



Winter Exam-2024
Solutions – Sales Tax Act and Rules (Application)

Q.1. a

Particulars	Quantity	Amount in PKR
Prayers mats	4,000,000	4,000,000,000
		16 % Sales Tax
		Rs. 640,000,000

Q.1. b

Particulars	Quantity	Rate	SAR vs PKR	Amount in PKR
Prayers mats	4,000,000	SAR 20/ -piece	Rs.75/-	60,000,000,000
			Sales Tax @ 16%	960,000,000

Q.2. a

Period	No. of days	Revenue/day	Total revenue in period
Jan-Mar	90 days	20,000,000	1,800,000,000
Apr-Oct	214	15,000,000	3,210,000,000
Nov-Dec	61	25,000,000	1525000000
-	-	Total Revenue	6,535,000,000
-	-	16% Sales Tax	1,045,600,000
-	-	Deposited S. Tax	10,000,000
-	-	Recoverable	1,035,600,000

Q.3. 21. De-registration, blacklisting and suspension of registration.—

a

(1) The Board or any officer, authorized in this behalf, may subject to the rules, de-register a registered person or such class of registered persons not required to be registered under this Act.

(2) Notwithstanding anything contained in this Act, in cases where the Commissioner is satisfied that a registered person is found to have issued fake invoices [***] or has otherwise committed tax fraud, he may blacklist such person or suspend his registration in accordance with such procedure as the Board may, by notification in the official Gazette, prescribe.

Q.3. Ref: Rule 11 Sales Tax Act

b

11. Assessment of Tax.—

(1) Where a person who is required to file a tax return fails to file the return for a tax period by the due date or pays an amount which, for some miscalculation is less than the amount of tax actually payable, an officer of Inland Revenue shall, after a notice to show cause to such person, make an order for assessment of tax, including imposition of penalty and default surcharge in accordance with section 33 and 34:

Provided that where a person required to file a tax return files the return after the due date and pays the amount of tax payable in accordance with the tax return along with default surcharge and penalty, the notice to show cause and the order of assessment shall abate.

(2) Where a person has not paid the tax due on supplies made by him or has made short payment or has claimed input tax credit or refund which is not admissible under this Act for reasons other than those specified in sub-section (1), an officer of Inland Revenue shall make an assessment of sales tax actually payable by that person or determine the amount of tax credit or tax refund which he has unlawfully claimed and shall impose a penalty and charge default surcharge in accordance with section 33 and 34.

(3) (***)

(4) No order under this section shall be made by an officer of Inland Revenue unless a notice to show cause is given within five years to the person in default specifying the grounds on which it is intended to proceed against him and the officer of Sales Tax shall take into consideration the representation made by such person and provide him with an opportunity of being heard:



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Provided that order under this section shall be made within one hundred and twenty days of issuance of show cause notice or within such extended period as the Commissioner may, for reasons to be recorded in writing, fix provided that such extended period shall in no case exceed sixty days:

Q.4. Ref: 69-C Sales Tax rules

69C. Registration and liability of person bringing taxable goods from tax-exempt areas. –

(1) The person bringing, or causing to bring, taxable goods from tax exempt area shall be required to be registered under the Act or, as the case may be, the Sales Tax Act, 1990 as adopted in Azad Jammu and Kashmir and all the provisions of the Acts *ibid* shall apply accordingly.

(2) The liability of payment of tax or taxes and furnishing of prescribed documents shall be on the person bringing, or causing to bring, taxable goods from tax exempt area and supplying the same in taxable area in the course and furtherance of taxable activity.

(3) Subject to the applicable provisions of the Act and the rules made thereunder, a registered person shall be entitled to the adjustment of any input tax paid under the Sales Tax Act, 1990 as adopted in Azad Jammu and Kashmir

Q.5. Rule- 107 & 111 customs Act 1969

107. Application for clearance of goods.- (1) An application to clear goods from any warehouse for home-consumption or for export shall be made in such form as the Board may prescribe.

(2) Such application shall ordinarily be made to the appropriate officer at least twenty-four hours before it is intended to clear such goods.

111. Duty on goods improperly removed from warehouse or allowed to remain beyond fixed time or lost or destroyed or taken as sample.- In respect of goods specified hereunder the appropriate officer may demand and upon such demand the owner of such goods shall forthwith pay the full amount of duty chargeable on such goods together with all rent, penalties, 28[surcharge] and other charges payable in respect of them, namely:-

(a) Warehoused goods which are removed in contravention of section 97.

(b) Goods which have not been removed from the warehouse within the time allowed for such removal under section 98.

(c) Goods in respect of which a bond has been executed under section 86 and which have not been cleared for home-consumption or export or removed in accordance with the provisions of this Act and are lost or destroyed otherwise than as provided in sections 94 and 95 or as mentioned in section 115, or are not accounted for to the satisfaction of the appropriate officer.

(d) Goods which have been taken under section 94 as samples without payment of duty.

Q.6. Ref:58 ZB Special Procedure Rules

a

Particulars	Weight	Rate/maund	Amount	16% Sales Tax
Cotton Seeds	150 tons=3750 monds	6350/40 kg	23,812,500	3,810,000
Cotton	18,500 Bales	18,500	518,000,000	82,880,000

Q.6. ANNEX-D [See rule 56]

b

MONTHLY STATEMENT TO BE FURNISHED BY A GINNER

Name of Registered Person. _____



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S. T. Registration No. _____	Description of goods	Opening balance at the start of the month	Total Qty. produced during the month	Total Qty. supplied during the month	Closing balance at the end of the month
(1)	(2)	(3)	(4)	(5)	(6)
XYZ	Cotton Seeds Cotton	0 0	6350/40 kg 18,500 Bales	6350/40 kg 18,500 Bales	0 0
