

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NO.17106/KHI/IT/2026

Dated: 24.09.2026* RO, Karachi
(Tax Years 2019 to 2025)

MR. TABISH

Registration # 4200051123611

Plot No.17, Sector 16

Korangi Industrial Area

SITE Karachi.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Mr. Sahibzada Abdul Mateen, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Rizwan Shah, A.R.
Departmental Representative	:	Mr. Mehran Khan, DCIR, CTO-II, Karachi
Date(s) of hearing	:	08.10.2026 & 13.10.2026

FINDINGS / RECOMMENDATIONS

The above-mentioned complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against non-issuance of Refund for Tax Years 2019 to 2025 by the Commissioner Inland Revenue, Refund Zone, Corporate Tax Office-II (CTO-II), Karachi.



2. Briefly stated the facts are that as per official trade and customs directories, the given address: Plot No. 17, Sector 16, Korangi Industrial Area, Karachi is officially registered to or associated with **C.I.S. Garments (Pvt.) Ltd.** (also referenced as **Tabish Impex**). The business claimed to be manufacturing of Electric Appliances is assessed at CTO-II, Karachi. The complainant filed refund applications u/s.170 of the Income Tax

* Date of registration with FTO Secretariat

Ordinance, 2001 for Tax Years 2019 to 2025, detail of the same are tabulated below;

S.NO.	Tax Year	Date of application filed	Amount of Refund
1	2019	01.06.2020	Rs.6,637,192/-
2	2020	15.04.2021	Rs.4,525,299/-
3	2021	23.02.2022	Rs.1,362,817/-
4	2022	23.11.2022	Rs.364,644/-
5	2023	06.12.2023	Rs.7,330,296/-
6	2024	07.11.2024	Rs.4,844,726/-
7	2025	06.12.2025	Rs.2,164,606/-



The above-mentioned refund claim is based on the tax deductions u/s.148(1) (on import of goods), u/s.236(1)(a) (on Cellphone bill) and u/s.236(1)(d) (Internet Bill), u/s.236K (on purchase of immovable property) of the Income Tax Ordinance, 2001 which are being claimed as adjustable taxes. The Department did not take cognizance of the refund application and failed to initiate any proceedings in that regard, hence this complaint.

3. The complaint was referred to the Secretary Revenue Division, Government of Pakistan for comments and hearing by the Departmental Representative (D.R.), in terms of Section 10(4) of the FTO Ordinance read with section 9(1) of the Federal Tax Ombudsman Institutional Reforms Act, 2013.

4. The Commissioner-IR, Refund Zone, CTO-II, Karachi submitted, which are placed on record stating therein as follows;

"Preliminary Submission;

3. *The complaint is barred by the jurisdiction of the honourable FTO in terms of section 9(2)(b) of the FTO Ordinance. As per clause (b) subsection (5) of Section 170 of the Ordinance, failure of the Commissioner IR to pass an order within time specified in subsection (4) of section 170 of the Ordinance is an appealable matter.*

4. *Without prejudice to the above, under section 170(2) of the Ordinance, an application for refund is required to be made within three years of the date on which the assessment order was issued*

(or deemed to be issued) or the date on which the tax was paid, whichever is later. The claims pertaining to the earlier tax years, particularly Tax Year 2019 onwards, are therefore, required to be examined for limitation, and any claim filed beyond the statutory period is not maintainable.

5. The complainant is admittedly an importer. The tax collected at import stage under section 148 of the Ordinance from a commercial importer constitutes final / minimum tax liability under section 148(7) of the Ordinance and is not refundable. The admissibility of the claimed refund, therefore, requires verification of the nature of tax deducted / collected and its treatment in the returns of income, and cannot be accepted merely on the basis of the refund applications.

Para-wise comments;

The mere filing of a refund application under Section 170 of the Ordinance does not automatically entitle the complainant to a refund. The claim is subject to examination, verification of record, and admissibility accordance with the provision of the Ordinance. The complainant has not even specified the year-wise amount of refund or the dates on which the respective applications were filed. Further, the claims for earlier tax years are subject to the limitation prescribed under section 170(2) of the Ordinance. In any case, non-disposal of a refund application within the time specified in section 170(4) is an appealable matter under section 170(5)(b) read with section 127 of the Ordinance, hence outside the jurisdiction of the Hon'ble FTO in terms of Section 9(2)(b) of the FTO Ordinance.

Matter of record to the extent of submission of letters. However, letters and reminders do not substitute for the documentary evidence required to establish the claim, i.e. copies of CPRs, Goods Declarations, withholding ta certificates and reconciliation of tax paid with the returns of income which have not been furnished.

The claims shall be processed and decided in accordance with law after verification of the tax deducted / collected and after providing an opportunity of being heard to the complainant as required under section 170(4) of the Ordinance. The pendency is attributable to non-furnishing of the requisite documents by the complainant and not to any maladministration on the part of the department.

The claim of financial and reputational damage is vague, unsubstantiated and denied. The delay, if any, is on account of the complainant's own failure to furnish the documents required for verification of the claim. Moreover, adequate statutory remedy of appeal is available to the complainant under the Ordinance."

5. Following preliminary objections have been raised by the department which are responded as under:-



Objections	Rebuttal
<i>The complaint is barred by the jurisdiction of the honourable FTO in terms of section 9(2)(b) of the FTO Ordinance.</i>	"None of the areas enlisted u/s 9(2)(b) will be adjudicated. However administrative excesses & highhandedness, extra-legal coercive measures and unexplainable delays beyond statutory timelines shall be highlighted as these acts of maladministration are normally not touched by appellate fora. Moreover, Section 9(2)(b) purely relates to <u>assessment of income or wealth determination of liability of tax or duty, interpretation of law, rules and regulations relating to such assessment, determination classification or valuation</u> <u>in respect of which legal remedies of appeal, review or revision are available under the Relevant Legislation.</u> However, matters relating to refund have not been listed at section 9(2)(b) of FTO Ordinance 2000. This exclusion is not an omission rather it reflects the intent of legislature which recognizes the sanctity of taxpayers' money. In view of this exclusion all refund cases involving maladministration u/s 2(3)(i)(a)(b)(c)(d)(ii)(iii)(d)(iv) and (v) are out of the ambit of section 9(2)(b) of FTO Ordinance, 2000 meaning thereby Complaints in such cases can be legally entertained & adjudicated by this forum.
Objections	Rebuttal
<i>As per clause (b) subsection (5) of Section 170 of the Ordinance, failure of the Commissioner IR to pass an order within time specified in subsection (4) of section 170 of the Ordinance is an appealable matter.</i>	<u>"In the cases of delay beyond statutory timelines the Taxpayer has been given to options: to file an appeal or lodge a Complaint because such delay has been categorized as an act of maladministration u/s 2(3)(ii) of FTO Ordinance, 2000.</u> <u>Fundamental rights under the Constitution of Pakistan ensure that citizens are dealt with in accordance with law, and the state cannot compel</u>



	a person to surrender a legal right unless authorized by an act of parliament. Therefore, FBR cannot force a citizen to abandon one lawful choice for another arbitrarily.”
Objections	Rebuttal
Withholding/Denial of refunds on technical grounds and time limitations: like the claim of refund is barred by time u/s 170 (2)(c).	Supreme Court of Pakistan has held in the case; • Pfizer Laboratories Limited VS Federation of Pakistan (PLD 1998 SC 64) that refund due to a taxpayer cannot be denied on any technical reason or time limitations and that said money is a trust which needs to be paid on demand. While passing above judgement the apex court has referred to article 24 of the constitution which provides that (1) <i>No person shall be compulsorily deprived of his property save in accordance with law.</i>



6. Both the parties attended the hearings and made submissions, which were considered and record perused.

7. FINDINGS:

- i. Departmental stance is justified that the complainant is admittedly an importer. The tax collected at import stage under section 148 of the Ordinance from a commercial importer constitutes final / minimum tax liability under section 148(7) of the Ordinance and is not refundable. The admissibility of the claimed refund, therefore, requires verification of the nature of tax deducted / collected and its treatment in the returns of income. Department may like to examine the GDs.
- ii. While tax deductions under different heads have been claimed, no deduction against electricity has been listed. How a manufacturing concern can operate without power.

- iii. Notwithstanding the above it has been established that the complainant filed refund application under Section 170 of the Income Tax Ordinance, 2001 for Tax Years 2019, 2020, 2021, 2022, 2023, 2024 & 2025, on 01.06.2020, 15.04.2021, 23.02.2022, 23.11.2022, 06.12.2023, 07.11.2024 & 06.12.2025 respectively. However, the Department did not process the said application of refund. Refund claims are required to be processed within sixty days from the date of filing of the application in terms of Section 170(4) of the Income Tax Ordinance, 2001.

It has been found that the concerned officer did not attend to the refund application with the diligence and attention required under the law and failed to act within the prescribed timelines. This omission amounts to "maladministration," as it constitutes neglect, inattention, delay, incompetence, inefficiency and ineptitude, in discharge of duties and responsibilities; as defined under Section 2(3)(ii) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

8. FBR to direct;
- (i) the Commissioner-IR, Refund Zone, CTO-II, Karachi to dispose of refund claimed for the Tax Years 2019 to 2025 in accordance with law after providing opportunity of being heard; and
 - (ii) report compliance within 30 days.

Dated: 27 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman