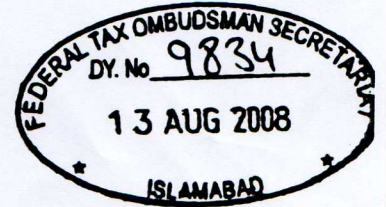


No.26/2008-Law(FTO)  
Government of Pakistan  
Law and Justice Division

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Islamabad, the 26th July, 2008.



From: Mr. Muhammad Aslam,  
Deputy Assistant Solicitor.

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To :- Mr. Muhammad Abu Bakar Siddique,  
Second Secretary(TO),  
Federal Board of Revenue,  
Islamabad.

2/20 (2M) Subject: **REPRESENTATION TO THE PRESIDENT UNDER SECTION 32 OF THE ORDINANCE XXXV OF 2000 AGAINST THE FINDINGS/RECOMMENDATIONS OF THE F.T.O IN COMPLAINT NO. 1162/2007 (F.B.R. VS M/S MANSOOR CONSTRUCTION COMPLANY, SARGODHA)**

I am directed to refer to your representation No. 4(1162)TO-I/07-08/20497-62, dated 07.02.2008 on the above subject and to say that the President has been pleased to pass the following orders: -

"The amount of tax paid by the complainants or on their behalf for the assessment years 1992-93 to 1994-95 and 1997-98 to 2001-2002 exceeded the amount with which they were properly chargeable under the Income Tax Ordinance 1979 - 2001. The department refunded the excess amount for the years 1992-93 to 1998-99 on 14.6.2007 and for the years 1999-2000 to 2000-2001 on 12.10.2006. Their grievance is that the department has not paid compensation for delayed payment. The FTO has recommended that the Revenue Division shall ensure that lawful amount of compensation is allowed to the taxpayers.

The departmental has made representation against the FTO's recommendation. The department's case is that the refund was made when the refund order was issued and if there was any delay in making the refund after the refund order the compensation was paid. The complainants have furnished written comments on the representation.

It appears that the complainants had not paid the tax by themselves but various persons who had deducted advance tax from the payments made to the complainants paid it on their behalf. The department's case is that they refunded the excess amount to the complainants as soon as the treasury verified that the persons who withheld tax from the payments made to the complainants had. deposited the tax. It is presumed that the complainants furnished the persons' receipts to the department to show that the tax has been paid on their behalf. The persons who deducted tax from the payments made to the complainants were the agents of the department. The department has failed to explain why it could not get confirmation of the deposits from its agents within the prescribed time. The taxpayers' responsibility ended when they furnished receipts given to them by the withholding persons. The FTO's decision thus must be sustained.

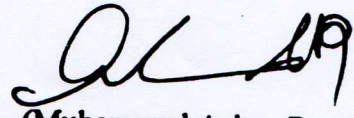
Accordingly, the President has been pleased to reject the representation of the department.

(Muhammad Aslam Rana)  
Deputy Assistant Solicitor.



Copy to: -

- ✓ 1. The Registrar, FTO, Islamabad.
2. President's Secretariat (Section Officer (Legal), Islamabad with reference to their No.96/FTO/2008, dated 30.6.2008.
3. Raja Asif Mansoor, M/s Mansoor Construction Company, Sargodha.

  
(Muhammad Aslam Rana)  
Deputy Assistant Solicitor.