



NO.SRB-COM-III/AC-23/TRANSP/MAGTC0/2021-22/104650
SINDH REVENUE BOARD
GOVERNMENT OF SINDH
Karachi, Dated 25th March, 2022

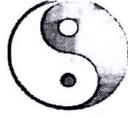
Mr. MUHAMMAD ASHRAF ANSARI
C/O M/s M AFTAB GOODS TRANSPORT CO.
PLOT NO. 32/B, GATE NO. 3,
STREET NO. 4, TRUCK STAND,
HAWKSBAY ROAD, KARACHI.
CONTACT NO. 0313-2368243.

Subject: **ORDER FOR RESTORATION OF SST REGISTRATION (SNTN: S1725878-2)**

This office suspended the registration of M/s M AFTAB GOODS TRANSPORT CO. (SNTN: S1725878-2) (hereinafter to be referred as "registered person") vide notice NO.SRB-COM-III/AC-23/2020-21/15489 dated 20th September, 2021 and asked to take following remedial actions in order to restore their Sindh sales tax registration.

- a) e-deposit the short paid Sindh sales tax amount of Rs. 7,400,672/- against the taxable services as provided to M/s Sui Southern Gas Company Limited (SNTN: 0712242) (hereinafter to be referred as "M/S SSGCL" for the aforementioned tax periods along with the amount of mandatory default surcharge under section 44 of the Act, 2011 in Government of Sindh head of account "B-02384".
- b) declare the said taxable services in monthly Sindh sales tax return (Form SST-03) as required under section 30 of the Act, 2011 read with rule 12 and 13 of the Rules, 2011.
- c) furnish the requisite documents/information like income tax returns for tax year 2018-19 and 2019-20 and copy of bank statement of all the bank accounts as maintained with different banks w-e-f 01st July, 2018 to 30th June, 2020.

02. Registered person's authorized representative Muhammad Waleed & Co. submitted the reply wherein they have submitted all the factual record / proof of the sales transactions with the M/s Sui Southern Gas Company Limited wherein M/s SSGCL has withheld all the amounts of SST Rs.3,339,332/- which is 100 % of the sales tax amount. The said claim of the registered person is verified from the copy of bank statement entries of M/S SSGCL bank account, ledger entries and withholding certificates issued by the M/s SSGCL to the registered person. M./s SSGCL erroneously declared the excessive amounts of values of services in their Annexure-A by putting formula for 20% withholding resultantly showing 100% tax deduction as 20% and simultaneously increasing the value of sales by five (5) times. Previously, this office had already carried out a verification from the M/S SSGCL in year 2018 wherein M/s SSGCL has accepted their mistake in the following pasted scan copy of their reply.



29 October 2018

Ref: TH/SSGC/STWH/2018/ 1515

Mr. Muhammad Yousuf Bukhari
 Assistant Commissioner (Unit-23)
 Sindh Revenue Board, 9th Floor, Shaheen
 Complex, M. R. Kiyani Road, Karachi.

Aftab

SUBJECT: INFORMATION REQUIRED UNDER SECTION 52(1) OF THE SINDH SALES TAX ON SERVICES ACT, 2011.

Dear Sir,

This is with reference to your letter No. SRB-COM-II/U-23/2018/868 dated: 08/10/2018 issued to M/s. Sui Southern Gas Company Limited (hereinafter referred to as our client), wherein it has been stated that scrutiny of their sales tax returns filed with Sindh Revenue Board disclosed that during the tax period from May 2018 to July 2018 they have received services of inter-city transportation from M/s. Aftab Goods Transport Co. (hereinafter referred to as the service provider) and have deducted and paid Sindh Sales tax of Rs. 1,850,168/- out of Rs. 9,250,840/- It has been stated that our client declared remaining amount of Rs. 7,400,672/- as paid to the said service provider. The service provider, on other hand, has declared that the entire Sindh sales tax amount was withheld by our client. In order to reconcile the matter, our client has therefore been directed under section 52(1) of the Sindh Sales Tax on Services Act, 2011 to provide summary list of all invoices received the service provider during 01/01/2016 to 30/09/2018 with copies of invoices, payment evidence f few invoices with SST.

In this regard it is submitted that our client being a bonafide taxpayer fulfills his responsibilities regularly and promptly as laid down in the Sindh Sales Tax on Services Act, 2011 and the rules framed thereunder. Having said we would like to state that your observation that our client has withheld 20% of the tax amount involved any paid the balance 80% to the service provider is factually incorrect as our client withheld full amount of sales tax as provided in Sindh Sales Tax Special Procedure (Withholding) Rules, 2014 and deposited the same in the government treasury.

Our client reconciled his record and found that while he declared the amount of sales tax withheld by him in the sales tax returns correctly, the amount of sales tax on which the sales tax was withheld and the value of the service on which the sales tax was charged were declared incorrect due to a clerical omission. A scrutiny of the record revealed that the value of sales tax declared in the sales tax returns is not the amount of sales tax mentioned on the invoice issued by the service provider; but is a figure that was calculated by dividing the sales-tax-withholding-amount by 20%. For example, if the correct amount of sales tax is Rs. 100/- whole of which was withheld and correctly declared in the sales tax return but inadvertently the sales tax value was wrongly declared as Rs.500/- (Rs.100/- divided by 20% = Rs.500/-). The example is summarized as below:-

*Payment evidence
with copies of few
invoices of few
invoices*

REGISTRATION NO.	353489
NO.	29-10-2018
DATE	5
REVENUE BOARD	

Lahore Office: 808-Eden Height, 6 Main Gulberg Lahore. Tel: (92-42) 35875840-41, Fax: +92-42-35875842 E-mail: taxcom786@hotmail.com
 Multan Office: 105, International Plaza, Bohra Street, Multan. Tel: (92-61) 4511842-4511424, Fax: +92-61-4783018 E-mail: taxcom_multan@yahoo.com

03. In view of above facts, it has been transpired that short payment of Rs.7,400,672 was the result of erroneously filed sales tax returns by the M/s SSGCL which they have admitted, therefore, remedial step (a) of Para 1 of this order has been reconciled and further registered person has submitted the requisite information such as income tax returns for tax period 2018-19 and 2019-20 and bank statement from 1st July-2018 to 30th June-2020 as remedial step (c) of the Para 1 and furthermore registered person also submitted to declare all the sales tax invoices to M/s SSGCL in their Annexure-C of the sales tax return once the suspension will revoked as remedial step (b) of the Para 1.



04. In consideration of the compliance made by the registered, this office is restoring the registration of the registered person provisionally subject to their submission of proper sales tax returns by way of declaring all sales tax invoices issued to M/s SSGCL in their Annexure-C of the sales tax returns within one week of their restoration and remained compliant under the provisions of Sindh Sales Tax on Services Act, 2011 and Rules made thereunder.

(ZAIN MANZOOR)

Assistant Commissioner (Unit-23)

Copy for Information to:

1. The Commissioner-III, Sindh Revenue Board, Karachi.
2. Deputy Commissioner (IT), SRB, for placing it on SRB website.
3. The Cluster Incharge, Unit-23, Karachi.
4. The Project Manager, PRAL, Sindh Revenue Board, Karachi.
5. M/s Sui Southern Gas Company Limited (SNTN: 0712242)
6. Office Copy.

(ZAIN MANZOOR)

Assistant Commissioner (Unit-23)

