

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NOS.15482, 15627, 15629 & 15630/LHR/IT/2026

Dated:24.08.2026 RO Lahore

**Mr. Muhammad Ismail,
M/s M. Ismail Constco (SMC-Pvt) Limited,
Office at 288/16, Khyber Block,
Allama Iqbal Town, Lahore.**

...Complainant

Versus

**The Secretary,
Revenue Division,
Islamabad.**

... Respondent

Dealing Officer	: Mr. Ahmad Shuja Khan, Advisor
Dealing Advisor	: Muhammad Jamil, Bhatti, Advisor
Appraised by	: Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	: Mr. Ali Raza Cheema, Advocate
	: Syed Azhab Mujtaba Naqvi, Advocate
Departmental Representative	: Ms. Ayesha Ahmad, DCIR, CTO, Lahore
	: MS Anum Ilyas, DCIR, RTO-I, Lahore
Date of hearings	: 07.09.2026, 16.09.2026, 30.09.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned online complaints were filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (The Ordinance) against delay in disposal of refund for **Tax Year 2025**. After the filing of one Complaint, only after 03 days the same Complainant filed three others **COMPLAINTS bearing NOS. 15627, 15629 & 15630/LHR/IT/2026** on 27.08.2026 against non-issuance of refund for **Tax Years 2023 to 2025**. All the 04 complaints having similar issues involved, therefore, are being disposed of through a single consolidated order.

2. Brief facts of the case are that Complainant is deriving income from business in the name and style of M/s M. Ismail Consco (SMC-Pvt) Limited. Statedly the refund arose on account of tax deducted under sections 236(1)(b), 236A and advance tax u/s 147 of the Ordinance.



As per instant Complaint the Complainant's company e-filed return of claiming refund amounting to **Rs.12,630,233/- for Tax Year 2025**. The refund arose on account of excess tax deduction under Sections 236(1)(b), 236A and advance tax u/s 147 of the Ordinance. The Complainant e-filed refund application for Tax Year 2025 on 12.06.2026.

Whereas the later Complaints reflect that the Complainant e-filed the returns of income for Tax Years 2023 to 2025 claiming refund amounting to **Rs.3.856 million, Rs.31.514 million and Rs.9.695 million**, respectively. Admittedly the refund arose on account of tax deducted under sections 235, 236A, 236K, 153(1)(c), 236(1)(b), 151(1)(b) and 153(1)(b) of the Ordinance.

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.

a. in response thereto, the Commissioner-IR Refund Zone CTO, Lahore submitted revised parawise comments through letter dated 23.09.2026. 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 the First Schedule to the Rules. Whereas the Complainant's application was not as per prescribed proforma.
- (ii) Limitation of sixty days from the filing of refund application had expired.
- (iii) As per available record outstanding demand (Income Tax/Sales Tax/FED/Custom Duty is recoverable from the Complainant as under:

Tax Year	Amount (Rs)
2021	260,751,637
2022	490,508



2023	131,117
2026	61,505,374
2026	60,727,177
Total	383,605,813

- (iv) As per available record, demand created has been stayed by apex court:

Tax Year	Amount
2021	260,751,637
2026	61,505,374
Total	322,257,011

- (v) The Complainant claimed refund against the purchase by Auction u/s 236A (including renewal of license) and prepaid telephone card u/s 236(1)(b) of the Ordinance:

Tax Year 2025

Tax Deductions u/s	Amount	Nature of withholding tax
236(1)(b)	12,277	Adjustable
236A	126,179,000	Adjustable
153(1) (c) @ 7.5%	236,297,320	Minimum
147	5,000,000	Adjustable
Total	367,488,597	

- (vi) Tax deductions are partially verifiable from FBR's internal portal. External verification is also required.
- (vii) The Complainant has not submitted supporting documents as required under Rule 71(3) of the Income Tax Rules, 2002. Refund is not determined on the basis of claim in return of income. Refund will be determined after verification in the light of circular 3 of 2005. Therefore, question of maladministration does not arise.
- b. In response, thereto, the Chief Commissioner-IR, RTO-I, Lahore vide letter dated 15.09.2026 forwarded Para wise comments of the Commissioner-IR, Refund Zone, RTO-I, Lahore. It has been contended that the complainant claimed tax deductions u/s 235, 236A, 236K, 153(1)(c) @8%, 236(1)(b), 151(1)(b) and 153(1)(b) of the Ordinance for tax years 2023 to 2025 but failed to provide complete proof of tax deductions.

4. Arguments heard and available record perused.



5. FINDINGS:

- i. It is strange that one taxpayer is being dealt by two different field formations of FBR simultaneously. Two different Authorized Representatives have represented this entity at FTO Regional Office Lahore. Comments filed by both field formations are also different from each other. Even the figures of refund amount claimed for TY 2025 are different in both Complaints filed by one Complainant.
- ii. It is not clear as what is the exact nature of business: i.e. **it is Construction company or a Consultancy concern or an entity involved in public auctions. Adjustability of different deductions also needs special focus.**
- iii. As huge tax demand has been reported by CTO Lahore therefore Complainant's request for issuance of refund is premature, especially when proper jurisdiction is yet not clear.

In view of above facts, no maladministration is attributable towards the department until the mess relating to duplication of jurisdiction is cleared.

RECOMMENDATIONS:

6. In view of above facts FBR is directed to;
 - i. Secretary (IR-Jurisdiction) to clarify the exact jurisdiction of the Complainant and record may be merged accordingly; and
 - ii. report compliance within 30 days.
7. The Complainant is advised to settle the outstanding tax demand with the concerned field formation(s).



Dated: **14 OCT 2026**

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman