



DECISION

Complaint No. : POS/160/KE/2024

Name and Address of the Complainant : Mr. Ayaan Akram Ghauri & others, House No. E-40, Block-A, Gulshan Jamal, Karachi.

Name of the Agency Complained against : Revenue

Name & Designation of Investigation Officer : Syed Farrukh Habib
Director, Regional Office, Karachi (East)

Subject :- **UNJUST DELAY IN REGISTRATION OF LEASES & RETURN OF SUCH DOCUMENTS DESPITE PAYMENT OF FEES & COMPLETION OF FORMALITIES.**

THE COMPLAINT

Mr. Ayan Akram Ghauri and others filed a complaint on 16.05.2024 against the Sub-Registrar-II, Gulshan-e-Iqbal Town, for non-issuance of leases of their houses situated in Central Information Employees Cooperative Housing Society, Scheme-33, Karachi. He stated that despite having submitted leases 5 months ago the Sub-Registrar has failed to register the said leases. Upon failure in getting any positive response from the office of Sub-Registrar, the complainants, solicited intervention of this office towards redressal of their grievance.

PROCEEDINGS

2. After admission of complaint by condoning delay under Section 10 of the Establishment of the Office of Ombudsman for the Province of Sindh Act, 1991, (amended up to date), as well as after receiving mandatory Affidavit on Form "A" and other relevant documents, report was called from the Agency i.e. Sub-Registrar-II, Gulshan-e-Iqbal. However, he failed to file any report despite repeated notices. Accordingly, hearing was fixed on 21.08.2024, the Agency failed to attend the hearing. Complainant who attended the hearing informed that the Sub-Registrar has sent their lease for scanning to the office of Inspector of Registration Karachi Division. In the next hearing held on 19.09.2024, the Agency again failed to attend. However, a report was filed by the Sub-Registrar-II, Gulshan-e-Iqbal, stating therein that the leases as submitted in its office, after execution have been forwarded to the Office of Inspector of Registration, Board of Revenue, Deed Management System – IRO BoR DM on 17.04.2024 for further action at their end.

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3. Accordingly, the Investigation Officer called the Incharge / IRO, BoR DMC, BoR Sindh, to appear on 31.10.2024 and furnish status of lease deed. However, the Inspector of Registration Offices, Karachi Division vide its letter No. 59 of 2024 dated 30.10.2024, informed that the subject lease deeds, which had been detained during inspection of documents, in which Gain Tax, applicable under section 236-C (advance tax on sale or transfer of immovable property) of the Income Tax Ordinance 2001 was not paid. The letter informed that the said leases have been returned on 04.10.2024 to the Sub-Registrar-II, Gulshan-e-Iqbal Town, Karachi with the directives for recovery of Gain Tax/Advance Tax as admissible u/s 236-C, on sale or transfer of immovable property.

4. The complainant contested the objection of imposition of Gain Tax u/s 236 C by IRO-BoRDMS as illegal. The Section 236 C, complainant urged, was applicable on Sale Deeds on the seller, when there is sale and transferring involved. But in their case, complainant pointed out, the lessor is not selling the property to the lessee, as the lessee is already rightful owner of the property. He further pointed out that as per procedure lease is executed, then after paying fees, tax and meeting all other requirement, the lease is admitted and the RD Number is issued. Then it is sent for scanning to the office of Inspector, Registration Offices. He stated that had there been any discrepancy in procedure or requirements the R.D No. would not have been allotted. However, in their case the R.D No. have been allotted by the Registrar which showed that the leases met all codal requirements. The complainant alleged the staff of IGR Offices have made it their routine that whoever does not please them they impose this objection of Section 236 C. He claimed that his society has executed about 100 leases till date and the lessor / society have never paid the Gain Tax under Section 236 C.

5. The Office of Inspector of Registration Office, Karachi Division in its rejoinder dated 19.11.2024 again explained its position that complainant / society has not paid Government Tax i.e FBR Tax U/S 236 which is applicable on Transfer. The Lessor transfer lease hold rights of plot to the lessee by way of lease deeds and therefore FBR Tax u/s 236 C was applicable on Builder (Registered) / Society (Registered). He clarified that Sub-Registrar was the collecting Authority / Registering Authority for this tax and complainant needed to pay the Government Tax and provide copy of CPR to Sub-Registrar-II, Gulshan-e-Iqbal, Karachi.

6. To investigate the complaint further the Inspector of Registration Offices, Karachi Division was asked to furnish complete record of leases of the subject society (Central Information Cooperative Housing Society) issued so far to determine whether such tax is recovered from all of them or only the complainant is being insisted on payment of such tax. In response Mr. Asgher Ali, Inspector of Registration Offices, Karachi appeared before the Investigating Officer on 01.07.2025 and submitted that he has been transferred from such post couple of months ago. He further disclosed that after introduction of E-System of assessment,

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role of Inspector has also been minimized. He was clearly explained that he needs to file complete report with reference to subject matter as to whether such lease have been issued or not. He was further asked to clarify and attach evidence whether Gain Tax under section 236-C realized or not and attach such report. Moreover, with reference to change in the Inspection system after introduction of E-Registration since February 2025, he was advised to furnish copy of gazette notification, as well as clarify the revised role of both the registration office and the office of Inspector.

7. Subsequently, Mr. Asghar Inspector of Registration, Karachi appeared again before the Investigating Officer on 14.07.2025 and filed a report whereby it is shown that six lease deeds have been sent to the Digital Scanning Unit after Inspection. He however, could not explain as to how he sent those leases to DSU, when as per his previous report he had returned these deeds to Registrar Office for want of realizing Gain Tax under section 236-C with regard to query as to how and when these leases were sent back to the office of Inspector of Registration and who dealt it again and who sent it to DSU, he could not explain. He stated that the other Inspector posted in his place might have dealt these.

FINDING

8. I have perused the record, reports and enclosures filed therein which reveal that:
- i. The Central Information Employees Corporation Housing Society is registered with the Registrar Cooperative Society Sindh. The society executed lease of complainants (all residents of Central Information Employees Corporation Housing Society, Gulshan-e-Iqbal) before the Sub-Registrar-II, Gulshan-e-Iqbal.
 - ii. The Sub-Registrar after having completed formalities of registration of leases, forwarded these to the office of Inspector of Registration Offices which pointed out that the society as a lessor was required to pay Government / FBR Tax u/s 236-C (as Advance Tax on sale or transfer of immovable property) of the Income Tax Ordinance 2001.
 - iii. The Inspector of Registration, Karachi Division, provided inconsistent information regarding the handling of the lease deeds - initially returning them for want of Gain Tax and later stating that six leases were sent to the Digital Scanning Unit. This reflects lack of proper internal record management and clarity in process.
 - iv. The role of the Digital Scanning Unit (DSU) and the changes introduced with E-Registration since February 2025 have not been fully documented or explained, causing procedural ambiguity.

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- v. There appears to be no uniform practice regarding recovery of Gain Tax under section 236-C in cases of lease deeds by cooperative societies, which has created confusion and disputes with the complainants.
- vi. Despite the delays, the complainants' leases have undergone all mandatory formalities, including execution and allotment of RD numbers, confirming that legal requirements for registration were substantially met.
- vii. Overall, the delay and inconvenience faced by the complainants arose from administrative and procedural inefficiencies at the IRO office.
- viii. The leases were received in the IRO Office on 17.04.2024 which were held up there till January 2025 for want of realization of Gain Tax 236-C. However, during the process of Investigation of the instant complaint, the lease deeds were eventually forwarded by the IRO on 24.01.2025 to the Digital Scanning Unit Karachi. The IRO Office delayed the process of lease deeds for about 8 months upon pretext of non-realization of Gain Tax.

DECISION

9. In view of above, the complaint is disposed of as redressed. However, in exercise of powers conferred upon me vide section 11 of the Establishment of the Office of Ombudsman for the Province of Sindh Act, 1991 (as amended up to date) I direct the Senior Member Board of Revenue Sindh to hold an enquiry into the matter against the concerned officers/official who held/delayed the process of subject lease deeds for about 8 months allegedly on non-realization of Gain Tax under section 236-C and then suddenly forwarded those leases upon taking up of investigation by this Institution, without realization of demanded Gain Tax Under Section 236-C and forwarded the same to DSU for further process. The BoR should fix responsibility and take departmental action against the delinquent officers / officials, under the relevant rules. Furthermore, the BoR needs to clearly outline uniformity in procedures in handling of lease deeds and recovery of any applicable taxes to avoid recurrence of such delays or disputes in future cases.

10. Compliance should be reported inside 90 days hereof.

Given under my hand and seal of the office



Sd/-
(Muhammad Sohail Rajput)
Sitara-e-Imtiaz. PAS
Ombudsman Sindh

Karachi, dated 29-08-2025