

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 16388/LHR/IT/2026

Dated: 10.09.2026 RO Lahore*¹

Malik Muzaffar Hayat,
C/o M/s Qadri Brothers (Private) Limited,
Second Floor, 84-B-1, Ghalib Road,
Gulberg-III, Lahore.

... Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer	:	Mr. Ahmad Shuja Khan, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Malik Muzaffar Hayat, Advocate
Departmental Representative	:	Ms. Ayesha Ahmad, DCIR, CTO Lahore
Date of hearing	:	21.09.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned online complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2001 (the Ordinance) against delay in issuance of refund for tax year 2025.

2. Brief facts of the case are that Complainant is a Private Limited Company, e-filed income tax return for tax year 2025 under Section 114(1) which was deemed to be assessed under Section 120(1) of the Income Tax Ordinance, 2001 (The Ordinance), claiming refund amounting to Rs. 37,420,929/ for Tax Year 2025. The refund arose on account of excess tax deducted at source under Sections 148, 153(1)(a), 231A, 234, 236(1)(a), 235, 236A and 236C of the Income Tax Ordinance, 2001 (the Ordinance). Nevertheless, despite repeated efforts of the Complainant, the Department failed to pass order under Section 170(4) of the Ordinance, within the stipulated time period, hence this complaint.

¹ Date of Registration with FTO Sectt.





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 Commissioner-IR Refund Zone CTO, Lahore submitted revised parawise comments through letter dated 25.09.2026. It was contended that:

- (i) As per Rule 71 of the Income Tax Rules, 2002, a refund application has to be submitted on the prescribed proforma provided in Part-VI of First Schedule to Income Tax Rules, 2002. Whereas, the Complainant's application was not submitted on the prescribed proforma.
- (ii) Limitation of sixty days from the filing of refund application had expired.
- (iii) As per available record, no outstanding current or arrear demand (Income Tax/Sales Tax/FED/Custom Duty) is recoverable.
- (iv) As per available record, no tax demand is under stay by any appellate forum.
- (v) The Complainant claimed tax deductions as per income tax return file for tax year as detailed below:

Tax Year 2025

Tax Deductions u/s	Amount (Rs)	Nature of withholding tax
148	3,135,230	Adjustable
153(1)(a) @1%	16,876,788	Adjustable
234	26,750	Aadjustable
235	9,065,075	Adjustable
236(1)(a)	14,819	Adjustable
236A	4,839,356	Adjustable
236C	74,171	Adjustable
147	45,000,000	Adjustable
Total	79,032,189	

- (vi) Tax deductions are partially verifiable from FBR's internal portal. External verification was also required.
- (vii) No outstanding tax demand current/arrear is recoverable from the Complainant.
- (viii) No refund adjustment either wholly or partially has been reported.

- (ix) The Complainant has not submitted supporting documents as required under Rule 71(3) of the Income Tax Rules, 2002. Refund is not determined on the basis of claim in return of income. Refund will be determined after verification in the light of circular 5 of 2003.
- (x) There is no delay nor any maladministration in processing of refund application for aforementioned tax year which is attributable to the Department. Complainant filed refund application without supporting documents as required under Rule 71(3) of the Income Tax Rules, 2002. Therefore, refund application shall be processed after receiving requisite supporting documents from the Complainant.

4. Arguments heard and available record perused.

5. It is an admitted fact that the Complainant's refund application was 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 application either way within sixty days of the filing, after providing opportunity of hearing. From the respective dates of filing of instant complaint i.e. 10.09.2026 for Tax Year 2025, it is apparent that even after lapse of due date 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 application, is evident as discussed above.

FINDINGS:

6. Delay in disposal of refund application for Tax Year 2025 within the stipulated 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 direct-

- (i) the Commissioner-IR, Refund Zone, CTO Lahore to dispose of Complainant's refund application for Tax Year 2025 after providing opportunity of hearing to the Complainant, as per law; and
- (ii) report compliance within 30 days.

8. The Complainant is directed to provide proof of tax payment to the Department within a fortnight of issuance of this order.

Dated: 21 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

