THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO.28347/KHI/IT/2025

Dated: 13.11.2025[*] RO, Karachi
(Tax Year 2014)

Mr. Malik Muhammad Kamran Aslam (Prop:) M/s. SKY HAWKS ...Complainant
NTN 3657742
26 Cargo Complex, Jinnah Terminal,
Karachi

Versus

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

Dealing Officer	:	Mr. Syedain Raza Zaidi, Advisor
Appraising Officer	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Safdar Khan, ITP
Departmental Representative	:	Nemo

FINDINGS / RECOMMENDATIONS

The complaint has been filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against recovery proceedings through bank attachment and non-issuance of refund for Tax Year 2014 by the Commissioner Inland Revenue, Refund Zone, RTO-II, Karachi.

2. Brief facts of the case are that the complainant is an AOP engaged in the business of services provider and is assessed to tax with Zone-III, RTO-II, Karachi. The complainant alleged that the Assessing Officer passed an order under Section 122(1) of the Income Tax Ordinance, 2001 for Tax Year 2014, dated 27.08.2018, and created a tax demand of Rs.19,191,237/-. The Department recovered tax demand amounting to Rs.5,274,596/-through Bank attachment.

[*] Date of registration with FTO Secretariat

3. Being aggrieved by the action of the Department, the complainant filed an appeal before the Commissioner Inland Revenue (Appeals-V), Karachi, who, vide Order-in-Appeal No. 22 dated 12.02.2019, annulled the impugned order with directions to re-examine the issues after providing a reasonable opportunity of being heard, as required under the law. Subsequently, the concerned officer de-attached the bank account. However, the Department failed to comply with the directions of the Commissioner Inland Revenue (Appeals) by neither passing the appeal effect order under section 124 of the Income Tax Ordinance, 2001, nor issuing the refund recovered through bank attachment. Hence, the instant complaint has been filed.

4. 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 Ombudsmen Institutional Reforms Act, 2013.

5. The Chief Commissioner-IR, RTO-II, Karachi forwarded Para-wise comments vide C.No.CCIR/SO-IV/FTO-28347/KHI/IT/RTO-II/KHI/2025/5583 dated 10.12.2025 as submitted by the Commissioner IR, Refund Zone, RTO-II, Karachi vide letter dated 08.12.2025, which are placed on record, stating in the comments as follows:-

> *"The case of the taxpayer has been examined and it is found that no refund application has been filed by the taxpayer and no credit of recovered demand has been given vide appeal effect order dated 24-Nov-2025 issued u/s.124/129 of the Income Tax Ordinance, 2001 by the concerned unit officer.*
>
> *3. Brief fact of the case are as under:-*
>
> *i. An order u/s.122 of the ITO, 2001 was issued dated 27-Aug-2018 creating demand of Rs.19,191,237/- and recovery of Rs.5,324,497/- verified from IRIS payment details.*

> ii. *Subsequently, the taxpayer filed appeal before Commissioner Appeals. The Hon'ble CIR(A) annulled the case vide Order No.22 dated 12.02.2019.*
>
> iii. *The appeal effect was given in accordance with the directions of CIR(A) vide letter dated: 24-Nov-2025.*
>
> iv. *However, the demand so recovered from the taxpayer was not incorporated in the appeal effect, therefore, no refund of amount recovered is generated in the refund ledger of the taxpayer. The ledger balance of the taxpayer shows refund of Rs.414/- as per original deemed assessment filed by the taxpayer dated: 19-Nov-2014.*
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> *Therefore, in the light of above the case may be referred to the concerned unit for further necessary action."*

FINDINGS:

6. The Departmental Representative failed to appear in multiple hearings scheduled on 28.11.2025, 05.12.2025, and 12.12.2025 to present his stance or furnish supporting documents relating to the issues raised in the complaint. As the matter could not be kept pending indefinitely, the case was reserved for orders on 12.12.2025. The available record was therefore examined and the matter decided accordingly.

7. After conducting the investigation and examining the record available, it has been established that the Commissioner Inland Revenue (Appeals-V), Karachi, passed Order-in-Appeal vide No. 22 dated 12.02.2019. However, the Respondent Department discharged its official obligation by issuing the appeal effect order on 24.11.2025, after a lapse of more than six years, without allowing credit for the amount forcibly recovered through bank attachment.

8. The anxiety and hardship suffered by the taxpayer are natural, as despite the lapse of a considerable period, their request for issuance of the appeal effect order was not diligently attended to by the Department. Such prolonged inaction on the part of the

Department and the concerned officers in the discharge of their official duties constitutes "maladministration".

RECOMMENDATIONS:

9. FBR to direct:

(i) Chief Commissioner RTO II Karachi to;

a. **fix the responsibility**, after looking into the unjustified delay in allowing appeal effect, after 6 years, violating the relevant provisions of law and only after the intervention of this forum;

b. **take cognizance** of non compliance of notices issued by this forum on 28.11.2025, 05.12.2025, and 12.12.2025; asking the department to present its stance.

(ii) the Commissioner-IR, Zone-III, RTO-II, Karachi to rectify appeal effect order, allowing the credit of tax forcibly recovered through bank attachment.

(iii) the Commissioner-IR, Refund Zone, RTO-II, Karachi to immediately dispose of refund claim for the Tax Year 2014, in accordance with the law and after giving proper hearing; and

(iv) report compliance within 45 days.

Federal Tax Ombudsman Secretariat HQs Islamabad FTO

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 30 DEC 2025
Azeem

Approved for reporting