BEFORE
THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

COMPLAINT NO. 0166/MLN/IT/2022
Dated: 18.01.2022* R.O. Multan

M/s Sheikh Bashir Cold Storage
&Ice Factory, near Sabzi Mandi,
Bypass Road, Layyah. ... Complainant

Versus

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

Dealing Officer	:	Dr. Khalil Ahmad, Advisor
Appraisal by	:	Mr. Muhammad Tanvir Akhtar, Advisor
Authorized Representative	:	Mr. Riaz Ahmad Raja, ITP
Departmental Representative	:	Syed Nadeem Akhtar, IRAO RTO, Multan

FINDINGS/RECOMMENDATIONS

The complaint was filed under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) against undue delay in issuance of refund for Tax Year 2020.

2. Precisely, the Complainant, an individual, deriving income from Ice Factory, e-filed return of income for Tax Year 2020 under Section 114(1) of the Income Tax Ordinance, 2001 (the Ordinance), claiming refund amounting to Rs.0.206 million. The refund arose on account of tax deducted on electricity bills under Section 235 of the Ordinance. The Unit Officer disposed of Complainant's refund application under Section 170(4) of the Ordinance vide order dated 28.10.2021, determining refund amounting to Rs.0.174 million. However, despite considerable lapse of time, the Deptt failed to transfer the refund amount to the Complainant's bank account.

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* Date of registration in FTO Sectt.

3. The Complainant has also prayed for additional payment for delayed refunds in terms of Section 171(1) of the Ordinance.

4. 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 Chief Commissioner-IR, RTO, Multan forwarded Para-wise comments of the Commissioner-IR, Multan Zone dated 01.02.2022 vide letter dated 01.02.2022. It was contended that refund application of the Complainant for Tax Year 2020, was disposed of under Section 170(4) of the Ordinance, vide order dated 28.10.2020 and refund will be credited into Complainant's bank directly.

5. During hearing, the DR contended that the CIR, Multan Zone had forwarded the Complainant's particulars to the CCIR, RTO, Multan vide letter dated 22.02.2022 for onward transmission to FBR. The amount of refund would be credited directly to the Complainant's bank account. The AR did not press on the issue of compensation.

6. Arguments heard and record perused.

FINDINGS:

7. Delay in the payment of refund, ever since 28th October, 2020 (date of refund order) tantamount to maladministration, in terms of section 2(3) (ii) of FTO Ordinance, 2000.

RECOMMENDATIONS:

8. FBR is directed to:-

(i) ensure that Secretary Rev. Bud-IR credits the refund amount directly in bank account of the complainant in pursuance of FBR,s latest Instructions on FTO office related refund cases, dated 4th February, 2022;

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(ii) issue necessary instructions to CIR concerned at RTO Multan to make compensation against delayed refund in terms of section 171(1) of Income Tax Ordinance, 2001; and

(iii) report compliance in 45 days.

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

Dated:03/03/ 2022
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