



SRB/Com-I/AC-1/TEL/Cubexs/2017/V-02/6825

**GOVERNMENT OF SINDH**  
**SINDH REVENUE BOARD**

12<sup>th</sup> Floor Shaheen Complex,  
M.R Kiyani Road, Karachi

Dated 30<sup>th</sup> March, 2019

**ORDER FOR REVOCATION OF SUSPENSION**

Name & NTN of Person Suspended:	M/s Cube XS Weatherly (Pvt) Ltd bearing SNTN S2741379-9
Address:	1 <sup>st</sup> Floor, Federation House , Block-5, Shahrah-E-Firdousi, Main Clifton, Karachi
Date of Institution:	08-03-2019
Reason for Suspension	Inadmissible input tax, incorrect sales tax rate applied, non-filing of true and correct SST returns, non-payment of SST
Tax Periods:	October 2013 & January 2019

Brief facts of the case are that M/s Cube XS Weatherly (Pvt) Ltd bearing SNTN S2741379-9 (hereinafter referred to as "the registered person") are registered with SRB as a service provider in respect of Telecommunication services which are chargeable to the Sindh Sales Tax ("SST") under section 8 read with tariff heading 98:12 and sub-tariff heading thereof.

2. Scrutiny of their tax profile revealed that they have filed "Nil" SST returns for the tax periods from **October 2013 to January 2019** i.e. input tax is higher than output tax. Moreover, as per their monthly returns, registered person declared to have provided services at the tax rate of 0%/3%/6%/8%/13%/15%/17%/18%/19.5% without supporting any documentary evidence and there is no any service under the Act-2011 which is subject to 0%/17% rate of SST. Moreover, as per sub-rule (3) rule 22 of the Rules-2011, input tax used in providing or rendering taxable services and also (i) non-taxable or (ii) exempt services or (iii) services liable to reduced rate of tax or (iv) specific rate of tax and (v) services rendered out-side Sindh, the input tax shall be apportioned according to the tax fraction formula prescribed therein. The registered person have adjusted/claimed full amount of input tax without apportioning the same. Moreover, the registered person was required under section 52 of the Act-2011 to furnish the copies of audited financial statements for the years from July 2011 till June 2018 along with bifurcation of revenues/sales but registered person failed to do so.

3. Accordingly, their registration was suspended 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 vide notice No.SRB/Com-I/AC-1/TEL/CubeXS/2017/V-02/6820 dated 08-03-2019. The registered person was required to furnish the record as required at para-4 of the said notice dated 8.3.2019.

4. Mr. Shahid Hussain from M/s Tax Clinic on behalf of registered person appeared on 29.3.2019 and furnished cheque No.3167 of Rs.400,000/- dated 25.3.2019. He committed to furnish the complete record as required at para-4 of the suspension letter dated 8.3.2018 along with schedule of payment of Sindh sales tax on or before **8.4.2019** without fail. He further agreed that the registered person shall defer the claim of input tax till June 2019 or till reconciliation is completed whichever is earlier.



5. Taking a lenient view, the suspension of the registered person is hereby **revoked with immediate effect**. They shall:

- furnish the copies of audited financial statements for the period from **July 2011 till June 2018** by 8.4.2019,
- provide the month-wise summary in the following given format by 8.4.2019,

S.No.	Tax Period	Value of services								Total Output tax	Input tax Adjusted	Justification for tax rate of 0%/3%/6%/8%/13%/15%/17%
		Taxable @ tax rate of telecom	Taxable @13%/15%	Taxable @17%	Taxable @8%/6%/3%	Taxable @ 0%	Non-Taxable	Exempt	Total			

- explain the claim/adjustment of input tax in terms of section 15, 15A of the Act-2011 read with Rule 21, 22 and 22A of the Rules-2011 and calculate the inadmissible input tax amount in terms of Rule 22(3) of the Rules-201 by 08.4.2019,
- Schedule of payment of Sindh sales tax.
- Deposit the SST for the **February 2019** and e-file the returns immediately upon restoration of registration.

6. Registered person may kindly note that, in case of failing to comply with the directions given at para-5 of this order, their registration may be suspended again without prejudice to the further penal action that may be taken as per the provisions of the Act-2011 and the rules made thereunder.

(Vickey K. Dhingra)  
Assistant Commissioner (Unit-01)

Mr. Shaiq Jafri,  
Chief Manager,  
PRAL in SRB.

**Copy to;**

- ✓ 1. Mr. Shahid-ul-Ghani, Head of IT, SRB, for placing it on SRB website.
2. M/s Cube XS Weatherly (Pvt) Ltd, 1<sup>st</sup> Floor, Federation House, Block-5, Shahrah-E-Firdousi, Main Clifton, Karachi

(Vickey K. Dhingra)  
Assistant Commissioner (Unit-01)

