

**APPELLATE TRIBUNAL INLAND REVENUE,
(LAHORE BENCH), LAHORE.**ITA No.2402/LB/2014
(Tax Year 2012)

CIR, Zone-I, RTO, Lahore.

...Appellant

Versus

M/s Huni International (Pvt) Ltd, Lahore. ...Respondent

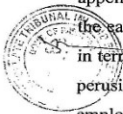
Applicant by: Mr. Atif Bashir, DR.

Respondent by: Mr. Saood Nasrullah Cheema, Advocate.

Date of hearing: 11-05-2017 Date of order: 11-05-2017**ORDER**

GHULAM MUJTABA BHATTI (Accountant Member): This titled appeal has been preferred at the instance of the department assailing order No. 07 dated 18-08-2014 recorded by the learned CIR (A-II), Lahore.

2. Relevant facts necessary for disposal of appeal are that taxpayer filed income tax return for the Tax Year 2012 declaring net income at Rs. 753,735/- which was deemed to be an assessment order in terms of section 120 of the Income Tax Ordinance, 2001. Later on, adjudicating officer found the same to be erroneous insofar as prejudicial to the interest of revenue. Statutory show cause notice was issued and reply submitted by the taxpayer was discarded being untenable. Accordingly, deemed assessment was amended u/s 122 (5A) of the Income Tax Ordinance, 2001.



3. Being aggrieved the taxpayer preferred appeal before the first appellate authority, who found that taxpayer made salary payments to the each employee was BTL payments which required no tax deduction in terms of section 21 (c) of the Income Tax Ordinance, 2001. He after perusing documentary evidences including detail of salaries made to the employees' along with copies of CNICs etc. was satisfied and deleted the addition made by the adjudicating officer in the following manner: -

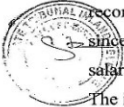
“During the appellate course, the learned AR has reiterated the appellant’s stance as taken before the amending authority and produced month-wise detail of salaries made to the employees along with copies of their CNICs which duly verified that salary made to each employee was below the taxable limit which rendered that no tax deduction in terms of Section 21(c) of the Ordinance, was to be made.

*I have given due consideration to the rival arguments in the light of the furnished documentary evidence which persuaded me to hold that the submissions made at the bar hold force. As is evident that the salaries made at Rs. 1,151,700/- for the year under review, represented BTR payments which required no tax deduction in terms of Section 21 (c) of the Ordinance. In this view of the matter, the addition made on this score is **deleted.**”*

4. Being discontented the department filed subject appeal. Learned DR argued that the CIR (A) was not justified to delete the addition made u/s 21 (c) without any cogent reason, because the taxpayer failed to produce any documentary evidence in his defense. He opposed the impugned order and requested for vacation of the same. On the other hand, learned AR reiterated the arguments as advanced before the first appellate stage and urged for the maintenance of the impugned order.

5. I have heard the arguments of both rival parties and perused the record available on appeal file. I tend to agree with the learned CIR (A), since he has formed his opinion after examining month wise detail of salaries and copies of the CNICs and then declaring the same as BTL. The impugned order being fully justified and lawful is hereby upheld.

6. Order accordingly.


Sd/
(GHULAM MUJTABA BHATTI)
Accountant Member
Empowered u/s 130 (8) (a) of the Income
Tax Ordinance, 2001 to..... sitting singly.