

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.16583/LHR/IT/2026

Dated: 14.09.2026* R.O. Lahore

M/s Suncorp Pesticide,

Situated at Plot No. 8-B, 8-C,
Industrial Estate, Multan.

... Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer	:	Mr. Asem Iftikhar, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Shoaib Ahmad, Advocate
Departmental Representative	:	Ms. Mehak Fatima, DCIR LTO Multan
Date of Hearing(s)	:	28.09.2026, 30.09.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against un-due delay in issuance of refund for Tax Years 2019, 2021, 2022, 2024 & 2025.

2. Briefly, Complainant (having NTN#1347581) is engaged in the business of import/export & manufacturing of pesticides, other agrochemical products and its allied products, filed income tax returns for Tax Years 2019, 2021, 2022, 2024 & 2025 under Section 114(1) of the Income Tax Ordinance, 2001, claiming refund amounting to Rs.3.433 million, Rs.54.928 million, Rs.87.906 million, Rs.215.648 million & Rs.148.599 million respectively (Cumulatively Rs.510.514 million). Salient features of the relevant Tax years are as under;

- The refund arose on account of excess tax deductions under different sections of the Income Tax Ordinance, 2001 and withholding taxes claimed as adjustable are of Section 148, 231A 231B(1) 231B(3), 234, 236(1)(a), 236(1)(d), 236D & 236G etc.

* Date of registration in FTO Sectt.



- Furthermore, Complainant declared final/fixed minimum tax u/s 153(1)(a), 233, 235 & 7B.
- As regards Tax Year 2025, the excess deduction is mainly on account of deductions made u/s 148 at Rs.396 million and 231B(3) at Rs.53.335 million which constitutes 75.5% & 10% of total withholding.
- Tax paid u/s 231B(3) at Rs.33.914 million has been claimed for adjustment against tax-imposed u/s 4AB (Code 64100303 of the Income Tax return).
- Furthermore, the addition in the Plant & Machinery during the year is shown at Rs.129.88 million, whereas, addition on account of motor vehicle at Rs.751.5 million.
- For Tax Years 2024 & 2025 reveals the "Receipts from other Sources" at Rs.59.167 and 108.877 million respectively are being claimed as exempt/fixed & final tax. Furthermore, agricultural income of Rs.6.159 million has been claimed exempt in Tax Year 2025.



According to the Complainant, refund applications for Tax Years 2019, 2021, 2022, 2024 & 2025 were e-filed on 31.03.2020, 07.02.2022, 01.03.2023, 17.05.2025 & 13.05.2026 followed by reminders dated 24.08.2026 & 28.08.2026. 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. Further, Complainant also claimed compensation for delay refund u/s 171 of the Ordinance

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, LTO, Multan submitted parawise comments vide letter dated 25.09.2026. On merits, Deptt submitted that;

- i) The tax deductions and adjustability of the claimed tax deductions need to be verified. Further, the officer is bound to comply the standing instruction of Board along with law

and regulations to process the refund applications. The taxpayer's refund claim will be concluded as per FIFO principle as per Board's direction vide letter No. 4(10)RevBud/2024-25/205490-R dated 17-Oct-2024.

- ii) As per concerned unit report vide letter dated 18.09.2026 pendency of audit is nil.
- iii) The following outstanding are as under;

Sales Tax/ I. Tax	Amount in Rs.	Status
Sales Tax	354,605,618/-	Pending before CIR(A)
Income Tax 4C	115,725,057/-	Outstanding Tax Year 2024

4. **Both the parties heard and record perused.**

5. The Department's contention regarding non processing of refund claim due to FIFO is misconceived on the grounds that the FBR has issued clear guidelines/instructions of the Chief Commissioners vide letter dated 17.10.2024 regarding FTO's cases, that in order to process the refund claims explicit approval from the authority must be obtained which means that there is no bar for processing of refund claims against which complaints are pending/decided before the FTO. It may be added here that the taxpayer's legal right given by substantive law/legislature cannot be restricted through administrative circular(s). Board's notification dated 17.10.2024 itself excludes Court/FTO cases from the operations of said circular. Statutory timeline u/s 170(4) cannot be overturned/replaced through administrative instructions. This plea of FBR has already been dismissed by Presidency in a large number of representations filed by FBR on this account. Matter has attained finality.

6. During hearing, the Departmental Representative (DR) informed that out of the total adjudicated sales tax demand amounting to Rs.354.606 million, the taxpayer currently enjoys a stay of recovery for Rs.80.00 million only. On the other, the Authorized Representative (AR) requested that the outstanding demand sales tax/income tax be adjusted against the taxpayer's pending refund claims available with the department.



7. The department has unequivocally admitted that the refund application for Tax Years 2019, 2021, 2022, 2024 & 2025 were e-filed. It is further admitted that the statutory period of sixty (60) days, prescribed under Section 170(4) of the Ordinance for passing an order on the refund application, has expired. Notwithstanding the lapse of the prescribed limitation period, no order has been passed in accordance with law. Furthermore, the refund application has neither been duly adjudicated nor has the petitioner been afforded a proper opportunity of hearing as mandated under Section 170 of the Ordinance. Thus, delay in disposing of refund applications for Tax Years 2019, 2021, 2022, 2024 & 2025 is evident and in clear violation of the mandatory statutory provisions governing the adjudication of refund claims.

FINDINGS:

8. The non-processing of refund applications in accordance with the provision of Section 170(4) of the Income Tax Ordinance, 2001 within stipulated time for Tax Years 2019, 2021, 2022, 2024 & 2025 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:

9. FBR to

- (i) direct the Commissioner-IR, Refund Zone, LTO Multan to satisfy himself that taxes in the Tax Years 2019, 2021, 2022, 2024 & 2025 have been overpaid and to apply the excess in reduction of any other tax due from the taxpayer under the Income Tax Ordinance, 2001 or if there is any outstanding liability of the taxpayer to pay other taxes after providing opportunity of hearing to the Complainant and dispose of refund applications for Tax Years 2019, 2021, 2022, 2024 & 2025, as per law; and
- (ii) report compliance within 30 days.

(M. Zafar ul Haq Hijazi)

Federal Tax Ombudsman

Dated: 21 OCT 2026

