

# HIGH COURT OF SINDH AT KARACHI

ITC No.119 of 2002

Present:

Mr. Justice Irfan Saadat Khan  
Mr. Justice Mahmood A. Khan.

Commissioner of Income Tax .....Applicant.

Vs.

M/s Credit Agricole Indosuez.....Respondent.

Dates of hearing: 28.04.2017 .

Applicant: Through Mr. Muhammad Aqeel Queshi, advocate .

Respondent: Through Mr. Naveed Amjad Andrabi, advocate .

## J U D G M E N T

**IRFAN SAADAT KHAN, J.:** This Income Tax Case (ITC) was admitted to regular hearing to consider the following question of law:-

*“Whether on the facts and in the circumstances of the case, the learned ITAT was legally justified to uphold CIT(A)’s order wherein he has directed to allow the head office expenses in full under provision of Article-III of tax treaty between Pakistan and France, whereas Article-III of the said treaty permits only reasonable expenses which are allocable to the permanent establishment including executive and general administration expenses so allocable/allowable?”*

At the very outset, the learned counsel for the respondent Mr. Naveed Amjad Andrabi submits that the question proposed is squarely covered by the decision given in the case of Commissioner of Income Tax, Karachi Vs. M/s Grindlays Bank PLC, Karachi (2010 PTD 2012), authored by one of us, namely, Irfan Saadat Khan, J. He, therefore requests that the question proposed in the instant ITC may be decided in the same manner as decided in the above referred case. The learned counsel for the appellant has endorsed the position as explained by the counsel for the respondent.

We, therefore, decide the question proposed in the instant ITC by answering in affirmative i.e. in favour of the respondent-Company and against the Department.

The instant ITC stands disposed of accordingly.

JUDGE

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