

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

Complaint No.15930/KHI/ST/2026

Dated: 02.09.2026* R.O. Karachi

M/s. Artistic Milliners (Pvt.) Ltd,
NTN 26457270
Plot 4 & 8, Sector 25,
Korangi Industrial Area,
Korangi Town, Karachi

... *Complainant*

Versus

The Secretary,
Revenue Division,
Islamabad.

... *Respondent*

Dealing Officer
Appraising Officer
Authorized Representative
Departmental Representative

: Mr. Badruddin Ahmad Quraishi, Advisor
: Mr. Muhammad Tanvir Akhtar, Advisor
: Mr. Syed Salman Ali, ITP
: Mst. Sara Imran, DCIR, CTO-II Karachi

Date of hearings

: 17.09.2026 & 28.09.2026

FINDINGS

The above-mentioned complaint was filed in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) for pending deferred/missing amount of refund claims for the tax periods of Nov 2024 amounting to Rs.53,938,546/-.

2. Briefly, the complainant, is a private Ltd Company bearing CNIC No. 4210149187671, is engaged in the manufacturing and exporting of textile items and is registered with the Department under the Sales Tax Act 1990 the Act. As per the AR of the complainant, the complainant filed a sales tax refund claim amounting to Rs.979,853,085/- for the tax period November 2024. The FASTER system issued an RPO on 02.12.2025; the details of which are as follows:

i. Refund claimed: Rs. 979,853,085

* Date of registration in FTO Sectt



- ii. Input tax deferred: Rs. 1,601,398
- iii. Amount already sanctioned: Rs. 905,313,019
- iv. Amount being sanctioned: Rs. 19,000,122
- v. Balance amount: Rs. 00

As can be observed from the above RPO, an amount of Rs. 979,853,085 minus (1,601,396+905,313,019+19,000,122) = Rs. 53,938,546 went missing / unaccounted for. Earlier, the complainant filed a complaint no.29709/KHI/ST/2026 on this issue and this forum directed Chief Commissioner, CTO-II Karachi, to ensure disposal & reprocessing of the correct missing amount for the tax period November 2024 after detailed examination as per law and instruction in para 4 of Circular # 3 of 2020 Operations (Sales Tax) dated 07.12.2020, read with Second Secretary (Refunds/CSTRO) letter dated 21.11.2023 expeditiously. In compliance, the CCIR, CTO-II Karachi vide letter dated 11.06.2026 submitted a report to the Chief (CSTRO/ Refund) to make available the missing amount. Subsequently, the Second Secretary (CSTRO/FTO) sent the recommendation of the CCIR to CEO PRAL on 19.06.2026 for enabling the missing amount. But the Senior Manager, System Support (ST) Development, PRAL in response to fresh instant complaint, submitted the following reply:

"I am directed to refer to your letter No. FTO-29709/KHI/ST/2025/73940-R, dated 08.07.2026 Regarding the subject.

In the case of M/s Artistic Milliners (Private) Limited having STRN: 1750520500282, NTN: 2645727, After reviewing the purchase data against Annexure-A, it appears that certain purchases were marked as inadmissible. Consequently, these purchases were not included in the refund claim calculation.

Therefore, based on the available system data and the aforementioned review, this is not a valid missing- amount case"

3. **FINDINGS:**

- i. Notwithstanding the above, while processing the desired ST refunds, the department apart from the above, is also required to ascertain whether;



a. **M/s. Artistic Milliners (Pvt.) Ltd,** *has filed audited account for Tax Years 2024 & 2025;*

b. *Related chunk of this amount of 53.938 million is declared as asset in the relevant business balance sheet or not. In case it is declared the stance of the Complainant would be vindicated otherwise it only indicates that the incidence of taxation had been passed on through inflating expenses. Hence, the refund claim needs to be examined in terms of section 3B read with last proviso to section 66 of the Sales Tax Act, 1990.*

ii. In view of PRAL investigation, the missing / unaccounted for amount of Rs. 53,938,546 is due to certain purchases which were marked as inadmissible. Consequently, these purchases were not included in the refund claim calculation. Moreover, if the complainant is not satisfied with the response of the PRAL, he may file his reply along with detailed evidences supported with the documentary evidences to the CIR, Refund Zone, CTO-II Karachi who may forward a detailed report after examination for onward submission to the CEO PRAL through the Chief CSTRO/Refund for necessary correction (if any).

4. The complaint is closed with the above observations. File be consigned to record.

Dated: 22 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

