THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO.28493/LHR/CUST/2025

Dated: 17.11.2025 * RO Lahore

M/s Taiga Apparel (Pvt) Ltd,
22-KM, Ferozepur Road, 4-KM,
Roahi Nala, Lahore. ... Complainant

Versus

The Secretary,
Revenue Division,
Islamabad ... Respondent

Dealing Officer	:	Ms. Samaira Nazir Siddiqui, Advisor
Appraising Officer	:	Dr. Arslan Subuctageen, Advisor
Authorized Representative	:	Syed Mehtab Haider Kazmi, ACA
Departmental Representative	:	Ms. Sobia Azam, Deputy Collector

Federal Tax Ombudsman Secretariat HQs FTO Islamabad

FINDINGS

This Complaint was filed against the Collector, Collectorate of Customs, Appraisement-East Mughalpura Dryport Lahore, in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), for correction of clerical error in accordance with section 155R of the Customs Act, 1969.

2. Brief facts of the case are that the taxpayer is engaged in the manufacturer and export of garments under the Export Facilitation Scheme (EFS) and has, in fact, affected substantial exports of garments as acknowledged by the Directorate of Post Clearance Audit (PCA). The alleged discrepancy arose solely due to an inadvertent clerical error whereby certain Export GDs were mistakenly filed under the Commercial Exports head instead of the EFS tab, without any malafide intent or misappropriation of EFS goods. The taxpayer promptly approached the Collectorate of Customs under section 155R of the Customs Act, 1969, for rectification of this clerical error and furnished complete documentary evidence, including consumption reports and export GDs. Despite the

*Date of registration in FTO Sectt.

clear statutory mandate under section 155R to correct such errors apparent on the face of record, the Customs Department failed to discharge its obligatory responsibility, resulting in undue hardship to the taxpayer.

3. The Complaint was referred to Secretary, Revenue Division, for comments, 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 Collector, Collectorate of Customs, Appraisement-East Mughalpura Dryport Lahore, vide letter dated 01.12.2025 stated that the impugned actions of the Collectorate were taken strictly in accordance with the relevant provisions of law, rules, and prescribed procedure after providing due opportunity to the EFS user. The cancellation of EFS authorization, issuance of show cause notice, and subsequent audit and recovery proceedings were carried out within the lawful jurisdiction and based on documented discrepancies duly established by the Directorate of Post Clearance Audit (Central), Lahore. Therefore, the matter does not attract the definition of maladministration as envisaged under Section 2(3)(ii) and Section 2(3)(iii)(d) of the Federal Tax Ombudsman Ordinance, 2000, and the complaint is liable to be dismissed as not maintainable.

4. During the hearing held on 18.12.2025, Syed Mehtab Haider Kazmi, ACA, Authorized Representative (AR) of the complainant, and Ms. Sobia Azam, Deputy Collector, (DR) appeared before the forum. The Authorized Representative reiterated the grounds of the complaint and emphasized that the pending application filed under Section 155R of the Customs Act, 1969 be decided on merits. In response, the Deputy Collector contended that the said application was an afterthought, as not 1 but 1,408 consignments had been exported outside the EFS regime.

5. Perusal of the record shows that the complainant is engaged in the

manufacture and export of garments under the Export Facilitation Scheme (EFS) and has admittedly made substantial exports. The discrepancy pointed out by the Department has been countered by the Complainant to be an inadvertent clerical error, whereby 1408 export Goods Declarations were mistakenly filed under the Commercial Exports head instead of the EFS head.

Findings:

6. In view of supra, it is evident that the Complainant has not approached this forum with clean hands and has tried to hoodwink and misguide the Deptt of Customs as well as this office by claiming EFS benefit in 1408 export GDs claiming an illegal benefit of Rs.1.9 billion in the short paid duty and taxes as calculated vide Audit Findings EFS-LEXP-3687342-259 dated 27.06.2023 issued by the PCA Deptt, Lahore. No maladministration can be attributed towards the Directorate of Post Clearance Audit, Lahore or the Collectorate of Customs (Appraisement-East), Lahore, which proceeded as per law, however, the malafide, mens rea and tainted approach of the Complainant is evident for which Complainant is imposed upon with a penalty of Rs.01 million under the provisions of Section 22(2) of the FTO Ordinance, 2000, which should be got deposited in the official head of account of the Collector of Customs (Appraisement-East), Lahore, within a period of 30 days failing which the Collector would be at liberty to initiate recovery proceedings under the provisions of Section 202 of Customs Act, 1969. File consigned to record.

Federal Tax Ombudsman Secretariat HQs Islamabad FTO

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 29 JAN 2026

Approved for referral