



NO.SRB/COM-III/AC-7/MRL/2022-23/ 57543

**SINDH REVENUE BOARD
GOVERNMENT OF SINDH
Dated 29th October, 2022**

M/S. M. R. LOGISTICS (PVT.) LIMITED
SNTN#: S2189037-4
Suite No. 1208-1210, 12th Floor,
Chapal Plaza, Hasrat Mohani Road,
Off: I.I. Chundrigar Road, Karachi.
Contact: 0300-9245368

Subject: ORDER FOR SUSPENSION OF REGISTRATION OF M/S. M.R. LOGISTICS (PVT) LIMITED (SNTN: S2189037-4).

Whereas, section 25(1)(a)(ii) of the Sindh Sales Tax on Services Act, 2011 'Act-2011' provides that registration of a registered person may be suspended where registered person *have failed to comply with its obligations under this Act*. Rule 10 of the Sindh Sales Tax on Services Rules, 2011 'Rules-2011' provides that where a registered person commits any act of fraud or deliberate and intentional non-payment, short payment or evasion of tax, 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. Whereas, M/s M.R. LOGISTICS (PVT) LIMITED 'registered person' have failed to perform their obligations in terms of the provisions of this Act-2011, repetitively, despite affording adequate opportunities of being heard vide this office notice No. **SRB-COM-IV/AC-7/C.A/M.R/2021-22/112061** dated 18th April, 2022 wherein they were confronted for short payment of SST worth **Rs. 6,067,064/-** for the tax period from **July, 2017 to June, 2021** as illustrated in the table below:

YEAR	VALUE OF SERVICE AS DECLARED IN FINANCIALS	TAX RATE	SST AMOUNT	SST DECLARED WITH SRB	SHORT PAID SST
JULY-2017 TO JUNE-2018	8,909,254	13%	1,158,203	11,600	1,146,603
JULY-2018 TO JUNE-2019	10,546,523	13%	1,371,048	18,000	1,353,048
JULY-2019 TO JUNE-2020	12,601,175	13%	1,638,153	14,400	1,623,753
JULY-2020 TO JUNE-2021	15,025,079	13%	1,953,260	9,600	1,943,660
Total	47,082,031		6,120,664	53,600	6,067,064

3. Additionally, the registered person have failed to deposit outstanding SST confronted vide subject notice, nor given any plausible reason to justify their position on outstanding liability. The registered person raised following contentions:



- i. That they are freight forwarders, have deposited SST in accordance with the notification No. **SRB-3-4/8/2013** dated 1st July, 2013 and are wrongly registered in the service category of Custom Agents.
- ii. That they have deposited SST in terms of rule 39 of the Rules-2011.
- iii. That they do not have any Custom House Agent License.

4. The registered person were advised to provide summary sheet for their month wise business transactions as per the format below;

Date of Invoice	Service Recipient	Invoice Value	SST	Declared & Deposited in Tax period
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The registered person were required to produce material documentary evidence and show cause as to why their registration may not be *suspended* in terms of section 25 of the Act-2011 read with Circular No.2 of 2013 and rule 10 of the Rules, 2011 during the proceedings vide show cause notice No. SRB-COM-III/AC-7/C.A/M.R/2022-23/12932 dated 25th August, 2022 but the registered person failed to produce any satisfactory response despite affording adequate opportunity in respect of time.

5. It is pertinent to accentuate that they failed to produce material documentary evidence pivotal for the case to be concluded on merits rather attempted to delude the proceedings of the case. In pursuance, the registered person were given ample time to comply during hearings conducted on 2nd September, 2022 and 13th September, 2022.

6. Perusal of the record, SST returns filed by the registered person clearly exhibits that the registered person have disregarded the provisions of rule 39 thereby only depositing Rs. 500/- per bill of lading (as per their contention) despite the clear rule enumerated in sub-rule 3 of the rule 39 of the Rules-2011 which is reproduced as under for brevity:

[39. Services provided or rendered by Freight Forwarding Agents

(3) The Bills of Lading and the House Bills of Lading issued by a freight forwarding agent shall be charged to tax at a specific rate of Rs. 500/- per Bill of Lading or House Bill of Lading. Other services provided or rendered by a freight forwarding agent shall be charged to tax at [13%] of the value including the fee, commission, remuneration or charges for such services.

7. This order is issued under section 25 of the Act-2011 read with Circular No. 2 of 2013 and Rule 10 of the Rules, 2011 to the effect that your registration is hereby *suspended* with immediate effect for violation of provisions of section 5, 17 and 30 of the Act-2011 read with relevant rules. However, suspension shall be revoked if the registered person take following remedial actions by or before the **15th November, 2022**.

- Deposit the SST dues in to the Sindh Government head of account 'B-02384' and declare the same in their SST returns [SST Form-03].
- Produce of copy of service agreements with all trading partners for the confronted tax periods.
- Income Tax returns filed for the subject tax periods.



- GDs cleared through WEBOC or PSW for confronted tax periods or other material record to substantiate contentions.
- Any other information pivotal for pleading case and to ascertain the actual SST liability.

8. In case of non-satisfactory response or failure to take remedial measures as advised above on or before **15th November, 2022**, the case shall further be proceeded for legal action.

9. This order is issued without prejudice to the penal, prosecution and recovery action as may be taken against the registered person in accordance with the provisions of the Act, 2011 and the Rules, 2011.

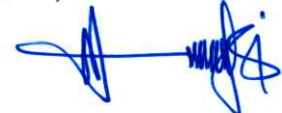


Yousuf Ali Magsi
Assistant Commissioner
Unit-7



Copy for Information is forwarded to:-

- The Senior Member Operations, Sindh Revenue Board, Karachi.
- The Commissioner-III, Sindh Revenue Board, Karachi.
- Chief Commissioner, RTO-I/II/III Karachi, 6th Floor, Income Tax House, Income Tax Building, Shahrah e Kamal Ata Turk, Karachi.
- The Collector, MCC Appraisalment (East), Custom House Karachi with the request to enforce suspension of M/s M.R. LOGISTICS (PVT) LTD having NTN No.S2189037
- The Project Manager, PRAL, Sindh Revenue Board, Karachi.
- Deputy Commissioner (IT), SRB, Karachi (for placing on SRB Website).
- Manager Call Centre, SRB.
- Karachi Custom Agents Association Head Office, 2nd Floor, Burhani Terrace, Bohri Road, Off Eduljee Dinshaw Road, Opp. Custom House, Karachi.
- Pakistan International Freight Forwarders Association, 257-C, Block-6, P.E.C.H.S. Karachi-75400, Pakistan



Yousuf Ali Magsi
Assistant Commissioner
Unit-7



