

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.15461/LHR/ST/2026

Dated: 24.08.2026*RO, Lahore

M/s Malmö foods (Pvt) Ltd,
(Imran Afzal) Office No.3, Ground
Floor, Lahore

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Mr. Asem Iftkhar, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Zahid Rasool, Advocate
Departmental Representative	:	Ms. Hina Mustafa DCIR, LTO, Lahore
Date of hearing	:	07.09.2026, 12.10.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned complaint was filed against the Chief Commissioner-IR, Large Taxpayers Office (LTO) Lahore and others under section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) alleging non-implementation of the directions passed by this Forum vide order dated 07.04.2026 in Complaint No. 01324/LHR/ST/2026 whereby the department was directed to process the sales tax refund claims for the tax periods 03/2012 to 06/2013.

2. Brief facts of the complaint are that in pursuance of this Forum order dated 07.04.2026 in C.No.01324/LHR/ST/2026 the following recommendations were made;

7. *FBR to:-*

- (i) *direct the CIR, Refund Zone, LTO Lahore to process the refund claims for the tax periods 03/2012 to 06/2013 after completion of pre-refund audit proceedings and after giving proper opportunity of hearing to the complainant; and*

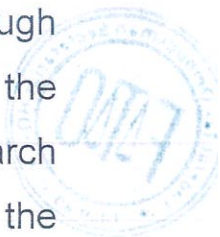


(ii) *report compliance within 60 days.*

The department completed pre-refund audit proceedings and processed/sanctioned the admissible sales tax refund for the tax periods March 2012 to March 2013. Nevertheless, the sanctioned amount of Rs. 98.198 million against the refund payment orders (RPOs) already issued has not been credited to the complainant's account. The refund claims for the tax periods April 2013 to June 2013 have also not been processed. It is alleged that this Forum's directions, communicated to the Secretary Revenue Division and the Commissioner Inland Revenue on multiple occasions, have gone unheeded and that the due refund of Rs. 98.198 million remains unlawfully withheld, causing continuing financial hardship to the complainant.



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 Ombudsman Institutional Reforms Act, 2013. In response thereto parawise comments were received through the Chief Commissioner-IR, LTO, Lahore's letter C. No. LTO/HQ/F-18/2026/1552 dated 08.09.2026 enclosing the report of the Commissioner-IR, Refund Zone, LTO Lahore through letter No. 3888 dated 07.09.2026. It was stated therein that the admissible sales tax refund for the tax periods March 2012 to March 2013 has been processed/sanctioned and the refund claims for the tax periods April 2013 to June 2013 will be processed in due course on provision of the supporting documents obligatory under Rule 38 of the Sales Tax Rules, 2006. It was further stated that the grievance of the complainant pertains to the release/credit of the sanctioned amounts against the RPOs already issued for the tax periods March 2012 to March 2013 which is the prerogative of the office of Chief (Refunds/CSTRO) FBR, Islamabad and that no further action is



pending with the Refund Zone, LTO, Lahore. It was prayed that there is no maladministration on the part of the department.

4. Both the AR and DR attended the hearing and reiterated their respective stances as stated above.

5. Arguments of both sides have been heard and available record perused.

6. **FINDINGS:**

i. It is observed that the department has, to the extent of the tax periods March 2012 to March 2013 processed and sanctioned the admissible sales tax refund in compliance with this Forum's order dated 07.04.2026. Nevertheless, despite issuance of the refund payment orders, the sanctioned amount of Rs. 98.198 million has still not been credited to the complainant's account. The department's own report confirms that this release/credit falls within the domain of the Chief (Refunds/CSTRO) FBR, Islamabad.

ii. The refund claims for the tax periods April 2013 to June 2013 also remain unprocessed and the deptt has failed to justify the delay on this part of Complainant as no any notice issued to the Complainant seeking documents have been placed on record. Furthermore, the prolonged withholding of the complainant's admitted refund entitlement of Rs. 98.198 million, without any justification, tantamount to maladministration within the meaning of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS

7. FBR to:-

- (i) Direct the Chief (Refunds/CSTRO), FBR, Islamabad to release/credit the sanctioned amount against the RPOs already issued for the tax periods March 2012 to March 2013 to the complainant's account, expeditiously;



- (ii) the Commissioner-IR, Refund Zone, LTO, Lahore to process the refund claims for the tax periods April 2013 to June 2013, after due verification of the requisite documents, expeditiously, as per law;
- (iii) the matter against the Commissioner-IR, Refund Zone, LTO Lahore to the extent of processing/sanctioning of refund for the tax periods March 2012 to March 2013, be consigned to record; and
- (iv) report compliance within 30 days.



Dated: 20 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

