

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO.15666/LHR/IT/2026

Dated: 28.08.2026 RO Lahore*¹

M/s Laam (Private) Limited,
Office 6107-6110, Delta-6,
National Aerospace Science & Technology,
Park (NASTP), 69 Abid Majeed Road,
Lahore Cantonment.

... Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

... Respondent

Dealing Officer	:	Mr. Ahmad Shuja Khan, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Muhammad Waqas, Advocate
Departmental Representative	:	Ms. Ayesha Ahmad, DCIR, CTO Lahore
	:	Mr. Junaid Manzoor, DCIR, CTO Lahore
Date of hearings	:	14.09.2026, 21.09.2026 & 06.10.2026

FINDINGS/ RECOMMENDATIONS

The above-mentioned online complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (The Ordinance) against delay in issuance of refund for Tax Year 2023 amounting to Rs.17,511,334/- recovered through attachment of Complainant's bank account, for which the CPRs have duly been annexed with the complaint.

2. Brief facts of the case are that Complainant is a Private Limited Company operating an online marketplace in Pakistan. The complainant company facilitates the buying and selling of fashion and lifestyle products by connecting independent third party sellers with customers through its digital platform and earns marketplace fees on sales effected through the platform. Through the instant complaint, it was contended that:

¹ Complaint Registered with FTO Sectt.



- (i) Notice bearing barcode No.100000266307689 dated 23.12.2025 under Section 4C of the Income Tax Ordinance, 2001 (the Ordinance) was issued to the Complainant to determine super tax at **Rs.56,667,942/-**.
- (ii) Subsequently, an order bearing barcode No.100000272260466 dated 02.03.2026 under Section 4C of the Ordinance was issued whereby a tax demand of **Rs.49,863,524/-** was created against the Complainant.
- (iii) Thereafter, the DCIR issued another order bearing No.1000000274065556 dated 01.04.2026 under Section 221 read with Section 4C of the Ordinance, rectified the order under Section 4C while reducing the income Tax demand from **Rs.49,863,524/- to Rs.39,890,820/-**.
- (v) Being aggrieved with the rectification order dated 01.04.2026 passed by DCIR Zone-VI, Range-II, Unit-04, CTO Lahore, the complainant preferred an appeal before the Hon'ble ATIR who through order NO.788/LB/2026 maintained the impugned order passed by the DCIR.
- (vii) Thereafter, recovery notice bearing barcode 100000275481242 dated 21.04.2026 under Section 138 of the Ordinance was issued to the Complainant which was responded to through a letter dated 22.04.2026, wherein the Complainant requested for adjustment of the outstanding demand against the refundable amount of **Rs. 35,865,917/-** pertaining to Tax Year 2025.
- (viii) In the meantime, Department issued the notice under Section 140 of the Ordinance and proceeded to recover an amount of **Rs.17,511,334/-** CPR wise break-up of the recovered amount as under:

Date	CPR Number	Amount(Rs)
28.04.2026	IT-20260428-01101-1747681	11,006,905
28.04.2026	IT-20260428-01101-1754072	1,322,397
29.04.2026	IT-20260429-01101-1781504	5,182,032
	Total	17,511,334

- (ix) Being aggrieved with the Appellate Order passed by the ATIR, the Complainant filed a reference before the Hon'ble Lahore High Court who through order bearing ITR No.28528/2026 dated 02-06.2026 allowed the reference and remanded the matter back to the ATIR for fresh



adjudication, after due consideration of the contention of the Complainant.

- (x) In pursuance thereto, the Complainant filed a stay application against the recovery proceedings before the Hon'ble ATIR which was granted through order bearing No. 2354/LB/2026 dated 22.06.2026. The ATIR also directed in a subsequent order issued against another miscellaneous application by the Complainant, the detachment of the Complainant's bank accounts through order bearing M.A.(R) No.152/LB/2026. Thereafter, in compliance to the order of the Hon'ble Lahore High Court, the ATIR re-adjudicated the matter and vacated the impugned order through ITA No.788.LB/2026 dated 03.07.2026.
- (xi) The tax demand arising from the order dated 02.03.2026 thus, no longer survived as the same had effectively been nullified pursuant to the order of the Hon'ble ATIR dated 03.07.2026, thereby vacating the impugned assessment. Consequently, no tax liability remained outstanding against the Complainant as regards the above proceedings.
- (xii) Complainant attempted to e-file the refund application under Section 170 of the Ordinance through IRIS portal, the system did not permit the e-filing and generated the message "**Transaction not allowed, as there is no refundable amount**" for the tax year 2023.
- (viii) It is prayed that directions to the Department be given to initiate the process of refund issuance so that the Complainant may be able to receive its legitimate refund to avoid any further hardship.



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 revised para wise comments through letter dated 06.10.2026. It was contended that Hon'ble ATIR through order dated 03.07.2026 remanded back the matter back to the Department with the directions "**Whereas the assessing officer is directed to recompute liability under Section 4C by considering the commission income**

only for the purpose of computation under said provision and by avoiding duplication of the net taxable income already worked out under Section 9 of the Ordinance. While doing so, the assessing officer shall also apply the rate prescribed under Division 11B of Part-I of First Schedule, strictly in accordance with the law after affording the Complainant an opportunity of hearing". In pursuance to the directions given in ATIR's order, appeal effect order under Section 132/124/4C dated 21.09.2026 has been issued by the Department mentioning demand created at **Rs.39,890,820/-**. Hence, there is no refundable amount which is available. There was no delay nor any maladministration in processing of refund application for the aforementioned tax year which was attributable to the Department.

4. The AR of the Complainant filed rejoinder dated 07.10.2026 on the para wise comments submitted by the Commissioner-IR, Refund Zone, CTO, Lahore. It was contended that:

- (i) Departmental comments against paragraph-7 refer to admission of Commissioner-IR, Refund Zone, CTO Lahore that an amount of Rs.17,511,334/- has already been recovered from the Complainant by the Department in pursuance to the Notice u/s 140 of the Ordinance. Paragraph 11 of the above comments was referred that the Commissioner-IR, Refund Zone CTO Lahore, has simultaneously observed that as per directions of the learned ATIR, an order under Sections 132/124/4C of the Ordinance dated 21.09.2026 was issued, whereby a demand of Rs.39,980,820/- was created. Further contended that Commissioner-IR, Refund Zone, CTO, Lahore has acknowledged the recovery of Rs.17,511,334/- from the Complainant on one hand whereas on the other hand it has been stated that a demand through the appeal effect order at Rs.39,890,820/- was created without taking into account the amount already recovered through attachment of bank account.



- (ii) The super tax liability determined by the DCIR is assumed to be legally sustainable, the demand of **Rs.39,890,820/-** created pursuant to the order dated 21.09.2026 is to be reconsidered to the extent of amount already recovered.

5. Arguments heard and available record perused.

6. Perusal of record reveals that Hon'ble ATIR through order dated 03.07.2026 remanded back the matter to the Department with specific directions which have already been reproduced above. Scrutiny of record annexed with the complaint shows that the Department duly finalized the above said appeal effect through its order dated 21.09.2026 wherein a demand of Rs.38,890,820/- has been worked out by Assistant Commissioner IR, Unit 04, Range II, Zone VI CTO Lahore. Scrutiny of the computation of tax liability shows that no credit was given on account of the three CPRs totaling to Rs.17,511,334/- as already discussed above. Although after issuance of the appeal effect order by the Department, the grievance of the complainant stands substantially redressed yet the complainant is entitled to the due credits especially where the amount was recovered through coercive action. Thus, to this extent mal-administration on the part of the Department stands established.



FINDINGS:

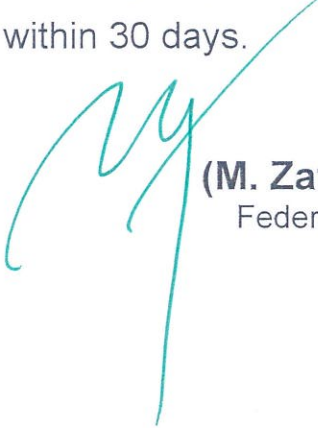
7. **While the Departmental comments are silent as regards credit of the amount in the appeal effect order which was recovered through attachment of the complainant's bank account.** Nevertheless, the delay in giving the above said credit is reflection on the part of the Department of its neglect, inattention 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:

8. FBR to direct:

- (i) the Commissioner-IR, Zone VI, CTO Lahore to immediately rectify the demand determined on account of Super Tax as a result of appeal effect order dated 21.09.2026 after giving credit of the amount recovered through attachment, strictly as per law; and
- (ii) report compliance within 30 days.

Dated: **27 OCT 2026**


(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

