

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO. 16103/LHR/IT/2026

Dated: 05.09.2026 RO Lahore*¹

M/s MPI Private Limited,
GF-Azeem Mansion, 3-Fane Road,
Near Punjab Bar Council,
Lahore.

... Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer	:	Mr. Ahmad Shuja Khan, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Tayyab Khan, Advocate
Departmental Representative	:	Ms. Ayesha Ahmad, DCIR, CTO Lahore
Date of hearings	:	15.09.2026 30.09.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned online complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2001 (the Ordinance) against delay in issuance of refund for tax years 2022 to 2025.

2. Brief facts of the case are that Complainant is a Private Limited Company, e-filed income tax returns for the following tax years under Section 114(1) which were deemed to be assessed under Section 120(1) of the Income Tax Ordinance, 2001 (The Ordinance), claiming refunds as follows:

S.No.	Tax Year	Date of Filing of Complaint	Date of Refund Application	Refund claimed (Rs)
1.	2022	05.09.2026	12.06.2026	3,522,567
2.	2023	05.09.2026	12.06.2026	4,142,384
3.	2024	05.09.2026	12.06.2026	748,119
4.	2025	05.09.2026	12.06.2026	1,301,993
			Total	9,715,063

¹ Date of Registration with FTO Sectt.

The refunds arose on account of excess tax deducted at source under Sections 148, 153(1)(a), 231B(3), 235, 236(1)(a), 231AB etc. of the Income Tax Ordinance, 2001 (the Ordinance). Nevertheless, despite repeated efforts of the Complainant, the Department failed to pass orders under Section 170(4) of the Ordinance, within the stipulated time period, hence this complaint.

3. The complaint was sent for comments to the Secretary, Revenue Division, in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response thereto, the Commissioner-IR Refund Zone CTO, Lahore submitted revised parawise comments through letter dated 25.09.2026. It was contended that:

- (i) As per Rule 71 of the Income Tax Rules, 2002, a refund application must be submitted on the prescribed proforma provided in Part-VI of First Schedule to Income Tax Rules, 2002. Whereas, the Complainant's applications were not submitted on the prescribed proforma.
- (ii) Limitation of sixty days from the filing of refund applications expired.
- (iii) Outstanding current/arrear tax demand (Income Tax/Sales Tax/FED/Custom Duty) is recoverable from the Complainant as under:

Tax Year	Under Section	Amount
2019	161/205	89,458
2023	161/205	114,758
2024	147/205	392,000
	Total	596,216

No audit/rectification or revision proceedings were pending in the Department against the Complainant.

- (iv) Tax deductions were partially verifiable from FBR's internal portal. External verification was also required.
- (v) Refund claim is not based on an appeal effect or rectification order.



- (vii) No adjudication u/s 170(4) has been made as applications of the Complainant were pending.
- (viii) There is no delay nor any maladministration in processing of refund applications for aforementioned tax years attributable to the Department. Complainant filed refund applications without supporting documents as required under Rule 71(3) of the Income Tax Rules, 2002. Therefore, refund applications for aforementioned tax years shall be processed after receiving requisite supporting documents from the Complainant.

4. Arguments heard and available record perused.

5. It is an admitted fact that the Complainant's refund applications, were e-filed as prescribed under Rule 71 read with Part-VI of the First Schedule to Income Tax Rules 2002, remained unattended in terms of limitation u/s 170(4) of the Ordinance. The Department was required to have disposed of refund applications either way within sixty days of the filing, after providing opportunity of hearing. From the respective dates of filing of instant complaints i.e. 05.09.2026 for Tax Years 2022 to 2025, it is apparent that even after lapse of due dates apart from expiry of limitation period as provided u/s 170(4) of the Ordinance, the Department did not issue a single letter asking the Complainant to submit the requisite evidence. Thus, delay in disposing of refund applications, is evident as discussed above.

FINDINGS:

6. Thus, the delay in disposal of refund applications for Tax Years 2022 to 2025 within the stipulated time is manifestation of Departmental neglect, inattention and ineptitude in discharge of its duties and the same tantamount to Maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS

7. FBR to direct-

- (i) the Commissioner-IR, Refund Zone, CTO Lahore to dispose of Complainant's refund applications for Tax Years 2022 to





2025 after providing opportunity of hearing to the Complainant, after making adjustment of any outstanding tax demand strictly as per law; and

(ii) report compliance within 30 days.

8. The Complainant is directed to provide proof of tax payment to the Department within a fortnight of issuance of this order.

Dated: 13 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

