

No.39/2010-Law (FTO)
Government of Pakistan
Ministry of Law and Justice.

Islamabad, the 16th July, 2012

From :- Arshad Ali Siddiqui,
Section Officer (Law-I),

To:- Mr. Ram Chand,
P/O M/s Kayanat Cotton Glinners & Oil Mills, Sanghar Road,
Gupchani,
NAWABSHAH/ SHAHEED BENAZIRABAD.

Sub: REPRESENTATION UNDER SECTION 32 OF THE ESTABLISHMENT OF THE OFFICE OF THE FEDERAL TAX OMBUDSMAN ORDINANCE (XXXV OF 2000) IN COMPLAINT NO. 603-K/2009 (M/S KAYNAT COTTON GINNERS & OIL MILLS, NAWABSHAH/SHAHEED BENAZIRABAD VS FBR

I am directed to refer to your representation No. Nill, dated 10th February, 2010 on the subject noted above and to say that the President has been pleased to pass the following orders.

2. The complainant felt aggrieved of being selected for audit in terms of Section 177(4) of the Income Tax Ordinance 2001 for the tax year 2008. It was contended in the complaint before the FTO that the complainant is covered by the Presumptive Tax Regime (PTR) in terms of Section 115(4) of the Income Tax Ordinance and it was further contended that in terms of an agreement pursuant to SRO 629(1)94 dated 27.6.1994. It has been agreed that where tax at @ 1% of supply price of lint cotton and 1.5% of seed oil was deducted, the same was to be considered as final discharge of tax liability. The Agency reported that under Section 177 of the said Ordinance no exceptions have been made with reference to any of the classes of taxpayers including those falling under the PTR.

3. The FTO recorded the following findings:

"In view of the above discussion and the consensus between the Complainant and the Department to resolve the issue, it would seem more appropriate to adopt reconciliatory settlement approach as required under sub-section (1) of section 33 of the Federal Tax Ombudsman Ordinance, 2000."

Following recommendation was made by the FTO:

"In view of the above findings, it is recommended that FBR to direct the Director General to ensure that the main issues of reconciliation of figures and compliance of legal provisions relating to withholding taxes are properly examined and the proceedings finalized, as per law, within 30 days of the receipt of this recommendation."

4. This representation has been filed by the complainant.

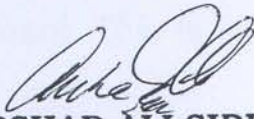
5. The record discloses that the matter had been proceeded with in accordance with Section 177 of the said Ordinance. Besides, an explanation to the satisfaction of the FTO was given by the Agency for selecting the case of the complainant for audit under the said provision of law. The findings and recommendations also appear to be consensus oriented. No grounds stand made out for interference with the findings and recommendations of the FTO.

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

(ARSHAD ALI SIDDIQUI)
Section Officer (Law-I),

Copy to:-

1. The Registrar, Federal Tax Ombudsman Secretariat, Islamabad.
2. Director (Legal), President's Secretariat (Public), Islamabad with reference to their No.6/FTO/2012, dated 22nd May, 2012.
3. Mr. Muhammad Ashfaque Second Secretary (TO-I), Revenue Division, Islamabad.


(ARSHAD ALI SIDDIQUI)
Section Officer (Law-I),