

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 15884/SKT/IT/2026

Dated: 01.09.2026* R.O, Sialkot

Mr. Muhammad Akram,

M/s Hussain Safe Engineering (Pvt)
Limited, Gujranwala
Street No. 1, House No. 6, Block-C
Mohallah Gulzar Colony, Gujranwala.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Rana Hasan Akhtar, Advisor,
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Abid Hussain Awan, Advocate
Departmental Representative	:	Mr. Hassan Sultan Raja, ACIR, RTO, Gujranwala
Date(s) of Hearing	:	21.09.2026 & 23.09.2026

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance 2000 (FTO Ordinance) and the case was fixed for comments on 09.09.2026. The department filed parawise comments, which were examined and placed on file. The AR of the complainant and DR attended. Arguments were heard and record perused. The complaint is disposed of on the basis of available record as under.

2. Brief facts of the case as stated are that the Complainant is a private limited company engaged in the business of manufacturing of Lockers, Safes, Cash Lockers etc and supplies to commercial Banks all over the Country and major tax deductions are under section 153 and 235 of Income Tax Ordinance 2001. The complainant filed the return of income/statement of taxation, for the tax year 2025 on 24.12.2025 declaring income at Rs.26.070 million and claiming refund amounting to Rs.28.093 million on account of excess deduction of withholding tax under Sections 148, 153(1)(a), 231A, 235 & 236(1)(a)



of the Income Tax Ordinance, 2001 (the Ordinance) for Tax Year 2025. The Complainant also e-filed refund application on 27.06.2026. The department has failed to pass order within the stipulated time, hence this complaint.

3. The department submitted parawise comments dated 21.09.2026, wherein it is admitted that the taxpayer e-filed refund application on 27.06.2026 and claimed refundable income tax of Rs.28.093 million for tax year 2025. The refund application shall be processed as per FIFO list in due course of time. The departmental objection that refund claim will be processed on a First-In, First-Out (FIFO) basis is rebutted as under: -

Objection raised by FBR	Rebuttal
In the light of FBR's Instructions vide letter No.4(10)Rev.Bud/2024-25/205-490-R dated 17.10.2024, the taxpayer's refund application is at FIFO S.#.1,136 and shall be processed as per FIFO list in due course of time.	- Board's notification dated 17.10.2024 itself excludes Court/FTO cases from the operations of said circular. - Statutory timelines u/s 170(4) cannot be overturned/replaced through administrative instructions. - This plea of FBR has already been dismissed by Presidency in a large number of representations filed by FBR on this account. Matter has attained finality.

4. The department has informed that an amount of Rs.4,853,793/- is outstanding and no tax demand is stayed. No assessment proceedings are pending against the complainant. The taxpayer claimed tax credit u/s 148, 153(1)(a), 231A, 235 & 236(1)(a), which are adjustable for the year. Tax deductions claimed against refund are partially verifiable and external verification is required.

5. The learned AR submitted that the department's assertion at



Serial No.III of the Parawise comments, alleging an outstanding withholding tax demand of Rs.4,853,793/- against the complainant is entirely baseless and contrary to facts. It is categorically stated that there is no withholding tax or any other tax liability outstanding against the complainant. The complainant is a law-abiding taxpayer whose tax credentials are fully up to date.

6. Admittedly, the Complainant e-filed refund application 27.06.2026 for Tax Year 2025. The Deptt: was required to have disposed of the refund application within 60 days of its filing, in terms of Section 170(4) of the Ordinance. But till filing of instant complaint, the Deptt failed to dispose of refund application. Thus, delay in disposal of refund application for Tax Year 2025, within the stipulated time under Section 170(4) of the Ordinance is evident.

7. **FINDINGS:**

- i. Tax deductions u/s 148 and 153 need to be cross checked so as to verify the nature of imports and supplies vis-à-vis nature of business and adjustability of tax deductions.
- ii. Inordinate delay in disposal of refund application for the Tax Year 2025 is manifestation of Departmental neglect, inattention and inaptitude in discharge of its duties and the same tantamount to maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

8. FBR to direct-

- (i) The Commissioner-IR, (Refunds), RTO, Gujranwala to dispose of complainant's refund application for Tax Year 2025, as per law, after affording opportunity of being heard to the complainant; and
- (ii) report compliance within 30 days.



Dated: 14 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman