

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

Complaint No.15918/PWR/IT/2026

Dated: 02.09.2026 *R.O. Peshawar

M/s Frontier Tech Wood (Pvt) Ltd,
W-5 Industrial Estate Jamrud Road,
Peshawar.

... Complainant

V e r s u s

The Secretary
Revenue Division
Islamabad.

... Respondent

Dealing Officer : Mr. Sardar Ali Khawaja, Advisor
Appraising Officer : Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative : Mr. Nasim Ullah, A/R
Departmental Representative : Mr. Abdul Kareem, DCIR, RTO,
Peshawar

Date of Hearings : 22.09.2026 & 01.10.2026

FINDINGS/RECOMMENDATIONS

The subject complaint has been filed under Section 10(1) of the Federal Tax Ombudsman, Ordinance, 2000 (FTO Ordinance) against delay in issuance of Income Tax refund by the RTO, Peshawar as per the attached details:



S. No.	Tax Year	Refund Claimed u/s 147, 148, 151, 153(1)(a), 154(1) & 236	Date of Application
1	2025	Rs.9,141,680/-	16.04.2026

Details of the refund claimed have been submitted as under:-

Advance tax / Deducted under various heads

1.	Under Section 148 at Import Stage @ 5.5%	Rs. 2,839,917/-
2.	Under Section 148 at Import Stage @ 5.5% Minimum Tax	Rs. 3,611,607/-
3.	Under Section 148 at Import Stage @ 2%	Rs. 429,223/-
4.	Under Section 148 at Import Stage @ 1%	Rs. 9,262/-
5.	Under Section 153(1)(a)	Rs. 129,048/-
6.	Under Section 147	Rs. 3,988,560/-
7.	Under Section 151	Rs. 46,207/-
8.	Under Section 154(1) on Export 1%	Rs. 4,019,649/-
9.	Under Section 154(1) on Export 1% Minimum	Rs. 4,019,649/-
10.	Under Section 236	Rs. 211,501/-
Total		Rs. 19,304,623/-

Liability:

Less: Taxable Income Rs. 19,254,363 @ 29% Rs. 5,583,765/-
Export Under Sec 154(1)-2025 Rs. 4,019,649/- Minimum Tax

Less: (Attributable Income) Rs. (3,052,078)	Rs. 967,571/-
Less: Import U/S 148 Paper 5.5%` Minimum Tax	Rs. 3,611,617/-
	Total Rs.10,162,943/-
Refundable for Tax year 2025	Rs. 9,141,680/-

2. The complaint was referred to the Secretary Revenue Division for departmental reply/comments 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 CCIR, RTO, Peshawar, submitted a report, the contents of which are reproduced as under:-

Complaint/Allegations	Reply/Remarks
The complainant has submitted application whose contents are reproduced below. We are writing to formally request the urgent processing of the delay income tax refund file for M/s Frontier Tech Wood Industries (Pvt) Ltd, concerning the tax year 2025 and refund amount Rs.9,141,680/-. Despite the passage of considerable time, the refund claim has not yet been processed and released. In light of the prolonged delay, we respectfully request that you issue instructions to the RTO Commissioner Peshawar for the immediate processing of the refund file, ensuring that the necessary steps are taken to release the refunds at the earliest opportunity. We would greatly appreciate your prompt attention to this matter and look forward to your timely intervention.	The complainant in the present case has applied for a refund for Tax Year 2025, as stated in the submissions made before the Honorable Federal Tax Ombudsman (FTO). In the above mentioned tax year, the online refund application under Section 170 of the Income Tax Ordinance, 2001, submitted through the IRIS system was not accompanied by the relevant supporting documents required for processing the refund claim. Perusal of record reveals that the complainant has claimed adjustment of tax deduction u/s 148 amounting to Rs.2.839,917/- at the rate of 5.5.% which falls under part III of the twelfth schedule, which constitutes minimum tax. Accordingly, a deficiency notice under Section 170(4) of the Income Tax Ordinance, 2001, has been issued to the taxpayer, requiring him to furnish the necessary documents and record in support of his refund claim and providing him an opportunity of being heard. Upon receipt of the requisite record and supporting documents, the refund claim shall be examined in accordance with law. Thereafter, the refund order shall be issued after proper scrutiny and verification of the record, including the authenticity and genuineness of the documents furnished by the taxpayer.

3. The case was fixed for hearing. The A/R Mr. Nasim Ullah, & the D/R Mr. Abdul Kareem, Deputy Commissioner, RTO, Peshawar attended and the case was discussed as per written submissions. The A/R stated that refund claim is on account of advance taxes



deducted under various sections of the Income Tax Ordinance, 2001 as mentioned at Para-I, for which all the details have already been submitted to the department. Application for refund has already been filed u/s 170(4) of the Income Tax Ordinance, 2001, nevertheless, no action has been initiated for processing of the refund as yet.

The D/R stated that the case is under-process to confirm nature and genuineness of the tax deducted and to determine whether the claim is adjustable, final discharge or minimum tax. Once the verification process is completed, the claim will be processed in accordance with the law.

FINDINGS:

4. The A/R & the D/R heard and record perused. Application for issuance of refund is pending with the RTO, Peshawar, since 16.04.2026. Though the department has to ascertain whether the taxes deducted at source, are adjustable, minimum or final, nevertheless, delay in processing the refund claims within the **stipulated time** is manifestation of the 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.

RECOMMENDATION:

5. FBR to:-

- (i) direct the Commissioner (Refund Zone) RTO Peshawar, to dispose of pending refund applications as per law after affording proper opportunity of being heard to the Complainant and ascertaining the adjustability of tax deductions; and
- (ii) report compliance within 30 days.

Dated:

21 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

