

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

**C.NOS. 17549, 17669, 17515, 17574, 17546, 17543, 17572, 17577,
17697 & 17559/SKT/IT/2026**

Dated: 05.10.2026 & others - HQ* Islamabad

Mr. Abdul Rehman

Jalalpur Bhattian

Pinidi Bhattian

(C.No.17549/SKT/IT/2026)

...Complainant

V e r s u s

The Secretary,

Revenue Division,

Islamabad.

...Respondent

Dealing Officer

: Mr. Shaukat Mahmood, Advisor

Authorized Representative

: Complainant (online)

Departmental Representative

: Mr. Hassan Sultan, ACIR, RTO, Gujranwala (online)

Date of hearing

: 20.10.2026

FINDINGS/RECOMMENDATIONS

This complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 regarding unjustified delay in processing and release of income tax refund amounting to Rs. 78,504/- for Tax Year 2025 by Regional Tax Office, Gujranwala, Federal Board of Revenue (FBR).

2. Main facts of the case are that the Complainant e-filed a refund application under Section 170 of the Income Tax Ordinance, 2001 on 23.03.2026 for Tax Year 2025, claiming a refund amounting to Rs. 78,504/- arising on account of tax collected/deducted under Section 236H. Despite the lapse of the statutory time period mandating disposal within the prescribed timeframe of sixty days, the Department failed to process and dispose of the refund application under Section 170(4) of the Ordinance within time. Hence, filing the instant complaint.

3. The complaint was sent for comments to the Secretary, Revenue Division, Islamabad in terms of Section 10(4) of the FTO Ordinance read with Section 9(1) of Federal Ombudsmen Institutional Reforms Act, 2013.

In response thereto, the Additional Commissioner IR (HQs), RTO Gujranwala forwarded parawise comments of the Commissioner-IR (Refund Zone) vide letter dated 14.10.2026, wherein it was contended that:

"the taxpayer has claimed tax collected/deducted of Rs. 79,563 on purchases amounting to Rs. 15,912,942 under Section 236H of the Income Tax Ordinance, 2001, and since corresponding purchases were allegedly not declared in the return of income, a notice under Section 170(4) has been issued, and the refund claim shall be processed based on the taxpayer's reply and record strictly in accordance with law."

4. Case was fixed for hearing on 20.10.2026. The Complainant and the Departmental Representative attended the hearing online and reiterated their respective positions.

5. During hearing and review of the case record, it was observed that the refund application for Tax Year 2025 was duly e-filed on 23.03.2026 along with supporting CPRs and return records, but no final refund order had been issued by the Department till date. Issuing a belated notice under Section 170(4) long after the expiry of the statutory 60-day period does not absolve the Department of its default and inaction. Nevertheless, the Department was required to dispose of the refund application within sixty days under the law but failed to do so.

FINDINGS:

6. In the light of Para-5 supra, this delay is **manifestation of Departmental neglect, inattention and ineptitude in discharge of its duties and the same is tantamount to maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.**

7. The issues involved in complaints as detailed in Annexure-A are identical, i.e. deductions of income tax u/s 236K/C and other sections of ITO Ordinance, 2001 alleging delay in processing of refund applications



beyond statutory time period of 60 days, as discussed in this complaint. All these cases/complaints also fall within the jurisdiction of CIR-Refund Zone, RTO, Gujranwala. In the complaints by Teachers / Associate Professors / Professors / Researchers regarding excess deduction of income tax u/s 149 of the ITO, 2001 during the months of May and June 2025 on account of recovery of rebate allowed to the teachers in the past, the refund claims be processed under the law.

RECOMMENDATIONS:

8. FBR to direct:

- (i) the Commissioner-IR (Refund Zone) RTO, Gujranwala to process the refund claim of the complainant for Tax Year 2025, after providing adequate opportunity of being heard under the law; and
- (ii) report compliance within 30 days.

9. In view of above, findings/recommendations supra shall, *mutatis mutandis*, apply to all the complaints as given in **Annexure-A**.

10. Annexure A (page-3) forms the integral part of this order.

Dated: 23 OCT 2026

Annexure-A

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Sr#	Complaint No	Complainant Name
1.	17669/SKT/IT/2026	MUHAMMAD YOUSAF
2.	17515/SKT/IT/2026	JAHANGIR AHMAD
3.	17574/SKT/IT/2026	BILAL HASSAN
4.	17546/SKT/IT/2026	MUHAMMAD ASIF
5.	17543/SKT/IT/2026	MUHAMMAD ATIF
6.	17572/SKT/IT/2026	MUHAMMAD BILAL
7.	17577/SKT/IT/2026	RUQIA MUMTAZ
8.	17697/SKT/IT/2026	SHAKIL AHMAD
9.	17559/SKT/IT/2026	UMAR FAROOQ