

**IN THE HIGH COURT OF PUNJAB & HARYANA AT  
CHANDIGARH**

**ITA No. 27 of 2013 (O&M)**

**Date of decision: 02.04.2013**

Commissioner of Income Tax-I Ludhiana ...Appellant

versus

Sh. Rajnish Ahuja ...Respondent

**CORAM: HON'BLE MR. JUSTICE HEMANT GUPTA  
HON'BLE MS. JUSTICE RITU BAHRI**

Present:- Mr. Rajesh Katoch, Advocate  
for the appellant.

**HEMANT GUPTA, J. (ORAL)**

The present appeal under Section 260A of the Income Tax Act, 1961 (for short 'the Act') is directed against an order dated 22.08.2012 passed by the Income Tax Appellate Tribunal, Chandigarh (for short 'the Tribunal') arising out of the assessment year 2006-07.

The Revenue has framed the following substantial question of law:-

“Whether on the facts and circumstances of case, the Hon'ble ITAT was justified in upholding the order of the Ld. CIT(A), in deleting the addition of Rs.60,72,118/- made by the AO on account of sales to sister concern at lower rates than those to non-sister concerns?”

The assessee filed his return of income on 09.10.2006 showing the income of Rs.5,12,954/-. The Assessing Officer vide its order dated 06.11.2008 made addition of Rs.60,72,118/- on account of profit at the rate of 15% in respect of the sales made to sister concerns, on account of difference in rate of sale as compared to non-sister concerns.

The Commissioner of Income Tax (Appeals), Ludhiana, vide order dated 30.09.2009 set aside the addition made by the Assessing Officer. Such order was affirmed by the Tribunal vide its order dated 22.08.2012. The learned Tribunal has found that the sister concerns have paid tax at the rate of 33.6% as compared to 30.6% paid by the assessee. It was also held that the Assessing Officer made addition solely on the ground that the assessee has charged less sale price from the sister concerns as compared to the non-sister concerns. The provisions of Section 40-A of the Act could not have been invoked as no payment has been made to the sister concerns for any item of expenditure, which the assessee might have claimed as revenue expenditure. The Tribunal found that a tax payer can manage his affairs to reduce tax liability within the frame work of law and that the sale of goods at a lesser price to the sister concerns than to the non-sister concerns, does not violate any provision of law.

We do not find that the findings recorded by the Tribunal, raise any substantial question of law. The assessee has not violated any provision of law while making sales to its sister concerns at lesser rate than to non sister concerns. No interference is called for by this Court in the present appeal.

Dismissed.

**(HEMANT GUPTA)**  
**JUDGE**

**( RITU BAHRI )**  
**JUDGE**

April 02, 2013  
*G.Arora/Vimal*