

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

C.NOS. 17348/LHR/IT/2026, 17165, 17301 & 17272/MLN/IT/2026

Dated: 01.10.2026 & others - HQ* Islamabad

Mr. Khalil Ahmad

House No. 97, Block 4, Sector B1,
Township, Lahore
(C.No.17348/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	: Mr. Bisman Ahmed, IR Officer, RTO, Bahawalpur (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 the delay in processing and issuing income tax refund amounting to Rs.143,823/- for Tax Year 2025 by Regional Tax Office (RTO), Bahawalpur, 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 23.07.2026 for Tax Year 2025, claiming a refund amounting to Rs.143,823/- arising on account of tax collected under sections 236C and 236K. 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 Deputy Commissioner (Hqrs), RTO Bahawalpur forwarded parawise comments of the Commissioner-IR (Refunds) vide letter dated 09.10.2026, wherein it was contended that:



"the complainant e-filed the return on 21.07.2025 and subsequently submitted an online refund application on 23.07.2026 claiming Rs. 143,823/- based on tax collected under sections 236C and 236K, that documents are currently being examined for relevance and authenticity, and that after completion of the verification process, the refund claim would be processed in accordance with Section 170(4) of the Ordinance and FBR's Circular No. 5 of 2003."

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, it was contended that the refund application for Tax Year 2025 was duly filed along with supporting evidence, but no refund order had been issued by the Department till date. On the other hand, the Department contended that verification and authentication of documents were under process. Nevertheless, 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, Bahawalpur. 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, Bahawalpur to process the refund claim of the Complainant for Tax Year 2025 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.	17165/MLN/IT/2026	MUHAMMAD AWAIS
2.	17301/MLN/IT/2026	MUHAMMAD SAFDAR
3.	17272/MLN/IT/2026	SHAGUFTA NAZ