

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 17582/SKT/ST/2026

Dated: 06/10/2026 - HQ* Islamabad

M/s Slider Sports,
Gohad Pur Near Nala Palkho,
Sialkot.

...Complainant

V e r s u s

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	: Mr. Khalid Javed, Advisor
Appraised by	: Mr. Muhammad Naseer Butt, Advisor
Authorized Representative	: Nemo
Departmental Representative	: Ms. Khatija Saeed, DCIR, RTO, Sialkot (V/Link)
Date of hearing	: 20.10.2026

FINDINGS/RECOMMENDATIONS

This complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) regarding non-issuance and inordinate delay in processing of sales tax refund claim of Rs. 1,502,680/- under Section 66 of the Sales Tax Act, 1990. The Complainant, a registered manufacturer-cum-exporter of sports goods, imported raw material without payment of duties and taxes under the Export Facilitation Scheme (EFS) / SRO 597(I)/2021. Due to technical/procedural non-compliance with EFS rules, customs duties and sales tax were adjudicated and subsequently deposited by the Complainant vide Challan No. NGDP-94668-28012026 dated 30.01.2026 (including Sales Tax of Rs. 1,502,680/). As the raw material was consumed in goods exported, the Complainant filed a refund application u/s 66 on 27.04.2026, followed by a reminder on 21.08.2026. However, despite the lapse of considerable time, the department failed to process or finalize the refund application, leading to this complaint.

*date of registration in FTO Sectt..

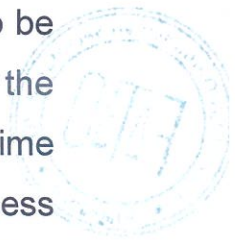


2. The complaint was referred to the Secretary, Revenue Division, Islamabad for comments under Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, parawise comments were submitted by the Commissioner Inland Revenue, Refunds Zone, RTO Sialkot vide letter No. 616 dated 13.10.2026, forwarded by the Chief Commissioner IR, RTO Sialkot vide letter No. 2308 dated 13.10.2026. The department stated that the refund application is under process and was found deficient in requisite supporting documents, for which a notice dated 09.10.2026 was issued requiring submission of relevant documentary evidence within seven (07) days.



3. Hearing in this case was conducted on 20.10.2026. The DR of the Deptt joined proceedings, but AR/complainant did not attend.

4. The perusal of the case record reveals that the Complainant submitted the sales tax refund application u/s 66 of the Sales Tax Act, 1990 on 27.04.2026. According to the provision of third proviso to section 66 of the Sales Tax Act, 1990, the refund application is to be disposed of within a period of 90 days from the date of filing of the application. However, in the instant case, the given statutory time period has been elapsed. The department failed to examine or process the refund claim within the statutory time period and issued a notice calling for documents only on 09.10.2026 after the filing of this complaint. Such prolonged inaction, delay, and issuing notices long after receipt of the refund application manifests Departmental inaction, ineptitude and neglect, which constitutes maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.



RECOMMENDATIONS:

5. FBR to direct:

- (i) the CIR (Refund Zone), RTO Sialkot to process and dispose of the pending Sales Tax refund application of the Complainant u/s 66 of the Sales Tax Act, 1990 for refund claim at Rs. 1,502,680/- in accordance with law, after providing an opportunity of hearing; and
- (ii) report compliance within 30 days.

Dated: 27 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

