THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO.29523/HYD/ST/2025

Dated: 09/12/2025* R.O. Hyderabad

Mr. Zaman Zeb Jatoi,
CNIC# 41303-2362189-9
House No. 108,
Defence Officer Housing Society,
Phase-I, Hyderabad. ...Complainant

Versus

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

Dealing Officer	: Mr. Mohammad Farooq Azam, Advisor
Appraising Officer	: Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	: Mr. Zaman Zeb Jatoi, Advocate
Departmental Representative	: Mr. Naib Ali Pathan, CIR, RTO, Hyderabad
Date of hearing	**: 23.06.2026**

FINDINGS

The above-mentioned application has been filed against Mr. Naib Ali Pathan, Commissioner IR, Zone-I, RTO Hyderabad, under section 12(1) of the Federal Tax Ombudsman Ordinance, 2000 ("FTO Ordinance"), alleging that Mr. Naib Ali Pathan, Commissioner-IR, Zone-I, RTO Hyderabad, despite being fully aware of the earlier lawful recommendations of this forum, has willfully, deliberately and with malafide intentions neglected the compliance, thereby committing contempt of this Honourable Forum.

2. In summary, the complainant, Mr. Zaman Zeb Jatoi, bearing CNIC number 41303-2362189-9, had filed a complaint with this forum vide complaint No. 11621/HYD/ST/2024 wherein this forum had made the following recommendation:

"(i) The Commissioner to take up the de-registration

* **Date of registration in FTO Secretariat**

application of the complainant and complete its process, as per facts of the case and as per law; and
(ii) Report compliance within 60 days."

The Complainant vehemently agitated;

i. That Mr. Naib Ali Pathan, Commissioner-IR, Zone 1I RTO Hyderabad, despite being fully aware of the above lawful recommendations, has failed to comply with the above recommendation till date.

ii. That the Contemnor/Opponent has also deliberately disregarded and disobeyed:

   (a) The order dated 15-01-2024 passed by the Appellate Tribunal Inland Revenue, Karachi;

   (b) The order dated 29-03-2019 passed by the Commissioner Inland Revenue; and

   (c) Various other lawful directions issued for de-registration of the Complainant as a registered person under the Sales Tax Act, 1990.

iii. That despite all above the Complainee officer has caused the name of the Complainant to be included in the Final Challan dated 10-05-2025 in F. I. R No.03 of 2023 after a delay of 19 months, in clear violation of:

   - *Notification No.4(10)Rev.Bud/2020-Vol-II/17297-12 dated 04-02- 2022 issued by the Secretary (Revenue Budget); and*
   - *(ii) Section 16(c) of the Federal Tax Ombudsman Ordinance, 2000, which prohibits any act that: "tends to prejudice the determination of a matter pending before the Federal Tax Ombudsman.".*

iv. That the Complainee officer through his subordinate officers, has issued two notices under Rule 11 of the Sales Tax Rules, 2006 read with Section 21(1) of the Sales Tax Act, 1990, dated 08-10-2025 and 28-10-2025 respectively, with the sole object of harassing and pressurizing the Complainant.

v. That the Complainant has duly replied to both the aforesaid notice within the prescribed time. It is pertinent to mention that pursuant to the order of the Appellate

Tribunal IR dated 15.01.2024 and subsequent notice dated 14.02.2024 issued by the DC-IR, the complainant had already submitted all requisite documents for deregistration. Nevertheless, due to non-access to FBR portal, the complainant was unable to file the final sales tax returns, and this fact was communicated in writing vide letter dated 21.02.2024.

3. The complaint was referred to the 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 department submitted comments on 05.01.2026 that the RP was registered for Sales Tax bearing STRN-0101999907473 dated 12.03.2009. Ever since the registration, the taxpayer has not filed any return. For the following tax periods, the RP declared huge purchases and input tax.

Date of filling return	Tax Period	Domestic Purchase	Sum of Input
	202003	190,660,807	32,422,122
23.09.2020	202004	21,522,798	3,660,235
	202005	22,643,597	3,851,840
	202006	29,419,722	5,002,612
	202007	34,215,348	5,818,980
10.29.2020	202008	24,861,707	4,228,830
	202009	29,821,847	5,071,345
11.30.2020	202010	40,648,310	6,912,206
28.12.2020	202011	42,877,937	7,290,831
	202012	48,663,136	8,276,543
3.03.2021	202101	450,825,397	76,643,262
19.05.2021	202102	161,833,292	27,513,502
29.05.2021	202103	192,781,549	32,775,235
	202104	39,490,916	6,716,002
16.09.2021	202105	32,460,991	5,520,967
	202106	39,572,448	6,7292,32
	202107	39,738,521	5,955,923
10.06.2021	202108	44,371,785	6,436,036
12.06.2021	202109	48,840,561	6,191,038
	202110	47,867,938	4,155,731

08.02.2022	202111	69,549,008	3,568,482
24.02.2022	202112	56,614,631	3,453,197
12.04.2022	202201	66,530,008	2,184,405
14.05.2022	202202	62,833,896	71,452
	202203	73,037,523	83,732
13.06.2022	202204	283,073,523	3,540,975
11.08.2022	202205	72,718,846	57,841
22.08.2022	202206	530,848,828	55,309,108
Grand Total		**2,798,324,266**	**329,441,664**

The RP, having been suspected of involvement in the issuance of fake and fraudulent sales tax invoices resulting in substantial loss to the national exchequer, was implicated through the registration of FIR No. 03 of 2023. During the pendency of the said criminal proceedings, the RP, upon apprehending imminent legal consequences, manipulatively submitted an application for de-registration, evidently with the intent to frustrate ongoing inquiry and evade statutory liabilities. The said de-registration application could not be processed, as the RP failed to fulfill mandatory statutory prerequisites, including payment of penalties accrued due to persistent non-filing of sales tax returns.

Department further stated that the order of the Hon'ble FTO dated 21.02.2025 concurred with the Department's stance and categorically held that matters relating to criminal prosecution fall outside the jurisdiction of the FTO. Subsequently, the complainant filed a Review Petition, which was decided on 23.07.2025, whereby the department was directed to proceed with the de-registration process strictly in accordance with law. In compliance with the aforesaid directions, a de-registration audit was conducted by the DCIR, culminating in the letter ACIR-Unit-III/Z-I/RTO/HYD/25/301 dated 17.12.2025. The findings and recommendations of the audit report were duly confronted to the RP through SCN No.CIR/Z-/RTO/HYD/2025-26/1316 dated 19.12.2025. Moreover, the

Department maintains a strong and arguable position that the RP manipulated the filing of the de-registration application merely as a diversionary tactic, aimed at shielding himself from the inquiry initiated on the instance of the Directorate of Intelligence and Investigation, Inland Revenue, Hyderabad, vide letter No.1253 dated 05.10.2022. The purported de-registration application was thus a smokescreen to camouflage his involvement in tax fraud. Consequently, the computation of penalty amounting to Rs.1,215,000/- for consecutive non-filing was lawful, justified, and correctly determined. With respect to the RP's reliance on the judgment in Taj International (Pvt) Limited, his contention is misplaced and devoid of substance. Notably, the RP does not deny his involvement in the alleged offence; nevertheless, so long as the RP continues to stand accused in FIR No. 03 of 2023, the question of finalizing his de-registration, inter alia, cannot be entertained under the law.

4. The hearings were conducted and during the proceedings, both parties reiterated their respective written positions.

FINDINGS:

5. Examination of record reveals the following;

   i. Reportedly RP was registered for Sales Tax bearing STRN-0101999907473 dated 12.03.2009.

   ii. Criminal prosecution proceedings against the Complainant were initiated on the basis of report issued by Directorate of Intelligence and Investigation, Inland Revenue, Hyderabad, vide letter No.1253 dated 05.10.2022.

   iii. It is on record that the RP, having been suspected of involvement in the issuance of fake and fraudulent sales tax invoices resulting in substantial loss to the national exchequer, was nominated in FIR No. 03 of 2023.

iv. As far as findings & recommendations of this office issued in Review Petition, decided on 23.07.2025, the department was directed to proceed with the de-registration process strictly in accordance with law. In compliance with the aforesaid directions, a de-registration audit was conducted by the DCIR, culminating in the letter ACIR-Unit-III/Z-I/RTO/HYD/25/301 dated 17.12.2025. The findings and recommendations of the audit report were duly confronted to the RP through SCN No. CIR/Z-/RTO/HYD/2025-26/1316 dated 19.12.2025. Thus, no defiance is visible.

v. Departmental contention that "so long as the RP continues to stand accused in FIR No. 03 of 2023, the question of finalizing his de-registration, inter alia, cannot be entertained under the law", carries weight. A matter which is subjudice at a competent court of law the department cannot be directed to take an action which may adversely impact its case under litigation.

vi. <u>Allegations levelled against the Complainee officer remained unsubstantiated therefore no adverse inference is drawn.</u>

6. In view of above no maladministration is evident therefore investigation is closed and case files are consigned to record.

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 08 JUL 2026
Azeem

Approved for Registry.