

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO. 16654/LHR/IT/2026

Dated: 15.09.2026 RO Lahore*¹

M/s Waqar Plastic (Pvt) Ltd.,
Kot Cumbhu Khurd Bakar Mandi,
Bund Road, 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. Abdul Waheed, ITP
Departmental Representative : Ms. Ayesha Ahmad, DCIR, CTO Lahore
Date of hearings : 22.09.2026 & 01.10.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (The Ordinance) against delay in disposal of refund applications for Tax Years 2023, 2024 and 2025.

2. Brief facts of the case are that Complainant is a Private Limited Company, e-filed income tax returns for the following tax years under Section 114(1) which were deemed to be assessed under Section 120(1) of the Income Tax Ordinance, 2001 (The Ordinance), claiming refunds as follows:

S.No.	Tax Year	Date of Filing of Complaint	Date of Refund Application	Refund claimed (Rs)
1.	2023	15.09.2026	30.06.2026	11,696,845
2.	2024	15.09.2026	06.07.2026	15,595,532
3.	2025	15.09.2026	06.07.2026	21,886,325
			Total	49,178,702

¹ Dates of Registration with FTO Sectt.

Refunds arose on account of excess tax deducted at source under Sections 148, 153(1)(a) and 235 of the Income Tax Ordinance, 2001 (the Ordinance). Nevertheless, despite repeated efforts of the Complainant, the Department failed to pass orders under Section 170(4) of the Ordinance, within the stipulated time period, 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 DCIR, Refund Zone, CTO Lahore, submitted revised parawise comments through letter dated 01.10.2026. It was contended that:

- (i) Complainant filed online refund applications on for tax year 2023 on 30.06.2026 and tax years 2024 and 2025 on 06.07.2026. As per Rule 71 of the Income Tax Rules, 2002, a refund application must be submitted on the prescribed proforma provided in Part VI to the First Schedule of the Rules. Whereas, the Complainant's applications were not submitted on the prescribed format.
- (ii) Limitation of sixty days from the filing of refund applications had expired.
- (iii) As per available record no outstanding current or arrear demand was recoverable.
- (iv) As per available record, no tax demand is under stay by any appellate forum.
- (v) The Complainant claimed tax deductions as per income tax returns filed for tax years 2023, 2024 and 2025:

Tax Year 2023

Tax Deductions u/s	Amount (Rs)	Nature of withholding tax
148	8,790,764	Adjustable subject to certain preconditions
153(1)(a)	15,185,104	Adjustable
235	5,252,493	Adjustable
Total	29,201,361	
<u>Tax Year 2024</u>		
148	1,006,963	Adjustable subject to certain preconditions

153(1)(a)	5,920,280	Adjustable
235	8,512,096	Adjustable
147	9,793,730	Adjustable
Total	25,233,069	
<u>Tax Year 2025</u>		
148	3,192,842	Adjustable subject to certain preconditions
153(1)(a)	22,075,588	Adjustable
235	7,782,161	Adjustable
Total	33,050,591	

- (vi) Tax deductions are partially verifiable from FBR's internal portal. External verification is also required.
- (vii) The refund claim is based on returns filed. No appeal effect or rectification was involved.
- (viii) The Complainant has not submitted supporting documents as required under Rule 71(3) of the Income Tax Rules, 2002. Refund is not determined on the basis of claim in return of income. Refund will be determined after verification in the light of circular 5 of 2003
- (ix) The Complainant has not submitted supporting documents as required under Rule 71(3) of the Income Tax Rules, 2002. Refund is not determined on the basis of claim in return of income. Refund will be determined after verification in the light of circular 5 of 2003. There is no delay nor any maladministration in processing of refund applications for aforementioned tax years attributable to the Department.

4. Arguments heard and available record perused.

5. It is an admitted fact that the Complainant's refund applications were e-filed as prescribed under Rule 71 read with Part-VI of the First Schedule to Income Tax Rules 2002, remained unattended in terms of limitation u/s 170(4) of the Ordinance. The Department was required to have disposed of refund applications either way within sixty days of the filing, after providing opportunity of hearing. From the respective dates of filing of instant complaint i.e. 15.09.2026 for Tax Years 2023, 2024 and 2025, it is apparent that even after lapse of due dates apart





from expiry of limitation period as provided u/s 170(4) of the Ordinance, the Department did not issue a single letter asking the Complainant to submit the requisite evidence. Thus, delay in disposing of refund applications, is evident as discussed above.

6. FINDINGS:

- i. Withholding tax collected under Section 148 on the import of plastics and plastic raw materials (falling under Pakistan Customs Tariff (PCT) Headings 39.01 to 39.12, which cover primary forms of polymers, resins, and acrylic polymers) is categorized as a **minimum tax, even in the cases of** industrial undertakings importing for own use. Department may like to recheck the GDs.
- ii. Delay in disposal of refund applications within the statutory 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, Refund Zone, CTO Lahore to dispose of Complainant's refund applications for Tax Years 2023, 2024 and 2025, after adjustment of any outstanding demands, strictly as per law and after providing opportunity of hearing to the Complainant; and
- (ii) report compliance within 30 days.

Dated: 20 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman