

**NOTIFICATION S.O. 2928(E)[NO. 70/2022/F. NO. 500/1/2014-  
APA-II]**

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**SECTION 92C OF THE INCOME-TAX ACT, 1961 - TRANSFER  
PRICING - COMPUTATION OF ARM'S LENGTH PRICE -  
NOTIFIED TOLERANCE LIMIT UNDER THIRD PROVISO TO  
SUB-SECTION (2) OF SAID SECTION FOR ASSESSMENT  
YEAR 2019-20**

**NOTIFICATION S.O. 2928(E)[NO. 70/2022/F. NO. 500/1/2014-  
APA-II], DATED 28-6-2022**

In exercise of the powers conferred by the third proviso to sub-section (2) of section 92C of the Income-tax Act, 1961 (43 of 1961) (hereafter referred to as the 'said Act'), read with proviso to sub-rule (7) of rule 10CA of the Income-tax Rules, 1962, the Central Government hereby notifies that where the variation between the arm's length price determined under section 92C of the said Act and the price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed one per cent. of the latter in respect of wholesale trading and three per cent. 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 2022-2023.

*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 per cent. or more of the total cost pertaining to such trading activities; and
- (ii) average monthly closing inventory of such goods is ten per cent. or less of sales pertaining to such trading activities.

RUCHIKA SHARMA, Under Secy.

