690/- pertaining to the exempt periods from December, 2016 to December, 2017. However, the registered person deposited only Rs. 10,000,000/- vide CPR No. S12023060601051261258 dated 06-06-2023 and not the total admitted liability of Rs. 136,331,690/-. Subsequently, office notices dated 20-06-2023, 21-07-2023, 03-08-2023 and 11-08-2023 were issued to the registered person wherein they were directed to deposit total inadmissible input tax claimed during the aforementioned exempt periods, failing which penal proceedings including issuance of show-cause notice and suspension of registration would be taken against them. However, the registered person failed to deposit the admitted inadmissible input tax and persistently requested adjournments on one pretext or another, without making due compliance to this office.

3. Accordingly, order of suspension of the registration bearing reference NO.SRB-COM-IV/DC-3/ 2023-24/22605 dated 24th August, 2023 was served upon the registered person under section 25 of the Act, 2011 read with Circular No.02 of 2013 and Rule 10 of the Rules, 2011 whereby the registration of M/s. China Harbour Engineering Co was suspended for violation of aforesaid provisions of the law.

4. The registered person was advised to take certain remedial actions, as mentioned below so that their suspension may be revoked:

- To deposit the inadmissible input amounting to Rs. 211,401,952/- claimed during exemption period for the tax periods from December, 2016 to June, 2019, along with default surcharge under section 44 of the Act, 2011 for aforementioned tax period and deposit the same in the Government of Sindh head of account B-02384.

Deputy Commissioner
Sindh Revenue Board
Government of Sindh

5. Their Authorized Representative vide letter No. \\server\G\data d\Lt2005\I-TAX\Allied Rental Modaraba.docx dated 02.11.2023, has requested this office for the revocation of their suspension of registration. In this regard, the registered person has paid the amount of Rs.20,000,000/- vide two (02) CPRs amounting to Rs.10,000,000/- each, bearing No. S1-20231031-0105-2355222 dated 31-10-2023 and No. S1-20231031-0105-2355219 dated 31-10-2023. Furthermore, the registered person has also submitted that they will deposit Rs.20,000,000/- during the month and will also submit the details/documents for the verification of the input tax claimed by them during the exempt tax periods from December, 2016 to June, 2019.

6. In view of the above, the submissions of the registered person are perused within the purview of the Act, 2011. It is concluded that, as a matter of procedure on suspension of registration of the tax payer, the complete tax profile of registered person is blocked on i.srb/e.srb portal due to which the taxpayer neither can e-file the return nor can generate the PSID on its SNTN. Since China Harbour Engineering Co has paid Rs.20,000,000/- and has also made commitment for the payment of Rs.20,000,000/- (i.e. by 30th November, 2023) along with reconciliation pertaining to the inadmissible input tax claimed during the aforementioned exempt tax periods, therefore, for the purpose of carrying on their business activity as well as subsequent remedial actions to be taken by the registered person, the suspension of the registered person is hereby revoked with immediate effect. Subject to the condition that the registered person will fulfill and comply with the undertaking filed through its Authorized representative's letter No. \\server\G\data d\Lt2005\I-TAX\Allied Rental Modaraba.docx dated 02.11.2023. In case, the Registered Person fails to comply any of the above stated remedial actions and to their undertaking, the registration of taxpayer shall be subject to suspension without further reference.

7. Registered person is advised to immediately e-file the monthly Sindh Sales Tax Returns and deposit the Sindh Sales Tax in terms of sections 8, 9, 17 and 30 of the Act-2011 read with Rule 11, 12, 13 and 14 of the Rules-2011 failing which necessary action including imposition of penalties and re-suspension of their registration shall be initiated as per law. Please note that the returns filed by the registered person will be subjected to assessment under the relevant provisions of the Act, 2011.

8. This order contains two (02) pages, each bearing my seal and initial.

(ANUM SHAIKH)

Deputy Commissioner (Unit-3 &3A)

M/s China Harbour Engineering Co

House # 21-A, Street No-16, Khayaban-e-

Tanzeem Ph-V, DHA, Karachi South

SNTN: 0660569-9

Copy for Information to:

1. SA to Chairman, Sindh Revenue Board, Karachi,
2. The Senior Member (Ops), Sindh Revenue Board,
3. The Commissioner-IV, Sindh Revenue Board,
4. The Project Manager, PRAL, Sindh Revenue Board,
- ✓ 5. Deputy Commissioner (IT), SRB, for placing it on SRB website.
6. Manager Call Centre, SRB.

Deputy Commissioner
Sindh Revenue Board
Government of Sindh

(ANUM SHAIKH)

Deputy Commissioner (Unit-3 &3A)

