

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO. 17211/LHR/IT/2026

Dated: 28/09/2026 - HQ* Islamabad

M/s GEM Prints (Private) Limited,
5-A, Rehman Park, Gulberg-II,
Lahore.

...Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer

Appraised by

Authorized Representative

Departmental Representative

Date of hearing

Mr. Khalid Javed, Advisor

Mr. Muhammad Naseer Butt, Advisor

Mr. Irfan Noor, Advocate (V/Link)

Mr. Ali Mansoor, ADCIR, CTO, Lahore (V/Link)

08.10.2026

FINDINGS/RECOMMENDATIONS

This complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against non-issuance and delay in processing of income tax refund claim of Rs. 2,504,636/- for tax years 2024 and 2025 (Rs. 827,575/- for tax year 2024 and Rs. 1,677,061/- for tax year 2025). The complainant filed income tax returns, followed by online refund applications under Section 170 of the Income Tax Ordinance, 2001 on 06.01.2025 for tax year 2024 and on 20.02.2026 for tax year 2025. The refunds arose due to tax payment/deductions. However, despite the lapse of significant time period, the department failed to process or finalize the refund applications, hence this complaint.

2. The complaint was referred to the Secretary, Revenue Division, Islamabad for comments under Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, parawise comments were submitted by the Commissioner Inland Revenue, Refund Zone, Corporate Tax Office, Lahore vide letter No. 1211 dated 07.10.2026, endorsed by the Chief Commissioner IR, CTO Lahore vide letter No. 2846 dated 09.10.2026.

*date of registration in FTO Sectt..



The department stated that the refund applications filed on 06.01.2025 and 20.02.2026 lack mandatory supporting documents required under Rule 71(3) of the Income Tax Rules, 2002. It was further submitted that refunds are not automatic and that the refund applications will be processed after receiving the requisite supporting documents from the taxpayer.

3. Hearing in this case was conducted on 08.10.2026; both the AR and DR joined the proceedings.

4. Perusal of the case record reveals that the complainant submitted the electronic refund applications u/s 170 for tax years 2024 and 2025 on 06.01.2025 and 20.02.2026, respectively. According to the provision of Section 170(4) of the Income Tax Ordinance, 2001, the department was legally obligated to dispose of refund claims, in either way, within the stipulated time period of 60 days. The department did not dispose of the matter till 07.10.2026 i.e., date of filing of parawise comments. The above position manifests departmental inaction, delay, ineptitude which constitutes maladministration in terms of provision of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

5. FBR to direct:

- (i) the CIR (Refund Zone), CTO Lahore to dispose of the pending refund applications of the Complainant for tax years 2024 and 2025 in accordance with law, after providing an opportunity of hearing; and
- (ii) report compliance within 30 days.

Dated: 14 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

