

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 16710/SKT/IT/2026

Dated: 16.09.2026* R.O, Sialkot

M/s Aawaiz Metals (Pvt) Ltd,
Sheikhupura Road Gala Bakar Mandi,
Gujranwala. ...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad. ...Respondent

Dealing Officer	:	Mr. Rana Hassan Akhtar, Advisor,
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Zafar Ullah Pasha, Advocate
Departmental Representative	:	Mr. Awais Shafqat Kujjar, ACIR, RTO, Gujranwala
Date(s) of Hearing	:	06.10.2026 & 16.10.2026

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance 2000 (FTO Ordinance) and the case was fixed for comments on 24.09.2026. The department filed parawise comments, which are examined and placed on file. The AR of the complainant and DR attended. Arguments heard and record perused. The complaint is disposed of on the basis of available record as under.

2. Brief facts of the case as stated in the complaint are that the Complainant having NTN No.4877768 is engaged in the business of Manufacturing of 'Copper' and carrying on its business under the name and style M/s. Aawaiz Metals (Pvt) Ltd. The complainant filed return of income / statement of taxation by claiming refund amounting to Rs.8.083 million & Rs. 54.933 million on account of excess deduction of withholding tax under Section 148, 153(1)(a), 235, 154(1) & 147(6C) of the Income Tax Ordinance, 2001 (the

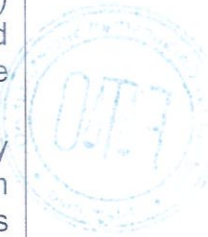
*Date of Registration in FTO Sectt.

Ordinance) for Tax Years 2024 & 2025, respectively. The Complainant also e-filed refund applications on 09.07.2025 & 02.03.2026 for Tax Years 2024 & 2025, respectively. The Deptt has failed to pass order within the stipulated time, hence this complaint.

3. The Department submitted parawise comments dated 28.09.2026 & 19.10.2026, wherein it is admitted that the taxpayer e-filed refund applications on 09.07.2025 & 02.03.2026, claiming refundable income tax of Rs.8.083 million & Rs. 54.933 million for tax years 2024 & 2025, respectively. The refund applications shall be processed as per FIFO list in due course of time. The departmental objection that refund claim will be processed on a First-In, First-Out (FIFO) basis is rebutted as under: -



Objection raised by FBR	Rebuttal
In the light of FBR's Instructions vide letter No.4(10)Rev.Bud/2024-25/205-490-R dated 17.10.2024, the taxpayer's refund applications are at FIFO S.#.402 & 835 and shall be processed as per FIFO list in due course of time.	- Board's notification dated 17.10.2024 itself excludes Court/FTO cases from the operations of said circular. - Statutory timelines 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.



4. The department informed that no recoverable demands are outstanding in the cases of complainant nor any demand is stayed by any court. The department stated that withholding tax audit has been initiated u/s 161 for tax years 2022 & 2024, which is pending till date.

5. The department has contended that the complainant claimed

credit of withheld taxes under Section 148 of the Income Tax Ordinance, 2001, for the Tax Years 2024 and 2025 as refundable income tax, but has failed to provide copies of Goods Declarations to verify the admissibility of tax credit as adjustable or minimum tax under Section 148(7) of the ITO, 2001 and notice u/s 170(4) of the Ordinance has been issued to provide the relevant record.

6. The taxpayer claimed tax credit for tax collected/deducted under different Sections as under: -




Section	Tax Claimed	Nature of Tax	Tax verified	External Verification required.
Tax Year 2024				
148	1,536,363	Adjustable/Minimum Tax	0	Yes; Copies of GDs required
153(1)(a)	38,955,774	Adjustable Tax	38,955,774	No
235	526,005	Adjustable Tax	0	Yes; GEPCO electricity bills required
154(1)	17,171,737	Minimum Tax	17,171,737	No
Tax Year 2025				
148	26,004,953	Adjustable/Minimum Tax	0	Yes; Copies of GDs required
153(1)(a)	51,482,256	Adjustable tax for manufacture and minimum for others	51,482,256	No
235	575,312	Minimum/Adjustable Tax	0	Yes; GEPCO electricity bills required
154(1)	4,670,689	Minimum	4,670,689	No
147(6C)	4,670,689	Adjustable tax	4,670,689	No
Total	87,403,899			No

7. Admittedly, the Complainant e-filed refund applications on 09.07.2025 & 02.03.2026 for Tax Years 2024 & 2025, respectively. The Deptt: was required to have disposed of the refund applications within 60 days of its filing, in terms of Section 170(4) of the Ordinance. But till filing of instant complaint, the Deptt failed to dispose of refund applications. Thus, delay in disposal of refund applications for Tax Years 2024 & 2025, within the stipulated time under Section 170(4) of the Ordinance is evident.

8. FINDINGS:

- i. All pending Refunds are business receivables/assets. Department must check whether all refund claims are properly declared in the financial of relevant Tax Years. This check gains further significance due to the current **functional dyarchy**: Audit and Refund Zones, operating independently while adjudicating the same case.
- ii. Inordinate delay in disposal of refund applications for the Tax Years 2024 & 2025 is manifestation of Departmental neglect, inattention and inaptitude in discharge of its duties and the same tantamount to maladministration in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

9. FBR to direct-
 - i) The Commissioner-IR, (Refunds), RTO, Gujranwala to dispose of complainant's refund applications for Tax Years 2024 & 2025, as per law, after affording opportunity of being heard to the complainant; and
 - ii) report compliance within 30 days.

Dated: 27 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

