

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO.16970/MLN/IT/2026

Dated: 21.09.2026* R.O. Multan

Mr. M. Tariq,
M/s Bilal Oil Industries (Pvt) Ltd,
Near Saleem Soap Factory, Bahawalpur
Road Multan.

... Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer	:	Dr. Khalil Ahmad, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. M. Tahir Shah, Advocate
Departmental Representative	:	Ms. Mehak Fatima, DCIR, LTO, Multan
Date of Hearing(s)	:	13.10.2026

FINDINGS/RECOMMENDATIONS

The complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against delay in issuance of refund for Tax Year 2025 amounting to Rs.83.122 million along with additional payment for delayed refund in terms of Section 171(1) of the Income Tax Ordinance, 2001 (the Ordinance). According to the Complainant, refund application for the said tax year was e-filed on 13.12.2025. The Deptt failed to pass order under Section 170(4) of the Income Tax Ordinance, 2001 (the Ordinance) within the stipulated time.

2. Facts of the case in brief are that the Complainant previously filed complaint No.3413/MLN/IT/2026 for issuance of refund Tax Year 2025. The said complaint was disposed of vide following Findings dated 23.04.2026.

"FINDINGS:

5. Admittedly proceedings u/s 122(5A) for TY 2025 were initiated in January, 2026 and the Complainant filed instant Complaint in

* Date of registration in FTO Sectt.



February, 2026. Issues raised through aforesaid proceedings can drastically impact the refund claim therefore pending said proceedings intervention by this office is unwarranted in terms of section 9(2)(a) & (b) of FTC Ordinance, 2000. However, the department is advised to conclude the said proceedings at its earliest and the Complainant is also advised to join the proceedings for an early decision.

6. Investigation is closed and files consigned to record.”



3. The Complainant has filed instant complaint after completion of amendment proceedings under Section 122(5A) of the Ordinance for issuance of refund as determined vide amended order dated 23.04.2026.

4. The CCIR, LTO, Multan forwarded Para-wise comments of the Commissioner-IR, Refund Zone dated 08.10.2026 vide letter dated 09.10.2026.

5. Following Preliminary objection has been raised by the Deptt in its comments which are rebutted as under:

Objections	Rebuttal
That the refund application is in a queue as per Board's notification dated 17.10.2024 refund application shall be processed by following FIFO (First in-First Out) method.	- 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. In parawise comments, the Deptt has contended that Complainant's claim will be processed as per FIFO principle. The Deptt has reported the following facts having direct impact on refund claim.

- *Refund Application was filed on 13.12.2025.*
- *Time limitation of 60 days has expired.*
- *No arrears are pending.*
- *No proceedings are underway.*

- *The tax has been withheld under the following provision of the Ordinance.*

Tax Deduction claimed	Amount	Nature of Tax deduction
Import u/s 148	76,190,569	Adjustable
Profit on debt u/s 151	18,727	Adjustable
Purchases u/s 153(1)(a) 1%	3,961,591	Adjustable
Purchases u/s 153(1)(a) 1.5%	9,699,323	Adjustable
Purchases u/s 153(1)(a) 5%	13,008,737	Adjustable
Electricity Bills u/s 235	5,833,316	Adjustable
Purchase / Transfer of property u/s 236K	1,039,875	Adjustable

- *The Claimed refund has not already been adjusted.*
- *Refund claim is not based on any appeal effect order.*

7. During hearing, the AR & DR attended. The instant complaint is connected with an earlier complaint No.3413/MLN/IT/2026. The AR argued that proceedings under Section 122(5A) of the Ordinance have been concluded and refund has become due. The DR admitted it and explained that filing of new application under Section 170(4) of the Ordinance is not called for because in the presence of earlier application, IRIS does not allow its fresh filing. She, however, argued that figure of refund claim would now be taken as mentioned in the amended order dated 23.04.2026 and statutory timeline of 60 days for issuance of refund would also be applicable from the said date.

8. Admittedly, the refund for Tax Year 2025 has been determined on 23.04.2026 consequent to amended order under Section 122(5A) of the Ordinance. Thus, failure of the Deptt to dispose of Complainant's refund application for Tax Year 2025 within the time stipulated in terms of Section 170(4) of the Ordinance is attracts element of delay.

9. The Complainant's request for additional payment for delayed refund is, however, premature at this stage in terms of Explanation



to Section 171(2)(c) of the Ordinance.

10. FINDINGS:

- i. M/s Bilal Oil Industries (Pvt) Ltd is a commercial oilseed processing and solvent extraction facility. The company systematically sources and imports high-grade oilseeds internationally to maintain steady raw-material reserves. The plant specializes in high-throughput seed crushing, bulk oil extraction, and by-product manufacturing. The production site handles;
- **Seed Oil Extraction:** (Processing of Canola, Soybean, Sunflower, and Mustard seeds into bulk oils for edible refineries and industrial food processors).
 - **Oilseed Protein Meals:** Production of specialized protein supplements and expeller cakes like Canola meal, Sunflower meal, Soybean meal, and Mustard meal for commercial livestock feed and aquaculture formulations.
 - **Industrial Supply:** The company runs closed-loop mechanical expellers and continuous solvent extraction lines geared primarily toward high-volume business-to-business (B2B) distribution rather than direct retail bottling. All major Oil & Ghee manufacturers are regular clients.

In view of above GDs need to be examined as cross matched with the supplies so as to segregate commercial imports and own use raw materials.

- ii. Refund claims are business receivables/assets. Department may check whether refund claimed is properly declared as such in financial statements for TY 2025 or not. This check gains further significance due to current **functional dyarchy**. Audit and Refund, operating independently while adjudicating the same cases.
- iii. Delay in the administration or discharge of duties and responsibilities in disposal of refund application for Tax Year 2025, within the stipulated time in terms of Section 170(4) of the Ordinance is tantamount to maladministration, in terms of Section 2(3)(ii) of the FTO Ordinance.



RECOMMENDATIONS

11. FBR to -

- (i) direct the Commissioner-IR, Refund Zone, LTO, Multan to dispose of pending refund claim under Section 170(4) of the Ordinance for Tax Year 2025, as per law, after providing opportunity of hearing to the Complainant; and
- (ii) report compliance within 30 days.



Dated: **22 OCT 2026**


(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman