

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.16172/KHI/ST/2026

Dated: 07.09.2026* R.O. Karachi

**M/s Mannal Foods (Pvt) Ltd, Moin & Sons,
NTN 6396294
F-61, SITE, Karachi**

... *Complainant*

V e r s u s

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

... *Respondent*

Dealing Officer	:	Mr. Badruddin Ahmad Quraishi, Advisor
Appraising Officer	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Shiraz Khan, Advocate
Departmental Representative	:	Mr. M. Ali Baig, OIR, CTO-1 Khi
Date of hearings	:	23.09.2026 & 28.09.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), for the department's failure to roll back the sales tax refund claim for the tax period December 2025.

2. Briefly, the complainant/ Manaal Foods (Private) Limited is a food processing and agricultural commodity export business based in Karachi. The complainant filed a sales tax refund claim of Rs. 6,115,690 for December 2025 and received an RPO on 23.03.2026 reflecting the following particulars:

Refund claimed;	Rs. 6,115,690
Deferred	Rs. 0
Disallowed	Rs. 3,951,948
Sanctioned	Rs. 1
Carry forward	Rs. 0



The complainant approached the CIR, Refund Zone, CTO-1 Karachi vide letter dated 10.07.2026 but did not get any response; hence this complaint.

3. The complaint was referred to the Secretary, of 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 Principal Software Engineer, PRAL, vide letter dated 22.09.2026, has submitted that claim for December 2025 has already been processed and the RPO generated. Any action by PRAL, if required, in the case under consideration shall be executed on directions of the Board.

4. Arguments heard and record perused.

FINDINGS:

5. The RPO issued on 23.03.2026 against refund claim for tax period December 2025 reflects the following particulars:

Refund claimed;	Rs. 6,115,690
Deferred	Rs. 0
Disallowed	Rs. 3,951,948
Sanctioned	Rs. 1
Carry forward	Rs. 0

The above RPO sanctioned Rs. 1 and disallowed Rs. 3,951,948 against a total refund claim of Rs. 6,115,690, which is absurd because a substantial amount of the refund claim is unaccounted for. Moreover, the RPO has disallowed Rs.3,951,948 without any show-cause notice and order u/s 11E of the Sales Tax Act. Once a refund claim is filed, any reduction or disallowance requires a show-cause notice and order u/s 11E of the Sales Tax Act. Moreover, in the instant case, a remedy is available in terms of para 4 of Circular 1 of 2020 dated 04.08.2020, whereby the complainant, if not



satisfied with the outcome of automated processing, would apply to the Board through the concerned Chief Commissioner for reprocessing of the said claim, mentioning therein the reasons. After scrutiny of the written request, the Chief (Projects & Refunds) may allow Reprocessing/Rollback of the claim.



6. Not allowing rollback of sales tax refund claim for December 2025 is tantamount to maladministration in terms of section 2(3)(i)(a)(b) & (ii) of FTO Ordinance.

RECOMMENDATIONS:

7. FBR to direct:-
- i. the CIR refund zone, CTO-I Karachi to forward a report after examination for rollback of the refund claim for December 2025 to the Chief Sales Tax (CSTRO/Refund) through the CCIR, CTO-1 Karachi;
 - ii. the Chief Sales Tax (CSTRO/Refund) FBR to allow rollback of the sales tax refund claim for December 2025 based on the recommendation of the CCIR, CTO-1 Karachi; and
 - iii. report compliance within 30 days.

Dated: 19 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman