

**APPELLATE TRIBUNAL INLAND REVENUE, LAHORE BENCH,
LAHORE.**

**ITA No.2710/LB/2019
(Tax Year 2016)**

M/s. Tex Plus Traders, Lahore.

...Appellant

Versus

The CIR, RTO, Lahore.

...Respondent

**Appellant by: Mr. S.M. Raheel, Advocate
Respondent by: None**

**Date of Hearing: 01.11.2019
Date of Order: 04.11.2019**

ORDER

Muhammad Tahir (Accountant Member): The titled appeal filed at the instance of the taxpayer has been directed against the appellate order dated 27.05.2019 recorded by CIR (Appeals-III), Lahore.



Facts in brief leading to the instant appeal are that the taxpayer being a withholding agent was under legal obligation to file monthly withholding statements u/s 165 of the Income Tax Ordinance, 2001 (hereinafter called the Ordinance) for the months of July 2015 to June, 2016. Therefore, in order to know the compliance level, proceedings were initiated by way of issuance of show cause notice, which culminated in passing of order u/s 182(2) of the Ordinance dated 20.11.2017, wherein penalty amounting to Rs.10,000/- was imposed for the tax period July, 2015 to June, 2016. Feeling aggrieved, the taxpayer preferred appeal before CIR(Appeals-III), Lahore, who vide appellate order dated 27.05.2019 upheld the treatment meted out by the assessing authority, against which the taxpayer has come up in further appeal before this Tribunal.

3. Mr. S.M. Raheel, learned counsel is present on behalf of the taxpayer, whereas none has tendered appearance on behalf of the department inspite of proper service of notice. Therefore, ex parte proceedings are conducted by way of disposal of instant

4. The learned counsel appearing on behalf of the taxpayer has apprised the court that there is no loss of revenue involved in the instant case, therefore, penalty imposed by the taxation office and further confirmed by the learned CIR(Appeals) is quite unjustified. In support of his stance, he has furnished before us computer generated copies of the acknowledge slips in respect of filing of statements u/s 165 of the Ordinance showing no deduction of tax meaning thereby that there is no loss of revenue. Therefore, in such like eventuality, I am inclined to delete the penalty for the tax year under consideration by placing reliance on a reported judgment of Honourable Sindh High Court as 2013 PTD 387, wherein it has been held in an unequivocal manner that in case no tax is payable alongwith return by the taxpayer, then provisions of section 182 of the Ordinance shall not be applicable. Therefore, the orders passed by both the authorities below are hereby vacated by way of acceptance of instant appeal. I order accordingly.



Sd/-
(MUHAMMAD TAHIR)
Accountant Member

Empowered u/s 130(8AA) of the
Income Tax Ordinance, 2001 to
exercise the powers of Appellate
Tribunal Inland Revenue, sitting
singly.