



**Khyber Pakhtunkhwa
Revenue Authority (KPRA)**

KPRA HQ, Railway Track, Phase 3 Chowk, Hayatabad Peshawar
Ph: 091-9219233



F No. KPRA/Opt to Standard Rate /2020/816

Dated: 15-12-2021

To

M/s ORA HRL JOINT VENTURE
KNTN: 4239285-3
Head Office 135 Ferozpur Road,
Fazlia Colony, Lahore.

Subject: **PERMISSION TO OPERTAE UNDER STANDARD RATE OF TAX (15%)
IN TERMS OF SECTION 26-A OF THE KP FINANCE ACT, 2013.**

An application was received in the Khyber Pakhtunkhwa Revenue Authority (KPRA) from registered person **M/s ORA HRL JOINT VENTURE** providing/rendering service liable to KP sales tax at reduced rate under the Second Schedule of the KP Finance Act, 2013 request for grant of permission to operate under standard rate of tax (15%) under section 26A of the KP Finance Act, 2013. The case has been examined thoroughly and considered by the Authority. The Authority was pleased to approve and grant permission to **M/s ORA HRL JOINT VENTURE** subject to the following conditions.

- i. The permission shall take immediate effect and shall remain valid unless reversion to reduced rate of tax is allowed by the Authority or it is otherwise withdrawn by the Authority as provided under section 26A of the KP Finance Act, 2013.
- ii. On conversion to standard rate of tax in terms of this permission, registered person shall be entitled for adjustment of input tax paid or to be paid at standard rate from the date of approval of the Authority i.e. 15.12.2021, subject to all such conditions, limitations and restrictions applicable in this regard under relevant provisions of Khyber Pakhtunkhwa Finance Act, 2013 read with KPRA Sales Tax on Services Regulation, 2017 or as prescribed elsewhere under the Khyber Pakhtunkhwa sales tax on services law.
- iii. The registered person shall not be entitled for any adjustment of input tax paid before the date of effect of this permission whether in respect of tangible inputs (goods) or intangible inputs (services), in any case. Furthermore, no adjustment of any input tax paid or to be paid at reduced rate on procurement of intangible inputs (services) shall be admissible in any case under any circumstances.

- iv. On the expiry of the year 2021-22, the Director (Inquiry & Investigation) KPRA, shall conduct audit of the registered person to confirm the genuineness of the use of the permission as aforesaid and ascertain the accuracy of the trends of tax payments by such registered person during the year 2021-22. The outcome of the audit report shall be communicated to the Director General, KPRA for his information and such further action as may be deemed necessary by him.
- v. Where during the course or in consequence of the audit as aforesaid, it is suspected, believed or found that the case demands proper or formal investigation to ascertain the nature, details and extent of deliberate evasion of tax involving tax fraud as defined under section 2(53) of the Khyber Pakhtunkhwa Finance Act, 2013, the Director (Inquiry & Investigation) shall prepare investigation report for the Director General. Necessary legal action in each such case, as and if required, shall be initiated/taken by the competent officer without any loss of time.
- vi. Under no circumstances, the permission granted hereinabove shall be construed to confer any right on any registered person to continue to operate at standard tax rate indefinitely unless the law applicable in this regard is amended conferring such right.
- vii. It is pertinent to mention here that the permission to charge sales tax on services at standard rate of 15% shall strictly apply only in the case of provision of services to M/s Coca Cola only.


(AFTAB ALI KHAN GHAZI)
Director (HR, ADMIN & COORD.)

Copy to:

- (i) Director, I &I, KPRA headquarters, Peshawar.
(ii) All Additional Collectors, KPRA.
(iii) PS to Director General, KPRA, Peshawar.
(iv) AD (Web), ICT, KPRA for uploading on official website of KPRA.


(AFTAB ALI KHAN GHAZI)
Director (HR, ADMIN & COORD.)