



NO.SRB-COM-IV/DC-3/ 2023-24/226053
GOVERNMENT OF SINDH
SINDH REVENUE BOARD
2nd Floor Shaheen Complex,
M.R Kiyani Road, Karachi
Karachi, Dated 24th August, 2023

M/s China Harbour Engineering Co
House # 21-A, Street No-16, Khayaban-e-
Tanzeem Ph-V, DHA, Karachi South
SNTN: 0660569-9

SUBJECT: ORDER FOR SUSPENSION OF REGISTRATION OF M/S. CHINA HARBOUR ENGINEERING CO (SNTN-S0660569-9).

Whereas, section 25(1)(a)(ii) of the Sindh Sales Tax on Services Act, 2011 (referred to as “the Act-2011”) provides that registration of a registered person can be suspended where the registered person “has failed to comply with its obligations under this Act”. The relevant provisions for the sake of clarity are reproduced as under:

Section 25. Suspension of registration... (1)

- a) *the Board or any officer of the SRB, authorized by the Board in this behalf, may suspend the registration of a person if it believes that the person—*
- i.
 - ii. *has failed to comply with its obligations under this Act;*

2. In addition to the above stated position, Rule 10 of the Sindh Sales Tax on Services Rules, 2011 (referred to as “the Rules-2011”) also provide:

Rule 10. Suspension and cancellation of the registration. — (1)

Where a registered person commits any act of fraud or deliberate and intentional non-payment, short payment or evasion of tax [or non-filing of returns for four consecutive tax periods], 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...

3. Examination of the Sindh sales tax profile of the registered person reveals that they have:

- claimed input tax amounting to Rs. 38,759,296/- during the tax periods of Dec-16 to Oct-17 and Sep-21 which is inadmissible in terms of Section 2(52), 15 and 15A of the Sindh Sales Tax on Services Act, 2011.
- Accordingly, this office had issued office notices dated 07-02-2023, 15-02-2023, 28-02-2023 and 13-04-2023, wherein they were directed to deposit the aforesaid inadmissible input with SRB.

4. The registered person appeared before the undersigned regarding the instant matter and submitted their written responses vide their Authorized Representative letters dated 08-03-2023, 05-04-2023 and 31-05-2023 along with documentary evidence and reconciliation summaries. After the scrutiny of the submitted record, the total inadmissible input tax calculated by this office amounted to **Rs. 221,401,952/-** for the tax periods from **December, 2016 to June, 2019**. Furthermore, during the meetings held before the Commissioner-IV and the undersigned, 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 Rs. 10,000,000/- only 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 exemption period for the tax periods from December, 2016 to June, 2019, 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 has also persistently requested adjournments on one pretext or another, without making due compliance to this office.

5. Now, this order is being issued under section 25 of the Act, 2011 read with Circular No.02 of 2013 and Rule 10 of the Rules, 2011 to the effect that your registration is hereby **suspended** with immediate effect. However, your suspension shall be revoked if you will take following remedial actions in the manner prescribed under the Act-2011 and the rules made thereunder;

- 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.

6. This order of suspension is without prejudice to the penal action, prosecution and recovery as may be taken against M/s. China Harbour Engineering Co. in accordance with the provisions of the Act, 2011 and the Rules, 2011.

(ANUM SHAIKH)

Deputy Commissioner (Unit-3 &3A)

The copy for kind information is forwarded to:

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

