

**BEFORE  
THE FEDERAL TAX OMBUDSMAN  
ISLAMABAD**

**Complaint No.1830/LHR/ST/2022**

Dated: 14.05.2022 \* RO Lahore

**M/s Tazij Meats & Food,**  
3.5 Raiwind Manga Road,  
Lahore

... Complainant

**Versus**

The Secretary,  
Revenue Division,  
Islamabad.

... Respondent

Dealing Officer	: Dr. Sarfraz Ahmad Warraich, Advisor
Appraising Officer	: Mrs. Sarwat Tahira Habib, Sr. Advisor
Authorized Representative	: Mr. Shoaib Ahmad, Advocate
Departmental Representative	: Ms. Aima Chaudhry, ACIR, RTO Lahore

**FINDINGS/RECOMMENDATIONS**

The Complaint was filed against Chief (Projects/Refunds) FBR, Islamabad and Chief Commissioner-IR, RTO Lahore, in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), for not extending the period for re-filing/reprocessing of refund claims, for the months of July 2019 to 2021, and delay in roll back of Complainant's refund claims.

2. Precisely, facts of case, as narrated in Complaint, are that Complainant, engaged in business of manufacturing/processing of meat and its allied products and consequently against 100% export, filed refund claims, amounting to Rs.46.723 million, through e-filing, since July 2019 to onward, u/s 10 of the Sales Tax Act, 1990. However, refund claims were not separately filed through e-filing/online System. Complainant, vide letter dated 08.03.2022, followed by reminder dated 09.05.2022, approached FBR for allowing permission for filing Annexure-H but to no avail. Complainant, vide letter dated 08.03.2022 requested CCIR, RTO Lahore for revision of Sales Tax Return,

\*Date of registration in FTO Sectt.

condonation of time limit u/s 74 of the Sales Tax Act, 1990 and to reopen Annexure-H for resubmission of deferred refund claims. In support of his contention, he referred to FTO's decision in C.No.0151/ISB/ST/2022 dated 17.01.2022 titled M/s Volka Food International versus FBR. Complainant prayed that CCIR, RTO Lahore be directed to process Complainant's request for extending time period with regard to online filing of claims in question. Further, Chief (Projects/Refunds), FBR be directed to roll back claims referred above and CCIR also be directed to process refund claims.

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, Department, vide letter dated 15.06.2022, submitted parawise comments, stating therein that, in case of claims, arising from zero-rated supplies including exports, claimant is enabled to submit return without Annex H and the same could be filed separately at any time but not later than one hundred and twenty days of submission of the return without Annex-H. The date of submission of Annex-H is to be considered as the date of filing of refund claim. Application dated 08.03.2022, received in RTO office on 10.05.2022, was not accompanied with complete refund documents. Therefore, a notice was issued, vide letter No. 408 dated 09.05.2022, followed by reminders, for provision of short documents/ information by 20.05.2022 but no reply has been received till now. Complainant had to maintain and keep documents, relating to refund claim, such as invoices, credit notes, debit notes, goods declarations, bank credit advice, banking instruments etc. and to submit the same, along with refund application, to concerned field formation, if required. Refund claimant could claim such refund within a period of 120-days which could be further extended by not more than sixty days, by Commissioner having

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jurisdiction, if the claimant justifies delay in submission of claim. Further, Complainant has to approach FBR for allowing condonation to revise sales tax return and re-submit/revise Annexure-H under Section 74 of The Sales Tax Act, 1990. However, to ascertain genuineness and admissibility to roll back Sales Tax refund claims, revision of sales tax return, condonation of time limit and to reopen Annexure-H of refund claim, Complainant, vide letter No.408 dated 09.05.2022, was requested to provide requisite documents, but no reply has been received till now. Department prayed for dismissal of Complaint.

4. Both AR/DR attended hearing and reiterated what had been submitted in written Complaint and parawise comments. DR reiterated that, in case of exports, Complainant could submit his return without Annex-H but same had to be filed but not later than 120 days of submission of return without Annex-H. Date of submission of Annex-H was to be considered as date of filing of refund claims. DR further states that Complainant's application dated 08.03.2022, was received on 10.05.2022 but was not substantiated with complete refund documents. Therefore, a notice dated 09.05.2022 was issued, followed by reminder for provision of short documents/information by 30.05.2022 but no reply has been received till date. DR further asserts that since condonation is to be allowed by FBR, Complainant has to approach said authority for allowing condonation to revise Sales Tax Return/resubmission/ revision of Annex-H u/s 74 of the Sales Tax Act, 1990. From submitted Complaint, it is evident that Complainant had already approached FBR on 08.03.2022, followed by reminder dated 09.05.2022, for allowing permission for filing of Annex-H. AR produced copy of FBR's letter dated 16.05.2022, wherein it was advised that processing of roll back of refund claims, condonation of Annex-H and revision of Annex-H fell under the purview of concerned field office and that FBR will process such request on receipt of written

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recommendations/approval of concerned field formations.

5. Arguments of both sides heard and available record perused.

**Findings:**

6. It is evident that FBR, vide letter dated 16.05.2022, advised Complainant to approach RTO Lahore for redressal of his grievance regarding delay in expeditiously processing of his application for roll back of refund claims, condonation of time limit, revision of Annex-H and consequently processing of refund claims. It is evident that inordinate delay in disposal of Complainant's referred request has occurred which is tantamount to maladministration, in terms of Section 2(3)(ii) of the FTO Ordinance, 2000.

**Recommendations:**

7. FBR to direct-

- i) Chief Commissioner-IR, RTO, Lahore to process Complainant's request in question, as per law, and send recommendations to Chief (Projects/Refunds), FBR for further action;
- ii) Chief (Project/Refund) FBR to roll back claims in question; once recommendations from RTO Lahore are received;
- iii) Chief Commissioner-IR, RTO Lahore to reprocess claims, as per law; once these are rolled back by Chief CSTRO; and
- iv) report compliance within 45 days.

(Dr. Asif Mahmood Jah)  
(Hilal-i-Imtiaz)(Sitara-i-Imtiaz)  
Federal Tax Ombudsman

Dated: 13.7.2022

K.A/gg

*Approved for reporting*