

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO.16577/KHI/IT/2026

Date: 14.09.2026* RO, Hyderabad*

M/s. Sukkur Blood Bank.

CNIC: 43101-6024318-9

Address: Opposite Eid Gah Road,
Sukkur.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer

: Mr. Sahibzada Abdul Mateen, Advisor

Appraising Officer

: Mr. Muhammad Tanvir Akhtar, Advisor.

Authorized Representative

: Mr. Mazhar Ali Jamali, Advocate.

Departmental Representative

: Mr. Ghulam Noor Jahania, ACIR RTO
Sukkur

Date of Hearings

: 29.09.2026 & 01.10.2026

FINDINGS / RECOMMENDATIONS

The above-mentioned complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against Maladministration on the part of Deputy Commissioner Inland Revenue regarding illegal demand under section 138 of the Income Tax Ordinance, 2001.

2. Briefly stated the facts are that the complainant a registered taxpayer is aggrieved by the arbitrary and unlawful conduct of the Respondent Officer, who has allegedly created a demand of Rs.1,620,820/- purportedly under section 138 of the Income Tax Ordinance, 2001, without following the mandatory legal procedure prescribed by law. However, no order for the relevant period had been served upon the complainant prior to creation of the said demand, nor was any such order available on the complainant's IRIS portal. An application was made before the Respondent Officer for issuance of a certified copy of the alleged order on the basis of



which the demand of Rs.1,620,820/- had been created. However, the Respondent Officer and his staff refused to provide the certified copy, thereby preventing the complainant from knowing the basis, findings, computation and legal reasoning of the alleged order. Hence this complaint filed.

3. The complaint was referred to the Secretary Revenue Division, Government of Pakistan for comments and hearing by the Departmental Representative (D.R.), in terms of Section 10(4) of the FTO Ordinance read with section 9(1) of the Federal Tax Ombudsman Institutional Reforms Act, 2013.

4. The Additional Commissioner-IR, Sukkur Zone vide the para-wise comments on 28.09.2026 stated that the taxpayer is a prescribed person/ withholding agent as defined u/s 153(7)(i)(d) of the Income Tax Ordinance, 2001 (Ordinance). Being a prescribed person, the withholding agent was required under the said Ordinance to collect/deduct taxes under various heads and deposit the same in Federal Treasury in the prescribed manner.

Their office record of Arrear DCR for tax year 2017 showed that tax demand of Rs. 1,620,820/- was outstanding against the Withholding Agent. Therefore a notice u/s 138(1) of the Ordinance was issued dated: 21/03/2018 for compliance by 05/04/2018. Nerveless, the Withholding agent failed to make any reply within the due date. On 21/08/2024 (i.e. after lapse of six years), the withholding agent filed reply against the above-mentioned notice, issued u/s 138(1), requesting for additional time for reply. Nerveless, no any reply was submitted by the withholding agent till 02/09/2026. Therefore, reminder to notice u/s 138(1) was issued on 02/09/2026 to the withholding agent. The department has also raised preliminary objection under Section 9(2)(b) of the Federal Tax Ombudsman



Ordinance, 2000 that the matter relates to Assessment and tax liability therefore falls outside the jurisdiction of FTO.

Department has further stated that the complaint is barred by limitation as provided under Section 10(3) of the Federal Tax Ombudsman Ordinance, 2000, as the first notice u/s 138(1) was issued on 21.03.2018. Thus, the withholding agent was well aware of the matter whereas the complaint before the Hon'ble FTO was filed on 14.09.2026, i.e. after the expiry of six months.



Reply to Para No. 02

According to the department the Original notice u/s 138(1) was issued dated: 21/03/2018, however, no response was received by this office till 21/08/2024. On this date the withholding agent only requested for extension in time regarding service of order of order IRIS portal it is submitted that for tax year 2017 the correspondence with the withholding agent was made through IRIS as well as ITMS (Integrated Tax Management System). The access to ITMS has now been restricted by PRAL therefore, this office has approached the Manager PRAL RTO Sukkur for retrieval of the order from ITMS for providing to the withholding agent.

Preliminary Objections: The preliminary objections raised are accordingly rebutted and overruled as under:

<i>That FTO is debarred u/s 9(2)(b) from <u>all matters relating to assessment of income or wealth, determination of liability of tax or duty, classification or valuation of goods, interpretation of law, rules and regulations relating to such assessment, determination, classification or valuation in respect of which legal remedies of appeal, review or revision are available under the Relevant Legislation.</u></i>	<i>"This office assures that none of the areas enlisted u/s 9(2)(b) will be adjudicated. <u>However, administrative excesses & highhandedness, extra-legal coercive measures and unexplainable delays beyond statutory timelines shall be highlighted as these acts of maladministration are normally not touched by appellate fora.</u>"</i>
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That Complaint filed at FTO is hit by timelines u/s 10(3) of FTO Ordinance, 2000.	The same subsection (10(3)) also reads; "the Federal Tax Ombudsman may conduct any investigation pursuant to a complaint which is not within time if he considers that there are special circumstances which he deems proper in the interest of justice to entertain the complaint."
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5. Both the Authorized Representative as well as the Departmental Representative attended the hearing, their contentions were heard and record perused.

FINDINGS:

6. The main issue involved is the coercive recovery measure for the recovery of tax demand without issuing and servicing any valid order and Notice u/s 137 of the Income Tax Ordinance 2001. In other words the recovery notices u/s 138 have been issued for the recovery of the alleged demand without any order validly passed under the relevant provisions of the Income Tax Ordinance 2001 and notice u/s 137 (Demand Notice) of the Income Tax Ordinance 2001 for the tax year 2017.

7. During the hearing the departmental representative was specifically asked to first ascertain whether any valid order is available on record, if yes to produce the order on the basis of which recovery proceedings including the coercive recover measures u/s 138 have been initiated. The officer committed that the order is available and committed to produce it within two days. However, the record confirms that the officer was unable to produce the order and notice u/s 137 of ITO, 2001 to justify the initiation of recovery proceedings u/s 138 of the Income Tax Ordinance 2001.

In view of above the initiation of recovery notices u/s 138 without any valid order and demand notice u/s 137 is contrary

to law and rules. This tantamount to mal administration under section 2(3)(i)(a)(b) of FTO Ordinance 2000.

RECOMMENDATIONS:

8. FBR to direct;
- (i) the Commissioner Sukkur Zone RTO Sukkur to withdraw all recovery notices forthwith for the tax year 2017 against the impugned demand.
 - (ii) the Commissioner Sukkur Zone RTO Sukkur to issue the attested copy of the Order, if available, for the tax year 2017 to enable the complainant to approach the appropriate appellate forum,
 - (iii) the CCIR, RTO Sukkur to issue directions to the concerned CIR and DCIR to exercise due caution in the issuance of coercive recovery notices in such disputed demands, and,
 - (iv) report compliance within 30 days.



Dated: 19 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman