

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NOS. 16512 TO 16515/LHR/IT/2026

Dated: 12.09.2026 RO Lahore*¹

Mr. Muhammad Akram Rana,
M/s Sardar Family Packages (Pvt) Limited,
Khorī Stop, Waseem Sajjad Road,
GT Road, Muridke, Pakistan.

... Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer : Mr. Ahmad Shuja Khan, Advisor
Appraised by : Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative : Rana Tahir Zulqarnain, Advocate
Departmental Representative : Ms. Ayesha Ahmad, DCIR, CTO Lahore
Date of hearings : 22.09.2026 & 15.10.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned complaints having identical issues are being disposed of through this single consolidated order.

2. Brief facts of the case are that Complainant is a Private Limited Company, e-filed income tax returns for the following tax years under Section 114(1) which were deemed to be assessed under Section 120(1) of the Income Tax Ordinance, 2001 (The Ordinance), claiming refunds as follows:

S.No.	Tax Year	Date of Filing of Complaint	Date of Refund Application	Refund claimed (Rs)
1.	2022	12.09.2026	30.01.2026	8,810,412
2.	2023	12.09.2026	30.01.2026	26,278,455
3.	2024	12.09.2026	30.01.2026	9,821,839
4.	2025	12.09.2026	30.01.2026	16,711,633
			Total	61,622,339

¹ Dates of Registration with FTO Sectt.



Refunds arose on account of excess tax deducted at source under Sections 148, 153(1)(a), 234, 235, 236(1)(a) and 151 of the Income Tax Ordinance, 2001 (the Ordinance). Nevertheless, despite repeated efforts of the Complainant, the Department failed to pass orders under Section 170(4) of the Ordinance, within the stipulated time period, hence this complaint.

3. The complaint was sent for comments to the Secretary, Revenue Division, in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response thereto, the DCIR, Refund Zone, CTO Lahore, submitted revised parawise comments through letter dated 15.10.2026. It was contended that Complainant filed refund applications for tax years 2022 to 2025. Whereas, the Complainant's refund applications lack mandatory supporting documents required under Rule 71(3) of the Income Tax Rules, 2002. Simply claiming refund in a return does not establish its legitimacy. It has been held by the Hon'ble Lahore High Court in CIR Vs M/s Chicago Metal Works Limited (Tax Reference No.48 of 2011), refunds are not automatic; a separate application with all supportive documents must be filed under Section 170 of the Income Tax Rules. There is no delay in processing of refund applications for aforementioned tax years attributable to the Department. Complainant filed refund applications without supporting documents as required under Rule 71(3) of the Income Tax Rules, 2002.

4. Arguments heard and available record perused.

5. It is an admitted fact that the Complainant's refund applications, were e-filed as prescribed under Rule 71 read with Part-VI of the First Schedule to Income Tax Rules 2002, remained unattended in terms of limitation u/s 170(4) of the Ordinance. The Department was required to have disposed of refund applications either way within sixty days of



the filing, after providing opportunity of hearing. From the respective dates of filing of instant complaints i.e. 12.09.2026 for Tax Years 2022 to 2025, it is apparent that even after lapse of due dates apart from expiry of limitation period as provided u/s 170(4) of the Ordinance, the Department did not issue a single letter asking the Complainant to submit the requisite evidence. Thus, delay in disposing of refund applications, is evident as discussed above.

6. FINDINGS:

- i. As tax deduction u/s 148 is involved, GDs need to be checked carefully so as to ascertain the adjustability with reference to nature of imports and state of supplies made by the Complainant.
- ii. Delay in disposal of refund applications within the statutory time is manifestation of Departmental neglect, inattention and ineptitude in discharge of its duties and the same tantamount to Maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

7. FBR to-

- (i) direct the Commissioner-IR, Refund Zone, CTO Lahore to dispose of Complainant's refund applications for Tax Years 2022 to 2025, after adjustment of any outstanding demands, strictly as per law and after providing opportunity of hearing to the Complainant; and
- (ii) report compliance within 30 days.

Dated: 21 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

