

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.16315/MLN/IT/2026

Dated: 09.09.2026* R.O. Multan

M/s Quality Brands,

Mouza Ram Kali, near Bahawalpur
Bypass, Multan.

... Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer	:	Dr. Khalil Ahmad, Advisor
Appraisal Officer	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Mudasir Iqbal, ITP
Departmental Representative	:	Mr. M Waleed Bin Saad, ACIR, RTO, Multan

Date of Hearing(s) : 06.10.2026 & 08.10.2026

FINDINGS / RECOMMENDATIONS

The complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against un-due delay in issuance of refund for Tax Years 2021 to 2024 consequent upon appeal effect under Section 124 of Income Tax Ordinance, 2001 (the Ordinance) to the CIR(Appeals)' order dated 19.01.2026.

2. Facts of the case in brief are that the Complainant previously filed complaint No.18162, 18165 to 18167/MLN/IT/2025 for issuance of refund Tax Years 2021 to 2024 amounting to Rs.2.675, Rs.2.519, Rs.1.501 & Rs.3.782 million respectively. The said complaints were disposed of vide following Recommendation dated 06.10.2025.

"RECOMMENDATIONS:

8. **FBR to -**

(i) **direct the Commissioner-IR, Refund Zone to dispose**

* Date of registration in FTO Sectt.



of pending refund claim for Tax Years 2021 to 2024, as per law, after providing opportunity of hearing to the Complainant; and

(ii) report compliance within 45 days.”



3. During implementation, the Deptt disposed of refund application for Tax Years 2021 to 2024 vide orders dated 19.12.2025 passed under Section 170(4) of the Ordinance by rejecting the claim.

4. Being aggrieved, the Complainant went in appeal whereby the CIR (Appeals) Multan vide order dated 19.01.2026 annulled the impugned orders.

5. Thereafter the Complainant approached the Deptt for appeal effect under Section 124 of the Ordinance. Despite repeated efforts of the Complainant, the Deptt failed to pass orders under section 170(4) / 124 of the Ordinance within the stipulated time. Hence this complaint.

6. On fixed date of hearing on 06.10.2026, the AR attended. Case was discussed. The Deptt requested for adjournment which was allowed for 08.10.2026.

7. The CCIR, RTO, Multan forwarded Para-wise comments of the Commissioner-IR, Refund Zone dated 08.10.2026 vide letter dated 08.10.2026.

8. Following Preliminary objections have been raised by the Deptt which are responded as under;

Objections	Rebuttal
The issue involved in the complaint pertains to processing refund claim under Section 170 of the Ordinance. Thus both in the event of the taxpayer being aggrieved with order made under Section 170(4) or in the event of failure by the Deptt to make order within the stipulated time the appeal shall lie before the Commissioner Appeals under Section 127 of the Ordinance. Thus, the complaint is premature and the Hon'ble FTO lacks	<u>"In the cases of delay beyond statutory timelines the Taxpayer has been given the options: to file an appeal or lodge a Complaint because such delay has been categorized as an act of maladministration u/s 2(3(ii) of FTO Ordinance, 2000.</u> <u>Fundamental rights under the Constitution of Pakistan ensure that citizens are dealt with in accordance with law, and the state cannot compel a</u>



jurisdiction to entertain the complaint.	<u>person to surrender a legal right unless authorized by an act of parliament. Therefore, FBR cannot force a citizen to abandon one lawful choice for another arbitrarily."</u>
The taxpayer has not submitted prescribed application as per Section 170(2)(a)(b) of the Ordinance read with Rule 71 prescribed at Part VI of the first schedule of the Income Tax rules, 2002, sine the application is not submitted as prescribed and verified in prescribed manner, therefore, this premature complaint may be filed.	The Deptt may ask the Complainant to file the required application in the prescribed manner. The refund application cannot be held as premature because Deptt has never intimated the Complainant to make up the deficiency.

9. In parawise comments, the Deptt has admitted that the issue pertains to non-issuance of refund consequent to appeal effect.

10. During hearing on 08.10.2026, the AR and DR attended. The DR explained that delay has occurred because the act of appeal effect is accessible to audit function in the IRIS module and the matter has been referred to it. He has referred the matter for the needful. He assured to process it expeditiously.

11. It is observed that the CIR (Appeals) has annulled the impugned order for Tax Year 2021 amounting to Rs.2.675 million by giving following directions. Relevant paras are reproduced hereunder:

"5. In view of the above, the refund rejection order is annulled with the direction to re-consider the claim of the taxpayer and proceed according to law following the requirements / prerequisites only as defined under Section 170 of the Ordinance, 2001 in respect of disposal of refund claims. The taxpayer/refund claimant is also directed to extend cooperation by producing record / documents / details relating to refund claim and get the claim disposed of accordingly.

6. The appeal stands disposed as indicated above.

7. This order shall also "mutatis mutandis" apply to the following cases being of identical nature on the grounds of facts and law:

For Tax Year 2022 amounting to Rs.2.519 million

For Tax Year 2023 amounting to Rs.1.501 million

For Tax Year 2024 amounting to Rs.3.782 million."

12. Admittedly, no further appeal has been filed by the Deptt against the order of CIR(Appeals) dated 19.01.2026. It has

therefore, attained finality. The CIR(Appeals) has directed to process refund after considering the documents / evidence already provided by the Taxpayer / refund claimant. The timeline provided under Section 124(4) of the Ordinance would be applicable which has already expired. Thus, delay caused in terms of Section 124 of the Ordinance is evident.



13. FINDINGS:

- i. Perusal of Parawise comments reveal that preliminary objections questioning jurisdiction of this forum are filed without any application of mind and without considering facts of the case. In the instant case RTO Multan is of the view that instead of approaching this forum the Complainant should have knocked the appellate doors. Department didn't bother to see that the hapless taxpayer has approached this forum when appeal effect under section 124(4) is being delayed unnecessarily.
- ii. The delay in allowing effect to the CIR (Appeals) Multan's order dated 19.01.2026 for Tax Years 2021 to 2024 is tantamount to maladministration in terms of Section 2(3)(ii) of the FTO Ordinance.

RECOMMENDATIONS:

14. FBR to-

- (i) direct the Commissioner-IR concerned RTO, Multan to allow appeal effect to the CIR (Appeals) Multan's order dated 19.01.2026 and CIR (Refund) to dispose of consequent refund for Tax Years 2021 to 2024, after providing opportunity of hearing, as per law; and
- (ii) report compliance within 30 days.

Dated:

20 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman