

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO. 17060/SKT/IT/2026

Dated: 23.09.2026* R.O, Sialkot

Arsa Enterprises,

C/o Mr. Muhammad Amjad Javed,
Saleem Town Pasrur Road, Sialkot.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Mr. Rana Hassan Akhtar, Advisor,
Appraised by	:	Mr. Muhammad Naseer Butt, Advisor
Authorized Representative	:	Mr. Sajjad Butt, ITP
Departmental Representative	:	Ms. Khadija Saeed, DCIR, RTO, Sialkot.
Date of Hearing	:	07.10.2026

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance 2000 (FTO Ordinance) for non-issuance of refund for tax year 2023 and the case was fixed for comments on 30.09.2026. The department filed parawise comments, which were 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 is an Association of Persons (AOP), having NTN No.1538992, carrying on its business as a 'Manufacturer/Supplies of Medical and Dental Instruments' under the name and style M/s Arsa Enterprises. The complainant filed return of income / statement of taxation by claiming refund amounting to Rs.38.209 million on account of excess deduction of withholding tax under Section 148 & 154(1) of the Income Tax Ordinance, 2001 (the *Date of Registration in FTO Sectt.



Ordinance) for Tax 2023. The complainant also e-filed refund application on 22.05.2024. The department has failed to pass order within the stipulated time, hence this complaint.

3. In response to the notice issued under Section 10(4) of the FTO Ordinance, read with Section 9(1) of Federal Ombudsmen Institutional Reforms Act, 2013, the department submitted parawise comments dated 28.09.2026, wherein it is admitted that the taxpayer has claimed refund under Sections 148 & 154(1) which are adjustable. The application has been examined, and verification of documents is under process. The refund application will be processed after completion of codal formalities. Moreover, the department contended that there are no audit, rectification or revision proceedings pending in the instant case.

4. Admittedly, the complainant e-filed refund application on 22.05.2024 for Tax Year 2023. The department 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 department failed to dispose of refund application. Thus, delay in disposal of refund application for Tax Year 2023 within the stipulated time under Section 170(4) of the Ordinance is evident.

FINDINGS:

5. Inordinate delay in disposal of refund application for the Tax Year 2023 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:

6. FBR to direct-

- (i) the Commissioner-IR, (Refunds), RTO, Sialkot to dispose of complainant's refund application for Tax Year 2023 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