

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO. 16510/LHR/IT/2026

Dated: 12.09.2026 RO Lahore*¹

M/s Al-Wakeel International Private Limited,
Suit No.12, 2nd Floor, Sadiq Plaza,
69-Shahrah-e-Quaid-e-Azam,
Lahore.

... Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer	: Mr. Ahmad Shuja Khan, Advisor
Appraised by	: Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	: Mr. Khalid Masood, Advocate
Departmental Representative	: Ms. Ayesha Ahmad, DCIR, CTO Lahore
Date of hearing	: 22.09.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned online complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against delay in giving appeal effect order of the Commissioner-IR, (Appeals-VI), Lahore dated 10.05.2024 and non-issuance of refund recovered through bank attachment.

2. Brief facts of the case are that Complainant is a Private Limited Company filed complaint against the ex-parte/unlawful demand of Rs.5,275,430/- which was created against the Complainant by the DCIR, Range-I, Unit-I, CTO, Lahore through order 205/147 of the Income Tax Ordinance, 2001 (the Ordinance) dated 27.01.2023. It was contended that Department arbitrarily attached the Complainant's bank account against demand under Section 147 of the Ordinance and recovered the entire amount at Rs.5,275,430/- on 15.05.2023 through CPR No.IT2023051501011670383. Being aggrieved, the Complainant preferred appeal before the Commissioner-IR (Appeals-VI), Lahore



¹ Date of Registration with FTO Sectt.



who through order dated 10.05.2024 remanded back the case with the directions that "DCIR to provide reasonable opportunity to the Complainant to plead his case and then decide the case on merit under the relevant provisions of law through a speaking order. The Complainant is also advised to assist the Department in submitting the relevant details and documentary evidence." Later on the Complainant e-filed refund application under Section 170(4) of the Ordinance on 13.05.2024 and even filed reminders on 12.02.2025, 22.04.2025 and 02.07.2025 along with all requisite supporting documents and CPR. Despite repeated efforts of the Complainant, the Department failed to give appeal effect to the order of Commissioner-IR (Appeals-VI), Lahore dated 10.05.2024 and issuance of refund amount recovered through attachment of Complainant's bank account within the stipulated time, hence this complaint.

3. The complaint was sent for comments to the Secretary, Revenue Division, 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 thereto, the Commissioner-IR Refund Zone CTO, Lahore submitted revised parawise comments through letter dated 25.09.2026. It was contended that:

- (i) As per the provision of Section 147(5)/(5A) of the Income Tax Ordinance, 2001 (the Ordinance), the Complainant being a company, was required to discharge its liability towards advance tax for the relevant quarter. Whereas, the Complainant failed to pay the advance tax as required under the law. Accordingly, a notice u/s 205/147 of the Ordinance was issued on 20.01.2023, requiring the Complainant to comply and explain its position by 27.01.2023 in respect of the advance tax liability for the second quarter of tax year 2023. Despite having been provided an opportunity to explain its position, the Complainant neither furnished any reply to the notice nor deposited the advance tax liability confronted therein.

- (ii) On account of Complainant's failure to discharge its statutory liability and non-compliance with the notice, the proceedings under Sections 205/147 of the Ordinance were finalized in accordance with law. Consequently, an order under Sections 205/147 was passed, creating a demand of Rs.5,275,430/- on account of the advance tax liability for the relevant period.
- (iii) The Department rightly recovered the advance tax liability after passing the order under Section 205/147 of the Ordinance, as the Complainant had failed to discharge its statutory liability despite being provided an opportunity to comply with the notice issued in this regard.
- (iv) The Commissioner-IR (Appeals-VI), Lahore, remanded the order of the Assessing Officer for fresh proceedings in accordance with law. Consequently, appeal effect order was finalized through order dated 30.06.2026, whereby the Complainant's original return for tax year 2023 was restored in accordance with the provisions of the Ordinance.
- (v) Complainant filed online refund application on 13.05.2024 for tax year 2023. Whereas, the application was not on the prescribed format as required under section 170(2) of the Ordinance and as laid out in Part VI of First Schedule to Income Tax Rules, 2002.
- (vi) The Complainant's refund application lacks mandatory supporting documents required under Rule 71(3) of the Income Tax Rules, 2002. Simply claiming a refund in a return does not establish its legitimacy as held by the Hon'ble Lahore High Court in CIR Vs M/s Chicago Metal Works Limited (Tax Reference No.48 of 2011), refunds are not automatic; a separate application with all supportive documents have to be filed under Section 170 of the Income Tax Ordinance read with Rule 71(3) of the Rules.
- (vii) In the end it was prayed that there is no delay nor any maladministration in processing of refund application for aforementioned tax year which was attributable to the Department. Complainant filed refund application without supporting documents as required under Rule 71(3) of the Income Tax Rules, 2002. Therefore, refund application for aforementioned tax year shall



be processed after receiving requisite supporting documents from the Complainant.

4. Arguments heard and available record perused.

5. The perusal of record reveals that Complainant has filed appeal against the order passed by the DCIR, Range-II, Unit-II, Zone-I, CTO, Lahore under Section 205/147 of the Income Tax Ordinance, 2001 for Tax Year 2023 dated 27.01.2023. The Commissioner-IR (Appeals-VI) through order dated 10.05.2024 **remanded back** the case with the directions to the DCIR to provide reasonable opportunity to the Complainant to plead his case and then decide the case on merits under the relevant provisions of law through a speaking order. The Complainant was also advised to assist the Department in submitting the relevant details and documentary evidence.

6. **FINDINGS:**

- i. The Complainant's request for additional payment for delayed refund is however, premature at this stage in terms of Explanation to Section 171(2)(c) of the Ordinance.
- ii. Delay in disposal of refund application for Tax Year 2023 and not giving appeal effect to the order of Commissioner-IR (Appeals-VI), Lahore for tax year 2023 in terms of sub-section of Section 124 of the Ordinance within the stipulated time, is manifestation of Departmental neglect, inattention and ineptitude in discharge of its duties and the same tantamount to Maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

7. FBR to-

- (i) direct the Commissioner-IR, Zone-VI, CTO Lahore to give appeal effect to the order of CIR (Appeals-VI) dated 10.05.2024 for Tax Year 2023, after providing opportunity of hearing to him, as per law;



- (ii) direct the Commissioner-IR, Refund Zone, CTO, Lahore to dispose of Complainant's refund application for tax year 2023 after providing opportunity of hearing to him, as per law; and
- (iii) report compliance within 30 days.



Dated: **20 OCT 2026**


(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman