

**THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

COMPLAINT NO. 04524/LHR/IT/2026

Dated: 07.03.2026* RO, Lahore

Syed Muhammad Raza Naqvi,
W-850 DHA Cantt,
Lahore.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Mr. Muhammad Jamil Bhatti, Advisor
Appraised by	:	Mr. Khalid Javed, Advisor
Authorized Representative	:	Mr. Zaka Ullah, ITP
Departmental Representative	:	Ms. Anum Ilyas, DCIR, RTO, Lahore
Date of Hearing(s)	:	04.06.2026 & 09.06.2026

FINDINGS/RECOMMENDATIONS

The above-mentioned complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against non-issuance of refund for Tax Year 2025.

2. Briefly, the Complainant, an individual, non-resident, e-filed the return of income for Tax Year 2025 u/s 114(1) of the Income Tax Ordinance, 2001 (the Ordinance), which was deemed to be assessed u/s 120(1) of the Ordinance, claiming a refund amounting to Rs.1.386 million. The refund arose on account of tax deducted under sections 151 and 236C of the Ordinance. According to the AR of the Complainant, refund application, under sub-section (4) of Section 170 of the Ordinance, was e-filed for tax year 2025 on 23.12.2025. However, the Deptt failed to pass an order under Section 170(4) of the Ordinance, within the stipulated time. Hence, this complaint.

*Date of registration with FTO Secretariat



3. The complaint was 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, Lahore vide letter dated 08.06.2026 forwarded parawise comments of the Commissioner-IR, Refund Zone, RTO, Lahore. It has been contended that complainant submitted online application for issuance of refund amounting to Rs.1.386 million against tax deductions u/s 151 and 236C of the Ordinance for tax year 2025. The complainant failed to attach the complete proof of tax deductions u/s 236C (i.e sale and purchase deeds of property) along with refund application. Therefore, notice u/s 170(4) of the Ordinance has been issued to the complainant for compliance by 15.06.2026 for submission of complete documentary evidence.

4. During the course of hearing, both the AR of the Complainant and the DR reiterated the stance taken in the complaint and parawise comments respectively. The case was adjourned till 09.06.2026 on the request of the AR for filing supporting documents. On 09.06.2026, the AR submitted that supporting documents relating to the non-resident status of the complainant and purchase/sale of property had been filed.

5. Both parties heard and available record perused.

6. Admittedly, the Complainant e-filed refund application for tax year 2025 on 23.12.2025. In terms of Section 170(4) of the Ordinance, the Deptt was required to dispose of refund applications, either way, within 60 days of the filing, after providing an opportunity of hearing. It is a matter of record that the Department did not take any action on the refund application and no effort was made to



resolve the issue, resultantly statutory time of sixty days got lapsed. Thus, failure of the Deptt to dispose of Complainant's refund application for Tax Year 2025 within the time stipulated in terms of Section 170(4) of the Ordinance is established.

FINDINGS:

7. Delay in processing of refund application for Tax Year 2025 is established. This delay is manifestation of departmental neglect, inaction and ineptitude in discharge of its duties and the same tantamount to maladministration in terms of Section 2(3)(ii) of FTO Ordinance, 2000.

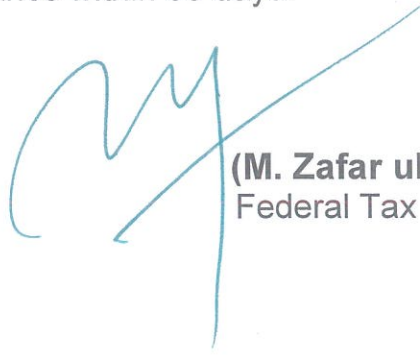
RECOMMENDATIONS:

8. FBR to:-

- (i) direct the Commissioner-IR, Refund Zone, RTO, Lahore to dispose of refund application of the Complainant for Tax Year 2025 after providing opportunity of hearing to the Complainant, as per law; and
- (ii) report compliance within 30 days.

Dated:
U.f

18 JUN 2026



(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

