

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO.16575/KHI/IT/2026

Dated 14.09.2026 * R.O Karachi

Mr. Mohammad Owais Motiwala, CNIC 4220106733709

M/s. Ahmed Products (Pvt) Ltd,

...Complainant

Flat No. 702, Block 7/8,

Rehmat Heights Dhoraji Karachi

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer

: Mr. Badruddin Ahmad Quraishi Advisor

Appraisal Officer

: Mr. Muhammad Tanvir Akhtar, Advisor

Authorized Representatives

: Mr. Muhammad Junaid, ITP

Departmental Representatives

: Mr. S.M Ibrahim, SAIR, LTO, KHI

Date of hearings

: 02.10.2026 & 13.10.2026

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against the department (Deptt) for failing to process an income tax refund claim for tax year 2025 amounting to Rs.21,069,202/-.

2. Briefly, the complainant is primarily operating as an international trader, importer, and exporter across agricultural commodities, textiles, and specialty industrial chemicals. The complainant filed an income tax return for the tax year 2025 on 29.12.2025 claiming an income tax refund of Rs.21,069,202/- against adjustable tax deductions u/ 148 of the Income Tax Ordinance 2001 (the Ordinance). The refund application was filed on 21.01.2026. However, the Deptt failed to issue any refund order to date; hence this complaint.



3. The complaint was referred to the Secretary, Revenue Division for comments, in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. The Deptt failed to file any written comments.

4. Argument heard, and record perused.

5. Briefly, the complainant is an individual who e-filed his income tax return for tax year 2025 claiming an income tax refund amounting to Rs.21,069,202/- against tax deductions u/s 148 of the Ordinance. The complainant e-filed a refund application for tax year 2025 on 21.01.2026.

6. The Deptt is required to dispose of the refund application keeping in view of Section 148(7) of the Ordinance within sixty days of the filing of the refund application in terms of section 170(4) of the Ordinance reproduced below:

"170(4). The Commissioner shall, within sixty days of receipt of a refund application under sub-section (1), serve on the person applying for the refund an order in writing of the decision after providing the taxpayer an opportunity of being heard"

7. FINDINGS:

i. In terms of Section 148(7) of the Ordinance, the tax required to be collected under section 148 of the Ordinance shall be minimum tax on the income of the importer arising from the imports subject to sub-section (1) and this sub-section shall not apply in the case of import of goods on which tax is required to be collected under this section by an industrial undertaking for its own use. The department may like to recheck the claim.



ii. Non filing of Parawise comments by LTO Karachi itself reflects the inattention and inaction of its officers.

iii. Failure of the Deptt to process the income tax refund claim for tax year 2025 within prescribed period is manifestation of Departmental neglect, inattention and ineptitude in discharge of its duties and the same is tantamount to maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.



RECOMMENDATIONS:

8. FBR to direct:-

- (i) the Commissioner-IR, Refund Zone, LTO Karachi to process income tax refund for tax year 2025 after affording a proper opportunity of hearing to the Complainant, in accordance with law; and
- (ii) report compliance within 30 days

Dated:

20 OCT 2026

(Mr. Zafar ul Haq Hijazi)
Federal Tax Ombudsman