THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

REVIEW PETITION

Dated: 09.06.2026* RO, Lahore

IN

COMPLAINT NO. 02924/LHR/ST/2026

M/s HNB Sons (Pvt) Ltd., ...Petitioner
Chianwali Grid Station, Near Pak Silk Mills,
G. T. Road, Eminabad More,
Gujranwala.

Versus

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

Dealing Officer	:	Mr. Ahmad Shuja Khan, Advisor
Authorized Representative	:	Mr. Waheed Shahzab Butt, AR
Departmental Representative	:	i. Mr. Munir Sadiq, CIR, Refund Zone, LTO, Lahore. ii. Mr. Amir Yasin, Deputy Director, I&I, Lahore iii. Mr. Abrar Akhtar, Deputy Director, I&I, Lahore
Date(s) of Hearing	:	**03.07.2026 & 14.07.2026**

ORDER-IN-REVIEW

The present Review Petition seeks review of the Findings dated 07.05.2026 whereby Complaint No.02924/LHR/ST/2026 was disposed of on the ground that the dispute had arisen out of investigation into an organized tax fraud and that the order of the learned Appellate Tribunal Inland Revenue (ATIR), forming the basis of the complainant's claim, had already been challenged by the Department before the Hon'ble Lahore High Court. The principal question requiring determination is whether the said Findings suffer from any error apparent on the face of the record warranting their review or recall. For the reasons recorded hereinafter, this Forum answers the question in the negative. The material subsequently brought on record, however, discloses a surviving

*Date of registration with FTO Secretariat administrative issue requiring examination within the jurisdiction of this Forum.

BACKGROUND:

2. The Review Petition initially came up for hearing on 03.07.2026. During the course of hearing, this Forum specifically inquired whether any criminal proceedings, including registration of an FIR, had ever been initiated in relation to the subject matter.

3. The learned Authorized Representative submitted that no such FIR had ever been registered. The learned Departmental Representative disputed the said submission and stated that investigation had, in fact, been conducted by the Directorate General, Intelligence & Investigation. The learned Departmental Representative, however, fairly stated that he was not in possession of the complete and updated record regarding the status of those proceedings.

4. Since contradictory factual assertions had emerged regarding a matter capable of objective verification from the official record, this Forum considered it inappropriate to proceed on the basis of either version. Accordingly, Interim Order dated 03.07.2026 was passed directing both parties to produce the relevant record, while the learned Advisor, FTO Secretariat, Lahore, was directed to obtain the complete record from the concerned authorities.

5. Pursuant thereto, the Department furnished the relevant record together with its report and the complainant also produced additional material. The parties were thereafter afforded further opportunity of hearing. The proceedings recorded in the Interim Order have been duly considered while deciding the present Review Petition.

WHETHER THE FINDINGS WARRANT REVIEW:

6. Having examined the original record together with the material subsequently brought on record, this Forum finds no error apparent on

the face of the Findings dated 07.05.2026 warranting their review or recall.

7. The Findings sought to be reviewed were rendered on the basis of the material then available before this Forum. Their correctness must necessarily be examined with reference to the factual record existing at that stage. Material subsequently brought on record pursuant to the Interim Order cannot, by itself, render those Findings erroneous where such material had not been placed before this Forum while deciding the original complaint.

EFFECT OF THE ADDITIONAL MATERIAL:

8. Although the Findings do not call for review, the additional material produced pursuant to the Interim Order has enabled this Forum to examine the controversy on a complete factual foundation. The record now available reveals the complete background of the investigation proceedings and further discloses that substantial payments were admittedly received from the complainant during the course of such proceedings.

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9. The material also discloses that a limited controversy survives regarding the accounting and treatment of those admitted payments while implementing the order of the learned Appellate Tribunal Inland Revenue and while processing the complainant's claim.

10. The proceedings leading to the Interim Order also reaffirm an important principle governing adjudication before this Forum. Parties are fully entitled to advance competing legal submissions. However, factual assertions placed before a statutory adjudicatory forum must remain accurate, complete and capable of verification from the official record. Where conflicting factual positions emerge regarding matters capable of objective verification, it becomes the duty of the Forum to satisfy itself regarding the correct factual position before proceeding further.

Proceedings before the Federal Tax Ombudsman can effectively serve their statutory purpose only where litigants, learned counsel and departmental representatives assist the Forum with complete fairness, accuracy and candour.

JURISDICTION OF THIS FORUM:

11. This Forum consciously refrains from expressing any opinion upon the questions of law presently pending before the Hon'ble Lahore High Court. Nothing contained in this Order shall be construed as expressing any opinion upon the merits of the proceedings pending before the Hon'ble Lahore High Court. All questions falling for determination therein shall remain subject to the exclusive jurisdiction and decision of the Hon'ble Lahore High Court. However, pendency of judicial proceedings does not relieve the Department of its continuing obligation to correctly account for payments admittedly received, faithfully implement appellate orders and ensure that no maladministration occurs in the discharge of its statutory functions. Examination of those limited administrative issues continues to fall within the jurisdiction conferred upon this Forum under the Federal Tax Ombudsman Ordinance, 2000.

OBSERVATION REGARDING THE REVIEW PETITION:

12. Before proceeding further, this Forum considers it necessary to observe that certain averments contained in the Review Petition employ language which is inconsistent with the standards of restraint and courtesy expected in pleadings presented before a statutory adjudicatory forum. Findings of this Forum may always be questioned through reasoned submissions founded upon facts and law. Personalised or intemperate expressions directed against the Forum neither advance the cause of a litigant nor assist the administration of justice. Such language is deprecated. It is expected that learned counsel and litigants alike shall maintain the highest standards of professional decorum while invoking the jurisdiction of this Forum.

CONCLUSIONS:

13. For the reasons discussed above, this Forum finds no error apparent on the face of the Findings dated 07.05.2026 warranting their review or recall. Those Findings correctly reflected the factual record available before this Forum at the time they were rendered.

14. The material subsequently brought on record has, however, disclosed a surviving administrative issue relating to the accounting and treatment of payments admittedly received from the complainant while implementing the order of the learned Appellate Tribunal Inland Revenue and while processing the complainant's claim. Examination of that limited issue falls within the jurisdiction of this Forum and neither amounts to adjudication upon, nor prejudices, the questions pending before the Hon'ble Lahore High Court.

15. The object of the Recommendations issued hereinafter is, therefore, neither to reopen the Findings dated 07.05.2026 nor to express any opinion upon the issues pending before the Hon'ble Lahore High Court. Their sole purpose is to ensure that the Department correctly accounts for payments admittedly received from the complainant and accords them their due treatment in accordance with law. Administrative accountability is a continuing obligation and remains amenable to examination by this Forum notwithstanding the pendency of judicial proceedings concerning other aspects of the dispute.

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16. **RECOMMENDATIONS:** Accordingly, while declining the prayer for review of the Findings dated 07.05.2026, this Forum, in exercise of the jurisdiction vested in it under the Federal Tax Ombudsman Ordinance, 2000, issues the following Recommendations for examination of the surviving issue of alleged maladministration:-

i. The Chief Commissioner Inland Revenue concerned shall undertake, or cause to be undertaken through an officer not below the rank of Commissioner Inland Revenue, a comprehensive examination of all payments admittedly received from the complainant during the investigation proceedings and determine whether due and proper effect has been given to each such payment while implementing the order of the learned Appellate Tribunal Inland Revenue and while processing the complainant's claim.

ii. While undertaking the aforesaid exercise, the competent authority shall make necessary verifications from all relevant records under the possession of the relevant departmental authorities to ascertain the nature of payments and their refundability under the relevant laws.

iii. The complainant shall be afforded an adequate opportunity of hearing before any decision is taken. The proceedings shall culminate in a reasoned speaking order dealing with all material submissions advanced by the complainant and the treatment accorded to each admitted payment.

iv. If, upon such examination, any omission, computational error or other instance of maladministration is found in accounting for, adjusting or otherwise dealing with the admitted payments, the same shall be re-visited strictly in accordance with law.

v. The above exercise shall be completed within sixty (60) days from the date of receipt of this Order. Compliance shall be reported to this Secretariat within fifteen (15) days thereafter.

17. The prayer for review of the Findings dated 07.05.2026 is declined. Nevertheless, in exercise of the jurisdiction vested in this Forum under the Federal Tax Ombudsman Ordinance, 2000, the Recommendations contained in para 16 above are issued to ensure that the surviving issue of alleged maladministration disclosed during the review proceedings is examined and resolved strictly in accordance with law.

18. The Review Petition stands disposed of accordingly.

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(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 15 JUL 2026

Approved for reporting