PALLAVI MAHENDRA WARGAONKAR
Digitally signed by PALLAVI MAHENDRA WARGAONKAR
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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO.1037 OF 2024

Pr. Commissioner of Income Tax- Central - 4 …Appellant
Versus
Sopariwala Exports ...Respondent

Mr. Suresh Kumar, for Appellant.

CORAM : M.S. Sonak &
Advait M. Sethna, JJ.

DATED : 19 November 2025

P.C.:-

1. Heard Mr Suresh Kumar for the Appellant.

2. The tax effect in this Appeal is less than Rs.2 Crores. However, Mr Suresh Kumar submits that the issues of International pricing are involved and therefore, the Appeal would fall within the exceptions carved out in the CBDT Circular.

3. Without prejudice to Mr. Suresh Kumar’s contention, we have heard him on the merits of the matter.

4. Mr. Suresh Kumar has urged the formulation of the two questions set out in paragraph 4 of the Appeal Memo as according to him, these are substantial questions of law, based upon which this Appeal should be admitted.

5. Insofar as the first question is concerned, the

Assessing Officer had disallowed commission of 25% paid to M/s. Khadlaj Perfurms LLC on the ground that the same was quite excessive. The ITAT, after due consideration of the material on record has found nothing wrong in the payment of such commission and reasoned that by paying such commission, the business of the Assessee has prospered.

6. In our opinion, the above, is a matter of estimation. It is not as if the ITAT's reasoning is based upon no material or that the same is premised on any irrelevant consideration. The finding of fact recorded by ITAT therefore cannot be styled as perverse. Accordingly, the question so urged, cannot be regarded as a substantial question of law in the facts of the present case.

7. Insofar as the second question is concerned, again, the findings of fact as recorded show that the transaction in question related to the purchase of shares. There was some delay for obtaining necessary clearances. Upon considering all these aspects the ITAT concluded that Section 92 of the IT Act would not be attracted. Again, we see no serious infirmity in the view taken by the ITAT in the peculiar facts of the present case. The question as proposed, cannot be regarded as substantial question of law.

8. For the above reasons, we dismiss this Appeal as involving no substantial questions of law. No costs.

(Advait M. Sethna, J) **(M.S. Sonak, J.)**