THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO. 01712/LHR/IT/2026
Dated: 26.01.2026* RO, Lahore

Mr. Noor Muhammad Bhatti,
Ward No.01, Near Bajwa Hospital,
Kahna Nau, Lahore.

...Complainant

Versus

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer	:	Mr. Muhammad Jamil Bhatti, Advisor
Appraised by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Abdul Waheed Shakir, Advocate
Departmental Representative	:	Ms. Anum Ilyas, DCIR, RTO Lahore
Date of Hearing	:	27.04.2026 & 24.06.2026

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 2024.

2. Briefly, the Complainant, an individual, e-filed the return of income for Tax Year 2024 u/s 114(6) of the Income Tax Ordinance, 2001 (the Ordinance), which was deemed to be assessed u/s 122(3) of the Ordinance. The complainant filed refund application for Tax Year 2024 amounting to Rs.1.089 million with all mandatory documents including a duly sworn affidavit, which was available on record. However, the department rejected the application on the ground of "non-submission of affidavit" despite having issued refund for T.Y 2023 to the same complainant on identical facts and supporting documents. No show cause notice or opportunity of hearing was provided. The complainant thereafter filed application under section 170 dated 02.09.2025, which remain unattended. The

*Date of registration with FTO Secretariat matter involves alleged maladministration and violation of principles of natural justice. However, the Deptt failed to pass an order under Section 170(4) of the Ordinance, within the stipulated time. Hence, this complaint.

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 02.03.2026 forwarded parawise comments of the Commissioner-IR, Refund Zone, RTO Lahore stating therein that the notice u/s 170(4) of the Ordinance was issued to the complainant to provide documents to determine the admissibility of refund for compliance by 21.07.2025. In response to the notice, the complainant submitted copies of an affidavit and electricity bills. The certificate and copies of bills are not on the name of the claimant. Moreover, the affidavit provided by the complainant to this effect is invalid not being original. Further stated in the parawise comments, that the refund applications filed by the complainant have already been processed vide orders u/s 170(4) of the Ordinance dated 01.08.2025. The complainant has the option of legal remedy in the forum of appeal before CIR(Appeals) as provided u/s 127 of the Ordinance against the rejection of refund application u/s 170 of the Ordinance. The jurisdiction of Hon'ble FTO is barred as per the provisions of section 9(2)(b) of the FTO Ordinance, 2000. Hence, the complaint may be disposed of and the complainant may be directed to file appeal before the competent forum.

4. **Preliminary objection u/s 9(2)(b):**

Objection	Rebuttal

That the matter is an appealable therefore in terms of section 9(2)(b), FTO Ordinance, 2000 FTO doesn't hold jurisdiction because legal remedy is available.	i. The contentious matter in the instant case neither relates to assessment of income or wealth nor to determination of liability of tax or duty, in respect of which legal remedies are available under the Relevant Legislation. **It relates to refund i.e. taxpayer money which has not been listed at section 9(2)(b) of FTO Ordinance, 2000.** ii. In the cases wherein the aggrieved Taxpayer has been given two or more options: to file an appeal or lodge a Complaint before FTO (on a/c of maladministration) ffundamental rights under the Constitution of Pakistan ensure the state cannot compel a person to surrender a legal right unless authorized by an act of parliament. Therefore, FBR cannot force a citizen to abandon one lawful choice for another arbitrarily.

In view of above departmental objection is being overruled, assuming the jurisdiction of instant Complaint for adjudication under FTO Ordinance, 2000.

5. Both parties heard and available record perused. 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.

FINDINGS:

6.

i. Record reveals that the complainant filed refund application for tax year 2024 alongwith a duly sworn affidavit, which was already available on the department's record. Despite this, the refund was rejected on the hyper-technical ground of ***"non-submission of affidavit".***

ii. It is also on record that refund for Tax Year 2023 was issued by the same officer on identical documents, which establishes inconsistency and arbitrary treatment.

iii. No opportunity of hearing was provided to the complainant before rejection, in violation of the principles of natural justice.

iv. It is worth mentioning that the department has the mechanism to conduct ground check to find out the user or verify the particulars of actual consumer from DISCO. Without such homework rejection of deduction claim u/s 235 is departure from norm, arbitrary, unjust and oppressive.

Thus, departmental action of rejection of the claim of a verifiable deduction clearly tantamounts to maladministration in terms of section 2(3)(i)(a) & (b) of FTO Ordinance, 2000.

RECOMMENDATIONS

7. FBR to direct:-

(i) the Commissioner-IR Refund Zone, RTO, Lahore to revisit the impugned refund rejection order and dispose of refund claim for tax year 2024, after providing opportunity of hearing to the complainant, as per law; and

(ii) report compliance within 30 days.

(M. Zafar ul Haq Hijazi)
Federal Tax Ombudsman

Dated: 27 JUL 2026

Azeem

Approved for reporting