

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

C.NOS. 17276, 17277, 17207 & 17395/LHR/IT/2026

Dated: 29.09.2026 & others - HQ* Islamabad

Ms. Sadaf Khanam

H.No. 300 St. 8 Ext. Cavalry Ground,
Lahore Cantt.
(C.No.17276/LHR/IT/2026)

...Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer : Mr. Shaukat Mahmood, Advisor
Authorized Representative : Complainant (online)
Departmental Representative : Ms. Rafia Nawaz, DCIR, RTO-II, Lahore (online)
Date of hearing : 15.10.2026

FINDINGS/RECOMMENDATIONS

This complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 regarding unjustified delay in processing and release of income tax refund amounting to Rs. 745,633/- for Tax Year 2024 by Regional Tax Office-II, Lahore, Federal Board of Revenue (FBR).

2. Main facts of the case are that the Complainant e-filed an online refund application under Section 170 of the Income Tax Ordinance, 2001 on 14.10.2024 for Tax Year 2024, claiming a refund amounting to Rs. 745,633/-. Despite the lapse of the statutory time period mandating disposal within the prescribed timeframe of sixty days, the Department failed to dispose of the refund application under Section 170(4) of the Ordinance within time. Hence, filing the instant complaint.

3. The complaint was sent for comments to the Secretary, Revenue Division, Islamabad in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of Federal Ombudsmen Institutional Reforms

Act, 2013. In response thereto, the Chief Commissioner Inland Revenue, RTO-II Lahore forwarded parawise comments of the Commissioner-IR (Refund Zone) vide letter dated 12.10.2026, wherein it was contended that:

"the taxpayer claimed tax deductions u/s 236C of the Income Tax Ordinance 2001 for the tax year 2024 but failed to attach complete documentary evidence, where supporting documentary evidence i.e. sale/purchase deeds is required to ascertain admissibility, and that the refund application shall be processed after providing an opportunity of being heard, as per law."

4. Case was fixed for hearing on 15.10.2026. The Complainant and the Departmental Representative attended the hearing and reiterated their respective positions.

5. During hearing and review of the case record, it was observed that the refund application for Tax Year 2024 was duly e-filed on 14.10.2024, but no final refund order or payment had been issued by the Department till date. The Department was required to dispose of the refund application within sixty days under the law but failed to do so.

FINDINGS:

6. In the light of Para-5 supra, this delay 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.**

7. The issues involved in complaints as detailed in Annexure-A are identical, i.e. deductions of income tax u/s 236K/C and other sections of ITO Ordinance, 2001 alleging delay in processing of refund applications beyond statutory time period of 60 days, as discussed in this complaint. All these cases/complaints also fall within the



jurisdiction of CIR-Refund Zone, RTO-II, Lahore. In the complaints by Teachers / Associate Professors / Professors / Researchers regarding excess deduction of income tax u/s 149 of the ITO 2001 during the months of May and June 2025 on account of recovery of rebate allowed to the teachers in the past, the refund claims be processed under the law.



RECOMMENDATIONS:

8. FBR to direct:

- (i) the Commissioner-IR (Refunds) RTO-II, Lahore to process the refund claim of the Complainant for Tax Year 2024, in accordance with law, after providing adequate opportunity of being heard; and
- (ii) report compliance within 30 days.

9. In view of above, findings/recommendations supra shall, *mutatis mutandis*, apply to all the complaints as given in **Annexure-A**.

10. Annexure A (page-3) forms the integral part of this order.

Dated: 21 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Annexure-A

Sr#	Complaint No	Complainant Name
1.	17277/LHR/IT/2026	Sadaf Khanam
2.	17207/LHR/IT/2026	Hasan Raza
3.	17395/LHR/IT/2026	Goher Umer Khan