

ORDER SHEET.
ISLAMABAD HIGH COURT, ISLAMABAD.
JUDICIAL DEPARTMENT.

W.P. No.3836/2021

LAFCO Pvt. Ltd.

Vs.

Commissioner Inland Revenue (Audit-II), Inland Revenue and others

S. No. of order/ proceedings	Date of order/ Proceedings	Order with signature of Judge and that of parties or counsel where necessary.
	28.10.2021	Mr. Ashraf Ali Awan, Advocate for the petitioner.

Through the instant writ petition, the petitioner, LAFCO Pvt. Ltd., impugns notice dated 01.10.2021 issued by the Commissioner (Audit-II), Inland Revenue (respondent No.1) under section 177 (1) of the Income Tax Ordinance, 2001 (“the 2001 Ordinance”) requiring the petitioner to produce record / documents / books of accounts as a result of its case having been selected for audit for the tax year 2017.

2. Learned counsel for the petitioner placed reliance on Clause 105 in Part –IV (B) of the Second Schedule of the 2001 Ordinance and submitted that the provisions of section 117 could not be made applicable to the petitioner whose income tax affairs had been auditing in the preceding three years; that the petitioner had already been subjected to audit in the past, and therefore, could not be vexed twice by being subjected to audit once again; and that the documents and books of accounts had already been provided to respondent No.1 in the past and the matter had been settled through order dated 31.05.2018. Learned counsel for the petitioner prayed for the writ petition to be allowed in terms of the relief sought therein.

3. I have heard the contentions of the learned counsel for the petitioner and have perused the record with his able assistance.

4. Clause 105 in part –IV (B) of the Second Schedule of the 2001 Ordinance was omitted through the Finance Act, 2019. As the result of the said omission, a person whose income tax affairs had been audited in the preceding three years could be subjected to an audit in terms of section 177 of the 2001 Ordinance. It is not the petitioner's case that no notice was issued to it prior to its selection for audit. As regards the Audit Policy, 2018 the same cannot override the provisions of the statute. The petitioner is at liberty to raise its contention that it had already provided the information sought through the impugned notice to the income tax authorities, while giving a reply to the impugned notice dated 01.10.2021.

5. Since I do not find any illegal or jurisdiction infirmity in the impugned notice dated 01.10.2021, the instant petition is dismissed in *limine*.

(MIANGUL HASSAN AURANGZEB)
JUDGE