

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 16369/SKT/IT/2026

Dated: 10.09.2026* R.O, Sialkot

Mr. Muhammad Khalid,

5-KM, muridke sheikhupura road, muridke,
Sheikhupura Muridke, Gujranwala.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Rana Hasan Akhtar, Advisor,
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Muhammad Umer Ilyas, Advocate
Departmental Representative	:	Mr. Hassan Sultan Raja, ACIR, RTO, Gujranwala.
Date of Hearing	:	07.10.2026

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance 2000 (FTO Ordinance) and the case was fixed for comments on 18.09.2026. The department filed parawise comments, which were examined and placed on file. Both the AR of the complainant and DR attended. Arguments were heard and record perused. The complaint is disposed of on the basis of available record as under.

2. Brief facts of the case as stated in the complaint are that the complainant is an individual, doing business as Importer & Exporter under the name and style as **KATCO Int** a meat processing and export-oriented abattoir and slaughterhouse. The complainant filed his income tax return for Tax Year 2025, claiming refund amounting to Rs.21.090 million, on account of excess deduction of withholding tax under Sections 155, 236(1)(a), 147(6C), 151(1)(b), 154(1), 235 & 236Y of the ITO, 2001. A formal refund application under Section 170 of the ITO, 2001 was submitted on 25.02.2026. However,

*Date of Registration in FTO Sectt.

despite the passage of a substantial period, the said application remains pending without any lawful justification or adjudication, hence this complaint.

3. In response to the notice issued under Section 10(4) of the FTO Ordinance, read with Section 9(1) of Federal Ombudsmen Institutional Reforms Act, 2013, the Department submitted parawise comments dated 26.09.2026 wherein it is admitted that the complainant e-filed refund application on 26.02.2026, and claimed income tax refund at Rs.21.090 million for the tax year 2025. The department has contended that the refund application shall be processed as per FIFO list in due course of time.

4. The departmental objection that refund claim will be processed on a First-In, First-Out (FIFO) basis is rebutted as under: -

Objection raised by FBR	Rebuttal
In the light of FBR's Instructions vide letter No.4(10)Rev.Bud/2024-25/205-490-R dated 17.10.2024, the taxpayer's refund application is at FIFO S.#.4504 and shall be processed as per FIFO list in due course of time.	- Board's notification dated 17.10.2024 itself excludes Court/FTO cases from the operations of said circular. - Statutory timelines u/s 170(4) cannot be overturned/replaced through administrative instructions. - This plea of FBR has already been dismissed by Presidency in a large number of representations filed by FBR on this account. Matter has attained finality.

5. The department has informed that a notice u/s 120(3) of the ITO, 2001 has been issued for an incomplete return on 31.12.2025

for Tax Year 2025 and proceedings of the case are pending with the department. The department also intimated that income tax arrears of Rs. 7,742,258/- are outstanding against an order passed u/s 205/147 of the ITO, 2001 dated 27.03.2026 for Tax Year 2026. The department further informed that a notice u/s 170(4) of the ITO, 2001 has been issued for 11.10.2026.

6. The taxpayer claimed tax credit for tax collected/deducted under different Sections as under: -

Section	Tax Claimed	Nature of Tax	Tax verified	External Verification required.
155	88,104	Adjustable tax	88,104	No
236(1)(a)	8,403	Adjustable Tax	-	Yes
147(6C)	29,187,786	Adjustable Tax	29,187,786	No
151(1)(b)	11,791	Final Tax	11,791	No
154(1)	29,187,786	Minimum Tax	29,187,786	No
235	2,737,450	Adjustable Tax	-	Yes; Electricity Bills required
236Y	105	Adjustable Tax	105	No

7. Admittedly, the Complainant e-filed refund application on 25.02.2026 for Tax Year 2025. The Deptt: was required to have disposed of the refund application within 60 days of its filing, in terms of Section 170(4) of the Ordinance. But till filing of instant complaint, the Deptt failed to dispose of refund application. Thus, delay in disposal of refund application for Tax Year 2025, within the stipulated time under Section 170(4) of the Ordinance is evident.

FINDINGS:

8. Inordinate delay in disposal of refund application for the Tax Year 2025 is manifestation of Departmental neglect, inattention and inaptitude in discharge of its duties and the same tantamount to maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

9. FBR to direct-

- (i) The Commissioner-IR, Zone, RTO, Gujranwala to conclude the proceedings initiated by issuance of notice u/s 120(3) of the ITO, 2001 dated 31.12.2025 for the tax year 2025 and adjudicate in accordance with law and after giving proper hearing;
- (ii) The Commissioner-IR, (Refunds), RTO, Gujranwala to dispose of complainant's refund application for Tax Year 2025 as per law, after affording opportunity of being heard to the complainant; and
- (iii) report compliance within 30 days.

10. The complainant is directed to respond to the departmental proceedings and quarries elaborated at Para 5 above.

Dated:

20 OCT 2026



(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman