THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

Complaint No.4249/KHI/Cust/2025
Dated: 26.02.2025* R.O. Karachi

M/S Heaven Solar Energy (Private) Limited,
Suit No. 1302, 13th Floor, Al-Najeebi
Electronic Bazar, Preedy Street,
Abdullah Haroon Road, Karachi. ...Complainant

Versus

The Secretary,
Revenue Division, ...Respondent
Islamabad.

Dealing Officer	:	Mr. Gul Rehman, Advisor
Appraising Officer	:	Dr. Arslan Subuctageen, Advisor
Authorized Representatives	:	Mr. Iftikhar Hussain, Advocate Complainant in person
Departmental Representative	:	Mr. Adnan Khan, DC Customs CoC, Appraisement (West), Karachi Ms. Noor ul Huda Mallick, DC Customs CoC, Appraisement (East), Karachi Mr. Tariq Aziz, AC Customs CoC, Appraisement, SAPT, Karachi Mr. Bakhtiar Memon, AD Directorate of R&A, Karachi

FINDINGS/RECOMMENDATIONS

The above mentioned complaint was filed against the Collector, Collectorate of Customs, Appraisement (East), (West), (SAPT) and Directorate of Reforms & Automation, Karachi under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) regarding discrepancy between the assessed value of imported goods in the Goods Declaration (GD) and the value reflected in Annexure B of the Sales Tax Return relating to GD No.KAPE-HC-1877-11-07-2024, KAPE-HC-5541-31-07-2024, KAPW-HC-4579-09-07-2024, KAPW-HC-4581-09-07-2024, KAPS-HC-1115-03-07-2024, KAPS-HC-1119-03-07-2024, KAPS-HC-4910-10-07-2024 and KAPS-HC-8034-18-07-2024.

Date of registration in FTO Sectt:

2. The complaint was forwarded to the Secretary, Revenue Division, in accordance with Section 10(4) of the FTO Ordinance, in conjunction with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, the Collector, Collectorate of Customs, Appraisement (East), Karachi submitted comments, wherein it was stated that the complainant had imported 02 consignments vide GD No.KAPE-HC-1877-11-07-2024 and KAPE-HC-5541-31-07-2024 and the complainant determined, his liability of duty/taxes through automated self-assessment system of WeBOC, under Section 79(1) of the Customs Act, 1969. The complainant has paid the leviable duties and taxes, including the sales tax for both the consignments and cleared the goods. The complainant raised objection that the assessed / paid amount of sales tax is not appearing on the E-Portal of WeBOC, that is why they are not being able to file the claim of "Input Adjustment" of sales tax in terms of Section 7 of the Sales Tax Act, 1990. So, precisely after perusal of the contents of the compliant it is clear that the complainants have no grievance with the acts of assessment and clearance of the goods by the Deptt. According to the provisions of Section 7 of the Sales Tax Act, 1990, an importer is required to claim Input Adjustment of the Sales Tax before the IRS authorities in terms of sub-Section 2(ii) of Section 7 of the Sales Tax Act, 1990, for the supplies made during the relevant tax period. The GDs mentioned at Page-3 are clearly showing the amount of Sales Tax paid at import/clearance stage. (The enclosed GDs are printout of the computer based GDs, thus, prima facie, it is not a case where the amount of sales tax is not mentioned on the GD). Without prejudice even otherwise, if the E-Portal of IRIS is not showing any amount of sales tax, in that case too, in terms of Section 7(2)(ii) of the Sales Tax Act, 1990, an importer can file the Input Adjustment claim on the basis of paper based GD but the complainant has failed to substantiate with any corroborative documents that they have filed any Input adjustment in terms of Section 7(2)(ii) of the Sales Tax Act, 1990. As stated above in all practical

purposes the complainant is aggrieved with the PRAL'S IRIS system for Input Tax Adjustment under Section 7 of the Sales Tax Act. 1990, but instead of approaching the Sales Tax authorities for redressal of their grievances, if any, they have repeatedly written letters to the customs authorities. The complainant has not been able to substantiate / explain as to whether they had completed the formalities of "supply of goods" to make their case ripe for "Input Adjustment" and as to why they have not approached the Sales Tax Authorities in terms of Section 7(2)(ii) of the Sales Tax Act, 1990 through any other mode of filing of claim.

3. The Collector, Collectorate of Customs, Appraisement, SAPT, Karachi also submitted comments vide letter dated 10.03.2025, wherein it was stated that a total of four consignments out of eight imported by M/s Heaven Solar Energy (Private) Limited consisting of solar panels classifiable under PCT heading 8541.4300 have been cleared through respondent Collectorate vide GDs No.KAPS-HC-1115-03-07-2024, KAPS-HC-1119-03-07-2024, KAPS-HC-4910-10-07-2024 and KAPS-HC-8034-18-07-2024. All the four GDs were assessed in accordance with the Valuation Ruling No.1894/2024 dated 04.07.2024 and the same data had been fed into the system as is evident from the PRAL's data. Per se no correction in data feeding is required at the level of Deptt. since the same has correctly been fed into the system and is reflecting there as well. Under the given circumstances, the Complainant should have been approached the concerned IRIS authorities to get the problem ascertained for rectification.

4. The Collector, Collectorate of Customs, Appraisement (West), Karachi submitted comments vide letter dated 11.03.2025. It was stated that the complainant had imported 02 consignments vide GD No.KAPW-HC-4579-09-07-2024 and KAPW-HC-4581-09-07-2024 and the complainant determined, his liability of duty / taxes through automated

self-assessment system of WeBOC, under Section 79(1) of the Customs Act, 1969. The complainant has paid the leviable duties and taxes, including the sales tax for both the consignments and cleared the goods. The complainant raised objection that the assessed / paid amount of sales tax is not appearing on the E-Portal of IRIS, that is why they are not been able to file the claim of "Input Adjustment" of sales tax in terms of Section 7 of the Sales Tax Act, 1990. So, precisely after perusal of the contents of the compliant, it is clear that the complainants have no grievance with the acts of assessment and clearance of the goods by the Customs Deptt. The Collectorate has referred the case to IRs authorities vide letter dated 10.03.2025.

5. The Director, Directorate of Reforms & Automation, Karachi also submitted comments vide letter dated 26.03.2025, wherein it was stated that the difference reflected in the Sales Tax Returns and assessed GDs of the complainant arose due to system error which has been identified and fixed in the system. The complainant's sales tax returns now reflects correct amount.

6. During the hearing, AR for the complainant stated that the assessed/paid of amount sales tax is not appearing on the IRIS Portal due to which they are unable to file Sales Tax return. DR for the Directorate of Reforms & Automation on the other hand argued that the discrepancy arose due to system error which has been identified and fixed in the WeBOC system, however further updation in the system is to be made by the IR authorities in the IRIS system. It was further stated that the complainant in this regard has also been intimated to approach IR authorities for necessary updation in the IRIS Portal system.

7. Arguments of all sides have been heard and available record consulted. It is clear that the Complainant grievance is genuine as non-

availability of input tax claim in the IRIS portal system is departmental issue which needs immediate attention of the IR authorities.

Findings:

8. In view of supra, it is evident that the Deptt. has rightly guided the Complainant to take up the matter with the concerned authorities of Inland Revenue Deptt. for the reflection of the paid amount of Sales Tax in their sales tax record for adjustment of their input claims etc.

RECOMMENDATIONS:

9. FBR to:

(i) direct, Member IR (Operations) and Member IT to resolve the Complainant's problem and upload the Input Tax paid at import stage regarding the Complainant's GDs to enable them to file monthly sales tax returns; and

(ii) report compliance within 30 days

(Dr. Asif Mahmood Jah)
(Hilal-i-Imtiaz)(Sitara-i-Imtiaz)
Federal Tax Ombudsman

Dated: 16: 4: /2025

Approved for reporting