

Taxhelpline Case No. 118 of 2013

[INLAND REVENUE APPELLATE TRIBUNAL]

STA No.94A/IB/2012 Date of Hearing 28.08.2012

Mr. Ikram Ullah Ghauri, Accountant Member

**Appellant by Mr. Jawad Ahmed, DR. Respondent by Mr.
Mustafa Ali, ITP**

**Commissioner Inland Revenue (Zone-III), Regional Tax
Office, Rawalpindi Appellant**

Vs

**M/s. Saify Stationers, Shop No.1, Saify Market, Adamjee
Road, Rawalpindi Respondent**

Law: Sales Tax Act (VII of 1990) **Sections:** 33, 34, 11(2), 36(1), 7, 8(1) (ca), 12(5)

ORDER---This order shall dispose of the titled appeal filed by the Revenue against the Sales Tax Order-in-Appeal No.208/2012 dated 05.01.2012 passed by the Learned Commissioner Inland Revenue (Appeals-III), Islamabad.

2. The appellant filed the appeal on the following grounds: -

1. That the order of the Learned CIR (Appeals-III), Islamabad is bad in law and against the

facts and circumstances of the case.

2. That the Learned CIR (Appeals-III), Islamabad was not justified to allow input tax adjustment on the invoices of suppliers which were suspended/blocked/black listed which is also against the

prevailing law.

3. That the learned CIR (Appeals-III), Islamabad was not justified in accepting the sales tax return of M/S Qudbi Traders having sales tax registration No. 0702481778864 instead of respondent taxpayer i.e. M/S Saify Stationers having independent sales tax registration No.2302481700637.

4. That he learned CIR (Appeals-III), Islamabad was not justified in accepting the return without filing of revised sales tax return by M/S Saify Stationers.

5. That the appellant may be allowed to alter, amend or add more grounds of appeal at the time of hearing.

3. Brief facts of this appeal are that the registered person had claimed input adjustment against the purchase invoices, issued by suspended/black listed/Mocked units, in violation of the provisions of section 7, 8 (1) (ca) of the Sales Tax Act, 1990, read with the Rule 12(5), Chapter I, of Sales Tax Rules, 2006, as per the following details: -

S.No. Supplier's Name Supplier's No. Tax Period Sales tax amount

1. M/S AHM Traders 1700820000446

2. M/S Abbas Traders 1712730700855 05/2010 113,557/-

3. M/S Fateml Enterprises 1712999962719

Total 113,557/-

The taxpayer was called upon to show cause why the above amount of inadmissible input should not be recovered from him under section 11(2) & 36(1) of the Sales Tax Act, 1990, along with default surcharge and why the he may not be penalized for claiming inadmissible input adjustment vide show cause notice. The reply of the taxpayer to this notice was found not satisfactory and the impugned order was passed for the recovery of above said amount of input adjustment. Along with default surcharge and penalty under

section 33 & 34 of the Sales Tax Act, 1990.

4. During the hearing of the case, the learned DR reiterated the contentions given in the grounds of appeal. The AR explained that while filing the sales tax return he erroneously punched the sales summary relating to his another client namely M/S Qutbi Traders. He is stated that the sales tax registration No. of M/s Qutbi Traders and respondent in this case i.e. M/S Saify Stationers were different as ascertain by the learned CIR (A). The AR further stated that during the relevant tax period he filed a revised sales tax return online but the same was declined by the Inland Revenue for no justify reliable reason. His client M/S Saify Stationers did not purchase anything from M/S Qutbi Traders and he has never claimed input tax adjustment. He only requested for permission to file a revised sales tax return for the correction of this mistake.

5. Having heard both the parties of the case I feel that the dispute regarding the suspension or blocking of the suppliers is totally out of the context of the case. In case the respondent had been allowed to file a sales tax return there would have been no dispute at all. It is therefore, ordered that the respondent's revised sales tax return may be allowed to be filed which will settle the whole issue. The appeal is disposed off accordingly.

This order contains (03) pages each bears my signature and seal.

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