

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.16415/KHI/IT/2026

Dated 10.09.2026 * R.O Karachi

M/s. Chengdu Shuangliu Huacheng Seal Pakistan (Pvt) Ltd,
NTN No. 7576331
Shed # 13, Plot No. 672-673,
Deh Joreji Taluka, District Malir,
Bin Qasim Malir town Karachi

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer

: Mr. Badruddin Ahmad Quraishi Advisor

Appraisal Officer

: Mr. Muhammad Tanvir Akhtar, Advisor

Authorized Representatives

: Mr. M. Zeeshan Ashraf, ITP

Departmental Representatives

: Mr. M. Ali Baig, OIR, CTO-I, KHI

Date of hearing

: 28.09.2026

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against the department (Deptt) for failing to process an income tax refund claim for tax year 2025 amounting to Rs.7,345,781/-.

2. Briefly, the complainant **Chengdu Shuangliu Huacheng Seal Pakistan Private Limited** is a manufacturing and trading enterprise in Karachi, Pakistan, operating as a branch or extension of its core gasket and seal factory located in Chengdu, China. Its **Core Operations include** Production and manufacturing of high-quality gaskets and seals monthly using non-asbestos and fiber electrical insulation materials, primarily catering to automotive and motorcycle applications.

In addition, it is actively engaged in international trade and importing raw/bulk manufacturing inputs (such as under HS Code 68129900).



Chapter 68: This entire chapter specifically covers **"Articles of stone, plaster, cement, asbestos, mica or similar materials"**.

The word *Articles* in customs terminology indicates manufactured products or components. Heading 6812: Covers Fabricated asbestos fibers, mixtures based on asbestos, and

The Complainant filed income tax return for the tax year 2025 on 31.12.2025 claiming an income tax refund of Rs.7,345,781/- against tax deductions u/s 148 & 153(I)(a) of the Income Tax Ordinance 2001 (the Ordinance). The refund application for tax year 2025 was filed on 16.01.2026. However, the Deptt failed to issue any refund order to date; hence this 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 the Federal Ombudsmen Institutional Reforms Act, 2013. In response, the Commissioner-IR, Refund Zone, CTO-I Karachi bearing letter No. CIR/REFUND ZONE/CTO-I/KHI/2026/175 dated 16.09.2026 has submitted comments stating that the complainant's income tax refund application for Tax Year 2025 is under process and are being dealt with strictly in accordance with the FBR's First-In, First-Out (FIFO) policy and prescribed verification procedures. It contends that the delay is due to scrutiny of the refund claims, denies any maladministration, and requests that the complaint be dismissed with directions to the complainant to await its turn for processing in accordance with the applicable legal framework.



4. Argument heard, and record perused.

5. Briefly, the complainant is engaged in the importation, distribution, and commercial supply of specialized sealing

components, gaskets, and auto parts who e-filed his income tax return for tax year 2025 claiming an income tax refund amounting to Rs.7,345,781/- against tax deductions u/s 148 & 153(I)(a) of the Ordinance. In terms of section 148(7) of the Ordinance, the tax required to be collected under this section shall be minimum tax on the income of the importer arising from the imports subject to sub-section (1) and this sub-section shall not apply in the case of import of goods on which tax is required to be collected under this section by an industrial undertaking for its own use.

6. The complainant e-filed a refund application for tax year 2025 on 16.01.2026. The Deptt is required to issue the refund within sixty days of the filing of the refund application in terms of section 170(4) of the Ordinance reproduced below:

"170(4). The Commissioner shall, within sixty days of receipt of a refund application under sub-section (1), serve on the person applying for the refund an order in writing of the decision after providing the taxpayer an opportunity of being heard"

7. Board's notification dated 17.10.2024 itself excludes Court/FTO cases from the operations of said circular. Statutory timeline 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.



8. FINDINGS:

- i. As tax deductions u/s 148 & 153(I)(a) of the Income Tax Ordinance 2001 are involved therefore GDs and supply invoices need to be examined carefully to see whether imports are being supplied in the same condition or some value has been added through manufacturing.

- ii. Failure of the Deptt to process the income tax refund claim for tax year 2025 within the prescribed period tantamount to maladministration under section 2(3)(ii) of the FTO Ordinance.

RECOMMENDATIONS:

9. FBR to direct:-

- (i) the Commissioner-IR, Refund Zone, CTO-I Karachi to dispose of refund claim for tax year 2025 after affording a proper opportunity of hearing to the Complainant and ascertaining adjustability of tax deductions, in accordance with law; and
- (ii) report compliance within 30 days



Dated: 14 OCT 2026

(Mr. Zafar ul Haq Hijazi)
Federal Tax Ombudsman