

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

**C.NOS. 17364, 17377, 17365, 17366, 17344, 17371, 17373,
17347 & 17363/SKT/IT/2026**

Dated: 01.10.2026 & others - HQ* Islamabad

Mr. Muhammad Adeel

Defence Rd, Hamza Street,
Ravail Pura, Sialkot
(C.No.17364/SKT/IT/2026)

...Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer : Mr. Shaukat Mahmood, Advisor
Authorized Representative : Mr. M. Sagheer, Advocate (online)

Departmental Representative : Ms. Khadija Saeed, DCIR, RTO, Sialkot (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. 131,092/- for Tax Year 2025 by Regional Tax Office (RTO), Sialkot, Federal Board of Revenue (FBR).

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 18.07.2025 for Tax Year 2025, claiming a refund amounting to Rs.131,092/- arising on account of excess tax adjustments/collections (including export realizations and advance tax). 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 Sialkot forwarded parawise comments of the Commissioner-IR (Refund Zone) vide letter dated 12.10.2026, wherein it was contended that:



“The taxpayer claimed refund under sections 147(6C), 236Y, and 154(1) which is adjustable, that the application has been examined and verification of documents is under process, and that the refund application will be processed after completion of codal formalities.”

4. Case was fixed for hearing on 15.10.2026. The Authorized Representative for 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 and returns, but no refund order had been issued by the Department till date. On the other hand, the Department contended that verification of documents was 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, Sialkot. 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, Sialkot to process the refund claim of the complainant for Tax Year 2025, after providing adequate opportunity of being heard under the law; 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-4) 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.	17377/SKT/IT/2026	Adnan Rauf
2.	17365/SKT/IT/2026	Gama Sports , Sohail Zafar
3.	17366/SKT/IT/2026	Hamid Raza
4.	17344/SKT/IT/2026	Has & Co. Hassan Nizami
5.	17371/SKT/IT/2026	Toklais Pak industry, Zahid Iqbal
6.	17373/SKT/IT/2026	YKT Traders, Arslan Tariq
7.	17347/SKT/IT/2026	Muhammad Suleman
8.	17363/SKT/IT/2026	Franzy Trading Company Tanveer Ahmed