

**BEFORE  
THE FEDERAL TAX OMBUDSMAN  
ISLAMABAD**

**Complaint No.2003/SGD/ST/2022**

Dated 26.05.2022\* R.O. Sargodha

**Mr. Ghulam Abbas,**

House No.43- Street No. 19,  
Block Y, New Sattlite Town,  
Sargodha.

... Complainant

***V e r s u s***

The Secretary,  
Revenue Division,  
Islamabad.

... Respondent

Dealing Officer	:	Dr. Muhammad Akram Khan, Advisor
Appraising Officer	:	Mrs. Sarwat Tahira Habib, Sr. Advisor
Authorized Representative	:	Mr. Haider Nawaz Warriach
Departmental Representative	:	Mr. Muhammad Tahir Munawar, ACIR RTO, Sargodha.

**FINDINGS**

The complaint was filed in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against issuance notice for compulsory registration of sales tax dated 19.01.2022.

2. Briefly, the Complainant, an individual, is a Govt. teacher and having no other source of income except salary. Complainant contended that he received a notice for compulsory registration of sales tax dated 19.01.2022 from Commissioner-IR, Zone-I RTO, Sargodha in which <sup>it was</sup> mentioned that Complainant purchased Oil and Ghee from Sadiq Sons Ghee & Oils Mills (PVT) at amounting to Rs. 13.700 Million. The complainant alleged that his CNIC No. 38403-2198940-1 was misused for purchasing of Oil and Ghee on the basis of fake sale invoices as well as IRIS account by Sadiq Sons Ghee &

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\* Date of registration in FTO Sectt:

Oils Mills (PVT) Ltd. In response to the above said notice the Complainant intimated the IR authorities vide letter dated 24.01.2022 followed by reminders 21.02.2022, 14.03.2022 and 06.04.2022 as he has no concern with the company and business. But the DCIR, Withholding Unit-I issued notice under section 161(1A) for the collection of tax under section 236-H of income tax ordinance 2001 dated 13.05.2022. Being aggrieved, the Complainant filed the instant complaint.

3. The complaint was referred to the Secretary, Revenue Division, for comments in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of Federal Ombudsmen Institutional Reforms Act 2013. In response thereto, the Chief Commissioner forwarded para-wise comments of the Commissioner IR, Withholding Tax Zone, RTO, Sargodha vide letter dated 09.06.2022. At the outset preliminary objection regarding bar of jurisdiction was raised in terms of Section 9(2)(b) of the FTO Ordinance on the basis of Hon'ble President of Pakistan's decision in C.No.FTO/LHR/0000697/2016 dated 16.01.2017. On merit it was contended that as per available record the Complainant has other source of income as well. Further contended that notice was issued under section 161(1A) of the ordinance on 13.05.2022 of tax year 2021 (july 2020 to june 2021) to the complainant on the basis of data received from FBR Islamabad regarding bulk supplies made to wholesalers/dealers by sugar manufacturers whereby the Complainant has purchased sugar Rs.5.230 million against invoice No. 020101984, dated 09.04.2021 from M/S JDW Mills Pvt. Ltd. However, when confronted the Complainant, failed to contest the purchases before the withholding officer as yet and did not present any document in support of his contention as given in complaint filed before the Hon'ble FTO. Hence, no maladministration is involved in the case.

4. Both the parties heard and record perused.



5. As regards the preliminary objection regarding bar of jurisdiction being misconceived stands overruled. During hearing, the complainant submitted copy of returns of income for Tax Years 2019 to 2021 which shows that he does not have any other source of income except salary. On the other hand the Deptt could not prove the link of Complainant with purchase of sugar of Rs.5.230 million except misuse of his CNIC number on the fake invoices. *Prima facie*, the Complainant's CNIC number was misused on fake invoices for purchase of sugar by unknown person. Information u/s 176 of the Ordinance obtained by the Deptt from M/s Sadiq Sons Ghee & Oils Mills (PVT) Ltd clearly reveals that sales were made to M/s Khawja Muhammad Siddiq/Kh. Wajahat Shop # 109 Rail bazar, Sargodha. This leaves no doubt about the fakeness of transaction with the complainant. Simultaneously, sugar mills replies also lend credence to misuse of CNIC of the Complainant. This is a case of harassment of a taxpayer not only by the Deptt but by the wily Ghee/Sugar dealers also. Therefore, it is recommended that the concerned Commissioner-IR be directed to stop proceedings against the complainant and initiate investigations against the concerned Ghee and Sugar mills and those retailers/wholesalers, who actually purchased the commodities and made payments and report compliance within 45 days.

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

Dated: 27/07/2022  
RS/IS

