

MINISTRY OF FINANCE**(Department of Revenue)****NOTIFICATION**

New Delhi, the 23rd September, 2014

[INCOME TAX]

S.O. 2478(E).—In exercise of the powers conferred by the second proviso to sub-section (2) of section 92C of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that where the variation between the arm's length price determined under section 92C and the price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed one percent of the latter in respect of wholesale trading and three percent of the latter in all other cases, the price at which the international transaction or specified domestic transaction has actually been undertaken shall be deemed to be the arm's length price for assessment year 2014-15.

Explanation. For the purposes of this notification, "wholesale trading" means an international transaction or specified domestic transaction of trading in goods, which fulfils the following conditions, namely:-

- (i) purchase cost of finished goods is eighty percent or more of the total cost pertaining to such trading activities; and
- (ii) average monthly closing inventory of such goods is ten percent or less of sales pertaining to such trading activities.

[Notification No. 45/2014/F. No. 500/1/2014-APA-II]

GAURAV SHARMA, Under Secy.