

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT No. 17231/LHR/IT/2026

Dated: 28.09.2026 RO Lahore*¹

Mr. Maqsood Akhtar,
M/s GEM Prints (Private) Limited,
5-A, Rehman Park, Gulberg-II,
Lahore.

... Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer : Mr. Ahmad Shuja Khan, Advisor
Appraised by : Mr. Muhammad Naseer Butt, Advisor
Authorized Representative : Mr. Irfan Noor, Advocate
Departmental Representative : Ms. Ayesha Ahmad, DCIR, CTO Lahore
Date of hearing : 12.10.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned online complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 against delay in issuance of refund for Tax Years 2021, 2022 and 2023.

2. Brief facts of the case are that complainant is a Private Limited Company, e-filed income tax returns for the following Tax Years under Section 114(1) which were deemed to be assessed under Section 120(1) of the Income Tax Ordinance, 2001 (The Ordinance), claiming refunds as follows:

S.No.	Tax Year	Date of Filing of Complaint	Date of Refund Application	Refund claimed (Rs)
1.	2021	28.09.2026	10.05.2022	1,312,424
2.	2022	28.09.2026	31.12.2024	1,141,402
3.	2023	28.09.2026	06.01.2025	486,079
			Total	2,939,905

¹ Dates of Registration with FTO Sectt.

The refunds arose on account of excess tax deducted at source under Sections 235 and 153(1)(a) of the Income Tax Ordinance, 2001. Nevertheless, 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.

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 DCIR, Refund Zone CTO, Lahore submitted parawise comments through letter dated 12.10.2026. It was contended that complainant filed refund applications on 10.05.2026, 31.12.2024 and 06.01.2025 for Tax Years 2021, 2022 and 2023. Whereas, complainant's refund applications lack mandatory supporting documents required under Rule 71(3) of the Income Tax Rules, 2002. Simply claiming a refund in a return does not establish its legitimacy. **"As held by the Hon'ble Lahore High Court in CIR Vs M/s Chicago Metal Works Limited (Tax Reference No.48 of 2011), refunds are not automatic; a separate application with all supportive documents must be filed under Section 170 of the Income Tax Ordinance read with Rule 71(3) of the Rules"**. Prayed that there is no delay in processing of refund applications for aforementioned tax years attributable to the Department. Complainant filed refund applications without supporting documents as required under Rule 71(3) of the Income Tax Rules, 2002.

4. Arguments heard and available record perused.

5. It is an admitted fact that the complainant's refund applications, were e-filed as prescribed under Rule 71 read with Part-VI to the First Schedule to Income Tax Rules 2002, remained unattended in terms of limitation u/s 170(4) of the Ordinance. The Department was required to have disposed of refund applications either way within sixty days of the



filing, after providing opportunity of hearing. From the respective dates of filing of instant complaint i.e. 28.09.2026 for Tax Years 2021, 2022 and 2023, it is apparent that even after lapse of due dates apart from expiry of limitation period as provided u/s 170(4) of the Ordinance, the Department did not issue a single letter asking the Complainant to submit the requisite evidence. Thus, delay in disposing of refund applications, is evident as discussed above.



FINDINGS:

6. Delay in disposal of refund applications within the statutory time 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:

7. FBR to-

- (i) direct the Commissioner-IR, Refund Zone, CTO Lahore to dispose of Complainant's refund applications for Tax Years 2021, 2022 and 2023 after adjustment of any outstanding demands, if any, strictly as per law and after providing opportunity of hearing to the Complainant; and
- (ii) report compliance within 30 days.

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 23 OCT 2026