




OFFICE OF THE
ASSISTANT COMMISSIONER
SINDH REVENUE BOARD
GOVERNMENT OF SINDH

SRB-SUK-CE-140/160/ 33097

No. # **INWARD** 33097
Date: **28/10/2021**
Received by: 
Name & Sign
Sindh Revenue Board

Dated: 27th October, 2021

M/s Arabian Pearl Engineering

(Nafees Ahmad) SNTN# 3756783

House No. 3502/8-M, Railway Road, Chowk Shaheedan, Multan

Contact No. 0321-6332013/ 061-4587732

SUBJECT: **SUSPENSION ORDER --- M/S ARABIAN PEARL ENGINEERING HAVING SNTN: S3756783**

Whereas, section 25(1)(a)(ii) of the Sindh Sales Tax on Services Act, 2011 (hereinafter referred to as "the Act-2011") provides that registration of a registered person can be suspended where registered person "has failed to comply with its obligations under this Act". Rule 10 of the Sindh Sales Tax on Services Rules, 2011 (hereinafter referred to as "the 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 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.

2. In terms of section 9 and 17 of the said Act-2011 read with Rule 14 of the said Rules-2011, every registered person is required to deposit the monthly Sindh sales tax in the time and manner prescribed therein and is further required, under section 30 of the Act-2011 read with 11, 12, 13 and 14 of the Rules-2011, to e-file the monthly SST returns within three days of due date of payment of tax.

3. During scrutiny of their monthly Sindh sales tax returns (Annex-A of the returns) for the tax periods from **July 2015 to February 2021**, it is revealed that the registered person has claimed/adjusted the input tax of **Rs.36,954,566** /- when the input-to-output tax ratio is 102% on average with maximum ratio of 718% during the tax period December 2020. As per Rule 16 of the Sindh Sales Tax on Services Rules, 2011 (hereinafter referred to as "the Rules-2011"), if the input tax claimed/adjusted for providing services exceeds 20% of output tax, the registered person shall be required to file the scanned attachment, as evidence. Record shows that you have failed to file the scanned copies of purchase invoices/bills in relation input tax adjusted and failed to justify as to how the above input tax adjusted is used or consumed in providing or rendering of above taxable services.

4. Besides above, the registered has provided or rendered taxable services to following persons, whereby they have charged and collected Sindh sales tax, however, they have failed to deposit whopping tax amount of **Rs.31,007,014/-** into the Sindh Government treasury that too wilfully. Summary is given as under:

NTN	Name	Value of Services	Taxable Amount	Deducted Tax	Payable Amount
0712048-6	SGS Pak Pvt Ltd	841,810	109,435	21,887	87,548
4302481-5	FFBL Power Company Limited	3,994,162	519,241	103,849	415,392
1543137-1	K-Electric Limited	315,547,932	41,909,402	8,381,892	33,527,510
1000710-5	Engro Polymer and Chemicals Limited	5,699,308	740,910	148,182	592,728
Total		326,083,212	43,278,988	8,655,810	34,623,178
Less: Paid					-3,616,164
Short Paid					31,007,014

5. Aforesaid contraventions were duly communicated to the registered person vide **notices dated 07.06.2021, 04.05.2021 and 13.05.2020 were duly served, however, registered person failed to deposit outstanding SST dues and failed to justify adjustment of hefty input tax**. Non-Payment of Sindh sales and/or claim or adjustment of inadmissible input tax is violation of section 8, 9, 15, 15A, 17 of the Act-2011

Address: Bungalow No.42, Block-B Near NAB Office, Sindhi Muslim Housing Society, Nisar Ahmed Siddiqui Road, Sukkur **Tel:** 071-9310995 **Email:** vickey.dhingra@srb.gos.pk **Website:** www.srb.gos.pk

and the Rules made thereunder. The said contraventions of the provisions of the Act-2011 and the rules made thereunder are liable to penalties under section 43 of the Act-2011 along with levy of default surcharge under section 44 of the Act-2011. This shows willful default on your part and same is serious violation of aforesaid provisions of the Act-2011 and the rules made thereunder which is equal to taking the law into the hands.

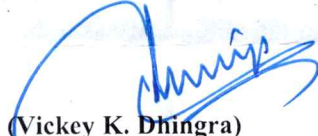
6. Now, this notice is being issued to you under section 25 of the Sindh Sales Tax on Services Act, 2011 read with Circular No.02 of 2013 and Rule 10 of the Sindh Sales Tax on Services Rules, 2011 to the effect that your registration is hereby suspended with immediate effect. However, your suspension shall be revoked if you take following actions by **10-11-2021**:

- to discharge all your Sindh sales tax dues **including above SST amount of Rs. 31,007,014/-** along with default surcharge under section 44 of the Act-2011 and penalties under section 43 of the Act-2011 for aforementioned tax period and deposit the same in the Government of Sindh head of account B-02384.
- to submit written reply in terms of section 15 of the Act-2011 read with Rule 21, 22 and 22A of the Rules-2011 along with summary, all copies of purchase invoices and explanation in the following given format in relation to adjustment of above hefty input tax:

Sr.No	NTN	Name	Tax Period	District	Invoice No.	Date	Sales Tax	Nature of purchase and how it is used in contractual execution service
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7. In case of non-satisfactory response or failure to take remedial measures as suggested above on or before **10-11-2021**, your case shall be further proceeded for cancellation of your registration with SRB. If you wish to be heard in person or through your duly authorized representative, you may appear for hearing on **02.11.2021 @ 3:00 PM** in the office of undersigned along with written defence, if any, in respect of above remedial actions.

8. This notice and suspension of registration are without prejudice to the penal action, prosecution action and recovery action as may be taken against you in accordance with the provisions of the Act-2011 and the Rules-2011.


(Vickey K. Dhingra)
Assistant Commissioner (Unit-33)

Copy to:-

1. Commissioner, Sukkur, SRB,
2. Chief Manager, PRAL, Sindh Revenue Board, 6th Floor Shaheen Complex, M.R Kiyani Road, Karachi,
3. Mr. Shahid-ul-Ghani, Head of IT, SRB, for placing it on SRB website.
4. SGS Pak Pvt Ltd, H- 3/3, Sector 5, Korangi Industrial Area, Karachi
5. FFBL Power Company Limited, EZ/I/P-1, Eastern Zone, Bin Qasim Port, Karachi
6. K-Electric Limited, KESC House Plot 39-B, Sunset Boulevard Phase-II, Defence Housing Authority, Karachi.
7. Engro Polymer and Chemicals Limited, 12th Floor, Ocean Tower, Khayaban-E-Iqbal, G-3, Block-9 Clifton, Clifton Road, Karachi

