

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

COMPLAINT NOS. 15642, 15643 & 15647/LHR/IT/2026

Dated: 28.08.2026* RO, Lahore

Mr. Naseer Ahmad Baloch,
17-18KM Ferozpur Road,
Lahore.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Mr. Muhammad Jamil Bhatti, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative(s)	:	Mr. Fahad Azhar Butt, Advocate Mr. Usman Arif Khan, Advocate
Departmental Representative	:	Ms. Rafia Nawaz Ranjha, DCIR, RTO-II, Lahore (present online)
Date of Hearing(s)	:	15.09.2026, 29.09.2026, 08.10.2026 & 12.10.2026

FINDINGS

The above-mentioned complaints were filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against non-issuance of refund for Tax Years 2015, 2017 and 2018. All the complaints having similar issues involved, therefore, are being disposed of through a single consolidated order.

2. Briefly, the Complainant, an individual and Chief executive of "**M/s. Le Topical (Pvt) Ltd**, a well-known printing, offset publication, graphic design, and packaging company based in Lahore. The company is deriving income from the business of operating a printing press. The company imports for self-consumption in printing press. The complainant e-filed the returns of income for Tax Years 2015, 2017 and 2018 u/s 114(4) of the Income Tax Ordinance, 2001 (the Ordinance), which were deemed to be assessed u/s 120(1) of the

Ordinance, claiming a refund amounting to Rs.7.647 million, Rs.5.913 million and Rs.5.478 million. The Department disposed of refund applications of the complainant for tax years 2017 and 2018 vide orders u/s 170(4) of the Ordinance dated 12.08.2021 by rejecting refund applications. Being aggrieved the complainant filed appeals for tax years 2017 and 2018 before the CIR(A) who vide orders dated 06.07.2022 remanded back the case to the assessing officer with certain directions i.e. manufacturing status of the complainant should be verified, after providing proper opportunity of hearing to the complainant. Thereafter the complainant approached the department for issuance of refund in the light of CIR(A)'s orders dated 06.07.2022 for tax years 2017 and 2018. The complainant also e-filed refund application for tax year 2015 dated 22.02.2017. Nevertheless, the Deptt failed to pass orders under Section 170(4) of the Ordinance, within the stipulated time. Hence, these complaints.



3. The complaints were 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 Chief Commissioner-IR, RTO-II, Lahore vide letter dated 16.09.2026 forwarded parawise comments of the Commissioner-IR, Refund Zone, RTO-II, Lahore.

It has been contended that the assessment for **tax year 2015** was amended u/s 122(5A) vide order dated 30.06.2021 by creating demand Rs.226,670/- Being aggrieved, the complainant filed an appeal before the CIR(Appeals-III) Lahore against the order u/s 122(5A) of the Ordinance who remanded back the case vide order dated 22.08.2022. The assessing officer passed order u/s 124/122/5A) dated 19.06.2025 and created demand at Rs.226.670/-The complainant filed appeal

before CIR(A) against the order dated 19.06.2025 which is still pending for adjudication. As the matter being sub-judice before CIR (Appeals-III), therefore, complaint filed is liable to be dismissed under section 9(2)(a) of the Federal Tax Ombudsman Ordinance, 2000.

For tax year 2017, the refund application of the complainant was disposed of vide order u/s 170(4) of the Ordinance by rejecting the refund claimed of Rs.5.913 million dated 12.08.2021 which was challenged before the Commissioner Inland Revenue (Appeals-III), Lahore. The CIR(Appeals-III) Lahore remanded the matter to the assessing officer vide order dated 06.07.2022. However, no new refund application u/s 170(4) of the Ordinance is available in IRIS/E-FBR system. Therefore, refund cannot be processed for the tax year 2017 in the absence of online refund application.

For tax year 2018, the complainant claimed tax deductions u/s 148, 153(1)(a), 153(1)(b), 231A, 236C, 234 and 236(1)(a) of the Ordinance. The taxpayer failed to furnish proof of tax deductions claimed u/s 148, 236(1)(a), 234 and 236C of the Ordinance. Therefore, hearing notice u/s 170(4) of the Ordinance calling for payment proof as claimed above has been issued for compliance by 21.09.2026.

4. During the course of hearing, both the ARs and the DR reiterated their respective stance taken in the complaint and parawise comments, respectively. The AR of the complainant took the stance that the complainant was doing business as an individual, which was subsequently taken over by M/s. Le Topical (Pvt) Ltd., NTN # 4352738, all business assets were taken over by M/s. Le Topical



(Pvt) Ltd. The said private limited company falls under the jurisdiction of Unit-6, Zone-IV, CTO, Lahore. On 08.10.2026, the AR of the complainant has changed his stance, stating that he is doing business both as an individual / sole proprietor and is also drawing salary as Chief Executive of the above mentioned private limited company. There is ambiguity regarding the actual status of the business of the above-mentioned company. He also stated that sometimes Mr. Naseer Ahmad Baloch gets orders as sole proprietor processed by using the services of the company, M/s. Le Topical (Pvt) Ltd, as toll manufacturer. On 12.10.2026, the AR stated that complainant wants to withdraw the complaint for tax year 2017 in (C.No.15643/LHR/IT/2026)



5. Both the parties were heard and available record perused.

6. Perusal of record reveals that year wise position is discussed hereunder:-



TAX YEARS 2015

7. Record reveals that refund application under Section 170 was e-filed on 22.02.2017. Subsequently, assessment was amended under Section 122(5A) on 30.06.2021. Appeal filed, remanded on 22.08.2022. The department passed appeal effect order under Section 124/122(5A) of the Ordinance on 19.06.2025. Appeal against the same is pending adjudication before CIR(A)-III, Lahore. Since the issue of taxability and consequent refund is directly linked with pending appeal, proceedings before this Forum are barred under Section 9(2)(a) of the FTO Ordinance which prohibits investigation into a matter which is sub-judice before an appellate authority. No interference is warranted at this stage. **Complaint for Tax Year 2015 is not maintainable and stands disposed of accordingly.**

TAX YEAR 2017

8. Refund application amounting to Rs.5.913 million was e-filed on 14.12.2017 and rejected under Section 170(4) on 12.08.2021. The complainant filed appeal before CIR(A) who remanded back the case vide order dated 06.07.2022. Meanwhile, assessment was amended under Section 122(1) on 30.07.2021 creating demand of Rs.8.026 million. During hearing, the AR stated that the complainant wishes to withdraw complaint (C.No.15643/LHR/IT/2026 for Tax Year 2017). Accordingly, complaint for Tax Year 2017 stands disposed of as withdrawn.

TAX YEAR 2018

9. The return was filed along with refund application. Refund claims lodged on account of tax deducted under various provisions. Refund application was disposed of vide order u/s 170(4) rejecting refund of Rs.5.478 million dated 12.08.2021. The Complainant filed appeal before CIR(A)-III, Lahore who vide order dated 06.07.2022 remanded back the matter to assessing officer. Subsequently, deemed assessment was amended u/s 122(1) vide order dated 31.05.2024 by reducing refund to Rs.4.202 million. Department contended that complainant claimed deductions u/s 148, 153(1)(a), 153(1)(b), 231A, 236C, 234 and 236(1)(a) but failed to furnish proof u/s 148, 236(1)(a), 234 and 236C. Therefore, notice u/s 170(4) has been issued for compliance by 21.09.2026.

10. FINDINGS

- (i) As per Form-A record, M/s. Le Topical (Pvt) Ltd NTN#4352738 was incorporated on 22.12.2015. After incorporation, entire business assets, plant, machinery and printing press of sole proprietorship of Mr. Naseer Ahmad Baloch were taken over by said private limited company. The company is assessed to tax as separate legal entity in Unit-6, Zone-IV, CTO, Lahore.



- (ii) Goods Declarations (GDs) produced for claiming tax credit under Section 148 for Tax Years 2017 & 2018 are in name of M/s. Le Topical (Pvt) Ltd and not in name of individual complainant. Under Section 148, tax collected at import stage is adjustable only in hands of person in whose name goods are imported. Company and individual are two distinct persons. Tax credit of one person cannot be claimed by another. Individual cannot claim credit of tax paid by company being distinct legal entity.
- (iii) Refund claims filed by individual for Tax Years 2017 & 2018 amounting to Rs.5.913 million and Rs.5.478 million respectively comprise mainly tax deducted under Section 148, 153(1)(a), 153(1)(b) etc. After 22.12.2015 business was being run by (Pvt) Ltd company. Therefore, claim of refund on the basis of tax deducted u/s 148 at import stage in the name of company by individual after incorporation is legally untenable.
- (iv) For Tax Year 2015, refund application was e-filed on 22.02.2017. Assessment was amended under Section 122(5A) on 30.06.2021 creating demand of Rs.226,670/- . On appeal, CIR(A)-III remanded case on 22.08.2022. Appeal effect order was passed under Section 124/122(5A) on 19.06.2025 creating same demand. Appeal against said order is pending adjudication before CIR(A)-III Lahore. Refund entitlement is consequential to assessment. Since appeal for Tax Year 2015 is pending before CIR(A)-III Lahore, matter is sub-judice and barred under Section 9(2)(a) of FTO Ordinance, 2000. Complaint for Tax Year 2015 is not maintainable.
- (v) For Tax Year 2017, complainant vide statement dated 12.10.2026 requested withdrawal of complaint (C.No.15643/LHR/IT/2026). Same is disposed of as withdrawn.
- (vi) For Tax Year 2018, CIR(A)-III remanded matter on 06.07.2022 to verify manufacturing status. Appeal effect order has not been passed till date. Department to pass appeal effect order and speaking order under Section 170(4) after verification of manufacturing status, toll manufacturing claim and entitlement of tax credit under Section 148 where GDs are in the name of company.
- (vii) CTO and RTO-II Lahore to jointly examine the instant case of individual/Complainant along with the case of



M/S Le Topical (Pvt.) Ltd. Intricately tangled tax affairs of both need to be taken up so as to ensure proper taxation in both cases in accordance with law.

11. In view of the above no maladministration can be attributed towards the department as the Complainant himself appears to be the architect of whole confusion.

12. Investigation is closed and file consigned to record.

Dated:

27 OCT 2026

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

