
APPENDICES

Chapter I

Tax Administration

Appendix - 1
(Reference: paragraph 1.1.3)

Details of Tax Administration

1. Collection ⁸¹	2006-07	2007-08	2008-09	2009-10	2010-11 (₹ in crore)
i) Corporation Tax	1,74,935	2,23,941	2,42,304	2,88,162	3,55,267
ii) Income Tax	81,697	1,12,910	1,16,225	1,36,551	1,58,631 ⁸²
iii) Other Taxes	10,784	16,647	14,386	10,451	8,205
iv) Gross Collection	2,67,416	3,53,498	3,72,915	4,35,164	5,22,103
v) Refunds	37,235	41,285	39,097	57,101	75,169
vi) Net Collection	2,30,181	3,12,213	3,33,818	3,78,063	4,46,934
vii) GDP ⁸³	41,45,810	47,13,148	53,21,753	62,31,171	78,75,627
viii) Tax-GDP Ratio	5.6	6.6	6.3	6.1	5.7
ix) Buoyancy ⁸⁴	2.5	2.6	0.5	0.8	0.7
2. Assessee profile ⁸⁵					(No. in lakh)
i) Non-corporate assessees	308.9	331.7	323.2	337.2	332.0
ii) Corporate assessees	4.0	4.9	3.3	3.7	3.8
Total assessees	312.9	336.6	326.5	340.9	335.8
3. Stages of collection					
Pre-assessment collection					(₹ in crore)
i) Tax deducted at source	70,689	1,04,741	1,28,230	1,45,736	1,68,669
ii) Advance tax	1,21,227	1,58,120	1,43,332	1,73,417	2,12,538
iii) Self assessment tax	13,825	21,125	30,779	32,507	36,887
Total	2,05,741	2,83,986	3,02,341	3,51,660	4,18,094
Post-assessment collection					
i) Regular assessment	30,396	25,720	21,337	33,274	51,838
ii) Other receipts	20,495	27,145	34,851	39,779	43,966
Total	50,891	52,865	56,188	73,053	95,804
Pre-assessment collection as % of gross collection (minus other taxes)	80.2	84.3	84.3	82.8	81.4
4. Position of Assessments ⁸⁵					(Number)
i) Scrutiny assessments due for disposal	5,27,005	9,97,813	9,53,767	8,70,620	8,47,196
ii) Scrutiny assessments completed (%)	2,41,983 (45.9)	4,07,239 (40.8)	5,38,505 (56.5)	4,29,585 (49.3)	4,55,212 (53.7)
iii) Summary assessments due for disposal	3,14,45,896	4,09,98,630	4,74,18,334	5,12,97,750	5,22,76,829
iv) Summary assessments completed (%)	2,09,98,629 (66.8)	2,24,89,367 (54.8)	2,30,18,693 (48.5)	2,78,16,036 (54.2)	3,06,36,718 (58.6)
(v) No. of officers deployed for assessment duty ⁸⁵	3,954	3,218	3,106	3,605	3,687
5. Direct refund cases ⁸⁵					(No. in lakh)
i) Claims due for disposal	18.0	27.1	42.2	48.0	59.9
ii) Claims disposed off (%)	13.6 (75.6)	18.8 (69.4)	26.7 (63.3)	28.6 (59.6)	40.4 (67.4)
iii) No. of claims pending	4.4	8.3	15.5	19.4	19.5

⁸¹ Source: Tax collection figures, – Pr. Chief Controller of Accounts, CBDT, New Delhi.⁸² This differs from the figure of ₹ 1,57,692 crore reflected in the Finance Accounts.⁸³ Source: GDP – Central Statistics Office, Press release dated 31 May 2011.⁸⁴ Tax buoyancy is measured by the ratio of percentage change in tax revenues to percentage change in GDP.⁸⁵ Source : Directorate of Income Tax (Legal & Research), Research & Statistics Wing.

6. Interest on refunds⁸⁵	2006-07	2007-08	2008-09	2009-10	2010-11 (₹ in crore)
i) Total Collection in r/o CT and IT	2,56,632	3,36,851	3,58,529	4,24,713	5,13,898
ii) Refunds including interest	37,235	41,285	39,097	57,101	75,169
iii) Interest on refunds	3,693	4,444	5,778	6,876 ⁸⁶	10,499
(iv) Refunds as % of collection at (i)	14.51	12.26	10.90	13.44	14.6
(v) Interest as % of refunds	9.9	10.8	14.8	12.0	13.9
7. Efficiency of collection⁸⁷					(₹ in crore)
i) Demand of earlier year's pending collection	86,203	86,859	93,344	1,81,612	2,02,859
ii) Current year's demand pending collection	31,167	37,415	1,07,932	47,420	88,770
Total demand pending	1,17,370	1,24,274	2,01,276	2,29,032	2,91,629
8. Position of appeals at CIT(A) levels⁸⁵	2006-07	2007-08	2008-09	2009-10	2010-11 (Number)
i) Appeals due for disposal	1,75,201	1,94,003	2,24,382	2,60,700	2,57,656
ii) Appeals disposed off (%)	67,360 (38.5)	63,645 (32.8)	66,351 (29.6)	79,709 (30.6)	70,474 (27.4)
iii) Appeals pending	1,07,841	1,30,358	1,58,031	1,80,991	1,87,182
9. Tax Recovery Officers⁸⁵					(₹ in crore)
i) Total certified demand	35,225.3	36,057.5	31,496.8	98,444.6	1,11,065.4
ii) Certified demand recovered (%)	8,521.4 (24.2)	8,612.6 (23.9)	4,035.8 (12.8)	3,322.3 (3.4)	4,074.6 (3.7)
iii) Certified Demand pending (%)	26,703.9 (75.8)	27,444.9 (76.1)	27,461.0 (87.2)	95,122.4 (96.6)	1,06,990.8 (96.3)
10. Cost of collection⁸¹					(₹ in crore)
i) Net collection	2,30,181	3,12,213	3,33,818	3,78,063	4,46,934
ii) Total cost of collection (%)	1,343 (0.6)	1,713 (0.5)	2,286 (0.7)	2,774 (0.7)	2,698 (0.6)

⁸⁶ The Department initially intimated the figure as ₹ 12,951 crore. Subsequently after the report was placed in the Parliament, the department intimated this figure as ₹ 6,876 crore.

⁸⁷ Source: CAPI Demand & Collection Statement along with Analysis for the month of March 2011.

Appendix - 2
(Reference: paragraph 1.3.1)

States/Union Territories	Break up of Direct Taxes											(₹ in crore)
	Corpn. Tax 0020	Income Tax 0021	HRT 0023	Int. Tax 0024	FBT 0026	Expr. Tax 0028	Estate Duty 0031	Wealth Tax 0032	Gift Tax 0033	STT 0034	BCTT 0036	Total
Andhra Pradesh	15610.74	7459.99	0	0.62	8.55	9.98	0.14	23.88	0.03	0	19.44	23133.37
Arunachal Pradesh	27.30	42.78	0	0	0.03	0	0	0.02	0	0	0	70.13
Assam	1892.09	1043.11	0	0.03	0.40	0.01	0	2.13	0	0	0.02	2937.79
Bihar	1248.01	1331.88	0	0.04	0.20	0.01	0	0.91	0	0	0.04	2581.09
Chhatisgarh	1170.40	710.59	0	0	0.21	0.03	0	1.06	0	0	0	1882.29
Delhi	47676.87	16386.06	0.01	0.27	53.54	3.55	0.02	83.45	0.02	0.22	4.08	64208.09
Goa	3971.39	908.90	0	0.01	0.91	0.08	0	4.96	0	0	0	4886.25
Gujarat	10489.55	6494.17	0.01	0.06	3.33	1.62	0.02	27.69	0.01	0.22	0.30	17016.98
Haryana	5492.60	3712.98	0	0.06	1.33	0.81	0	4.75	0	0	0.07	9212.60
Himachal Pradesh	569.55	324.17	0	0.01	0.08	0.01	0	0.20	0	0	0.05	894.07
Jammu & Kashmir	451.61	259.53	0	0	0.05	0	0	0.44	0	0	0.01	711.64
Jharkhand	517.33	1173.03	0	0.01	0.37	0	0	0.32	0	0	0.37	1691.43
Karnataka	23094.56	12596.64	2.25	0.58	39.10	10.95	0	33.33	0.11	0.04	47.24	35824.80
Kerala	3185.96	2290.10	0.01	0.20	4.07	0.11	0	6.68	0.04	0	6.07	5493.24
Madhya Pradesh	4649.41	2097.91	0.01	0.02	2.78	0.01	0	5.07	0	0	1.19	6756.40
Maharashtra	119699.15	47714.01	0.32	0.42	24.63	0.97	0.02	356.49	0.07	7142.40	30.11	174968.59
Manipur	23.47	20.64	0	0	0	0	0	0.01	0	0	0	44.12
Meghalaya	148.89	218.00	0	0	0.01	0	0	0.11	0	0	0	367.01
Mizoram	0.89	6.00	0	0	0	0	0	0	0	0	0	6.89
Nagaland	4.48	14.66	0	0	0	0	0	0.15	0	0	0	19.29
Odisha	4491.72	1677.22	0.01	0.01	0.65	0.02	0	2.47	0.02	0	0.56	6172.68
Punjab	2197.67	2807.50	0	0.04	2.56	0.05	0	11.37	0	0	0.04	5019.23
Rajasthan	3316.25	2489.15	0.11	0.05	0.45	0.03	0	7.61	0	0	0.14	5813.79
Sikkim	7.20	40.95	0	0	0	0	0	0.02	0	0	0	48.17

Report No. 27 of 2011-12 (Direct Taxes)

States/Union Territories	Break up of Direct Taxes											
	Corpn. Tax 0020	Income Tax 0021	HRT 0023	Int. Tax 0024	FBT 0026	Expr. Tax 0028	Estate Duty 0031	Wealth Tax 0032	Gift Tax 0033	STT 0034	BCTT 0036	Total
Tamil Nadu	18627.98	9658.86	0.44	0.84	16.94	0.29	0	52.93	0.06	9.53	41.58	28409.45
Tripura	33.67	66.80	0	0	0	0	0	0.01	0	0	0	100.48
Uttar Pradesh	14198.33	5635.57	0	0.19	0.63	0.04	0.01	14.67	0.01	0.01	1.41	19850.87
Uttarakhand	473.40	605.52	0	0.01	0.05	0	0	0.64	0	0	0.38	1080.00
West Bengal	14196.52	5206.95	0.01	0.27	2.98	0.38	0.01	42.93	0.01	3.01	4.90	19457.97
Andaman and Nicobar	12.32	24.33	0	0	0.04	0	0	0.06	0	0	0	36.75
Chandigarh	579.30	615.88	0	0	3.78	0	0	2.15	0	0	0.12	1201.23
Dadra and Nagar Haveli	42.01	42.65	0	0	0.02	0	0	0.01	0	0	0	84.69
Daman & Diu	55.28	41.83	0	0	-0.01	0	0.02	0.07	0	0	0	97.19
Lakshadweep	0.25	1.52	0	0	0	0	0	0	0	0	0	1.77
Puducherry	101.15	120.43	0	0	0.30	0	0	0.24	0	0	0	222.12
Total	298257.30	133840.31	3.18	3.74	167.98	28.95	0.24	686.83	0.38	7155.43	158.1	440302.46
CTDS (Prov)	430.59	6201.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6632.02
Grand Total	298687.89	140041.74	3.18	3.74	167.98	28.95	0.24	686.83	0.38	7155.43	158.1	446934.48

HRT-Hotel Receipts Tax, Intt. Tax- Interest Tax, Int. Tax-Interest Tax, FBT- Fringe Benefit Tax, Expr. Tax-Expenditure Tax, STT-Security Transaction Tax, BCTT-Banking Cash Transaction Tax

Appendix 3
(Reference: Paragraph 1.3.2)

(₹ in crore)

Sl. No.	States/Union Territories	Net Direct Tax Collection		Growth in collection (%)
		2009-10	2010-11	
1.	Andhra Pradesh	18,776.67	23,133.37	23.20
2.	Arunachal Pradesh	57.24	70.13	22.52
3.	Assam	2,565.65	2,937.79	14.50
4.	Bihar	1,994.82	2,581.09	29.39
5.	Chhatisgarh	1,608.41	1,882.29	17.03
6.	Delhi	59,621.72	64,208.09	7.69
7.	Goa	3,624.06	4,886.25	34.83
8.	Gujarat	15,001.16	17,016.98	13.44
9.	Haryana	6,366.69	9,212.60	44.70
10.	Himachal Pradesh	795.28	894.07	12.42
11.	Jammu & Kashmir	671.38	711.64	6.00
12.	Jharkhand	1,388.58	1,691.43	21.81
13.	Karnataka	29,270.86	35,824.80	22.39
14.	Kerala	4,618.69	5,493.24	18.94
15.	Madhya Pradesh	5,380.22	6,756.40	25.58
16.	Maharashtra	145,607.62	174,968.59	20.16
17.	Manipur	27.75	44.12	58.99
18.	Meghalaya	281.25	367.01	30.49
19.	Mizoram	9.04	6.89	(-) 23.78
20.	Nagaland	15.84	19.29	21.78
21.	Odisha	5,126.87	6,172.68	20.40
22.	Punjab	3,760.03	5,019.23	33.49
23.	Rajasthan	5,516.16	5,813.79	5.40
24.	Sikkim	50.73	48.17	(-) 5.05
25.	Tamil Nadu	24,265.07	28,409.45	17.08
26.	Tripura	87.18	100.48	15.26
27.	Uttar Pradesh	15,906.02	19,850.87	24.80
28.	Uttarakhand	1,086.60	1,080.00	(-) 0.61
29.	West Bengal	15,862.32	19,457.97	22.67
30.	Anadman & Nicobar	32.32	36.75	13.71
31.	Chandigarh	948.42	1,201.23	26.66
32.	Dadra & Nagar Haveli	79.49	84.69	6.54
33.	Daman and Diu	92.28	97.19	5.32
34.	Lakshadweep	0.92	1.77	92.39
35.	Puducherry	215.77	222.12	2.94

Appendix 4
(Reference: paragraph 1.3.3)

(₹ in crore)

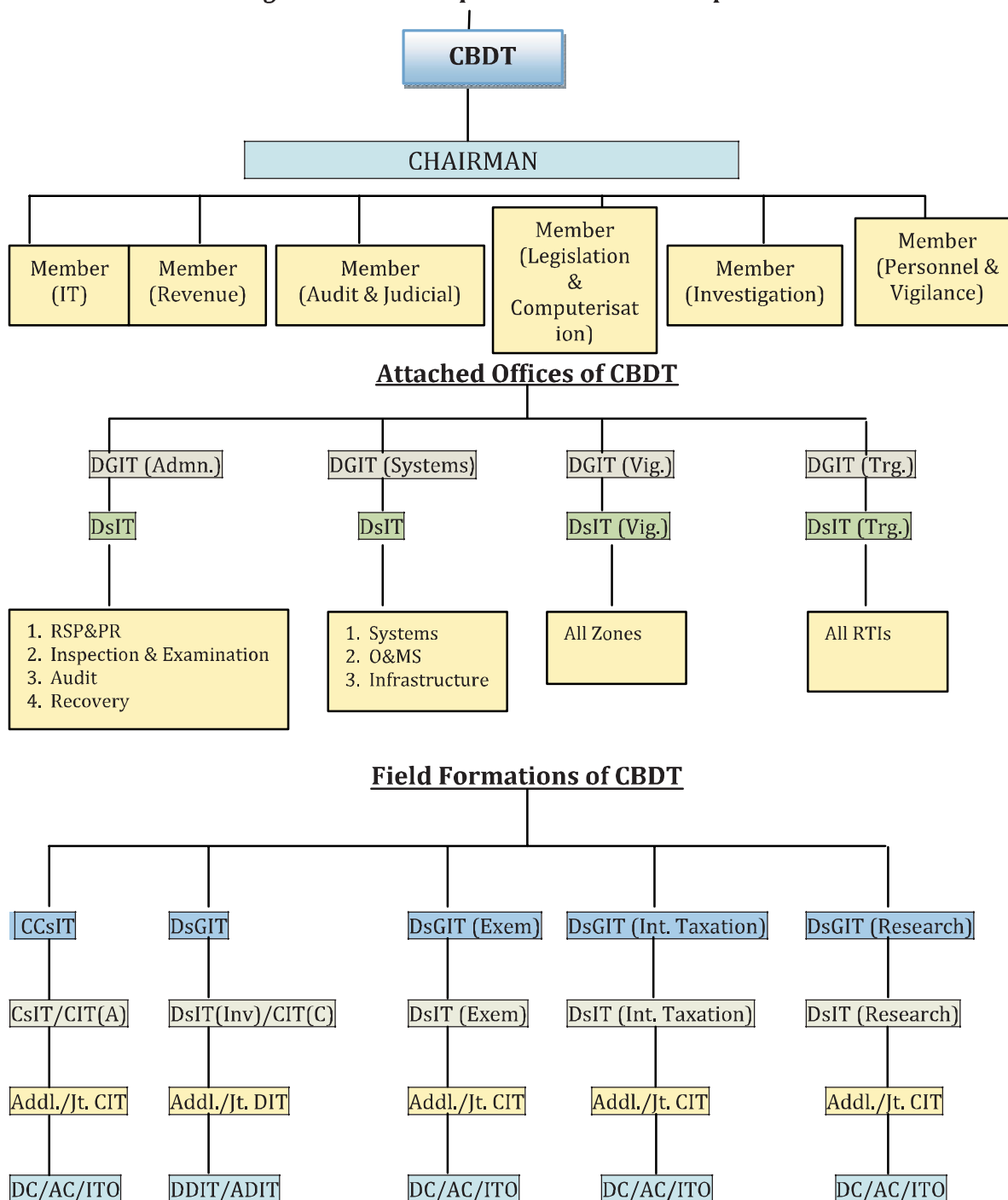
Details of tax collections for corporate and non-corporate at pre- assessment and post-assessment stages								
Financial Year	Tax Deducted at source	Advance Tax	Self Assessment Tax	Regular Assessment	Other Receipts	Total Collections	Refunds	Net Collections ⁸⁸
Corporate Assesseees								
2006-07	29,048 (16.6)	96,568 (55.2)	6,954 (4.0)	24,725 (14.1)	17,640 (10.1)	1,74,935	30,617 (17.5)	1,44,318
2007-08	44,148 (19.7)	1,28,105 (57.2)	11,455 (5.1)	18,518 (8.3)	21,715 (9.7)	2,23,941	31,030 (13.9)	1,92,911
2008-09	60,088 (24.8)	1,22,697 (50.6)	18,451 (7.6)	12,633 (5.2)	28,435 (11.7)	2,42,304	28,909 (11.9)	2,13,395
2009-10	60,850 (21.1)	1,48,791 (51.6)	20,159 (7.0)	24,995 (8.7)	33,367 (11.6)	2,88,162	43,437 (15.1)	2,44,725
2010-11	68,313 (19.2)	1,84,263 (51.9)	23,056 (6.5)	41,916 (11.8)	37,718 (10.6)	3,55,266	56,579 (15.9)	2,98,687
Non-Corporate Assesseees								
2006-07	41,641 (51.0)	24,659 (30.2)	6,871 (8.4)	5,671 (6.9)	2,855 (3.5)	81,697	6,618 (8.1)	75,079
2007-08	60,593 (53.6)	30,015 (26.6)	9,670 (8.6)	7,202 (6.4)	5,430 (4.8)	1,12,910	10,255 (9.1)	1,02,655
2008-09	68,142 (58.6)	20,635 (17.8)	12,328 (10.6)	8,704 (7.5)	6,416 (5.5)	1,16,225	10,188 (8.8)	1,06,037
2009-10	84,885 (62.2)	24,626 (18.0)	12,349 (9.0)	8,279 (6.1)	6,412 (4.7)	1,36,551	13,664 (10.0)	1,22,887
2010-11	1,00,356 (63.3)	28,275 (17.8)	13,831 (8.7)	9,922 (6.3)	6,248 (3.9)	1,58,632	18,590 (11.7)	1,40,042

Figures in brackets indicate percentage of total collection/refunds

⁸⁸ Net collection = Total collection – Refunds.

Appendix 5
(Reference: Paragraph 1.5)

Organisational set up of the Income Tax Department



Chapter 2

Audit Impact

Appendix-6

(Referred to in paragraph 2.3)

Audit observations and revenue effect in audit of scrutiny assessments

State	No. of assessments completed	No. of assessments checked in audit	No. of assessments with errors	Total revenue effect of the audit observations made in the scrutiny assessments (₹ in crore)	Percentage of assessments with errors (Col. 4/ Col. 3x100)
1	2	3	4	5	6
Andhra Pradesh	27,475	26,317	1,315	646.22	5
Assam	1,154	1,117	94	31.09	8
Bihar	1,661	1,541	211	9.04	14
Chhattisgarh	726	2,222	107	5.67	5
Goa	861	745	96	71.91	13
Gujarat	42,574	40,548	2,115	1,425.83	5
Haryana	8,407	7,295	684	44.99	9
Himachal Pradesh	1,747	1,632	367	3.19	22
Jharkhand	1,442	1,089	49	4.63	4
Jammu & Kashmir	3,203	2,998	230	31.95	8
Karnataka	15,359	14,351	427	380.60	3
Kerala	8,063	7,140	855	503.45	12
Madhya Pradesh	7,739	7,285	453	187.08	6
Odisha	3,863	3,272	386	160.95	12
Punjab	17,409	11,509	725	648.25	6
UT Chandigarh	3,843	2,550	166	20.28	7
Rajasthan	16,686	14,644	576	72.07	4
Tamil Nadu	28,128	24,772	2,354	1,543.25	10
Uttar Pradesh	17,214	16,153	898	344.30	6
Uttaranchal	624	541	40	0.74	7
Delhi	37,877	33,236	1,281	2,445.43	4
Maharashtra	50,627	48,710	1,719	1,597.42	4
West Bengal	36,445	36,445	1,840	2,637.35	5
Total	3,33,127	3,06,112	16,988	12,815.69	5.6

Total demand raised during the assessments in 2009-10 = ₹ 73,053 crore

Percentage of error (in terms of revenue) = $\frac{\text{₹ 12,815.69}}{\text{₹ 73,053}} = 17.5$

Appendix-7

(Referred to in paragraph 2.3.2)

Category wise details of underassessment in respect of Income tax and Corporation tax detected during local audit			
Sl. No.	Sub category	No.	Tax effect (₹ in crore)
1	Errors/Omission in computation	4,823	2,566.22
	i) Arithmetical errors in computation of income and tax	1,876	1,429.53
	ii) Incorrect application of rate of tax, surcharge etc.	758	634.97
	iii) Non/short levy of interest/penalty for delay in submission of returns, delay in payment of tax etc.	1,879	354.10
	iv) Excess or irregular refunds / interest on refunds	310	147.62
2	Ineligible concessions given to assesses	8,190	7,842.51
	i) Irregular exemptions / deduction/ relief given to Corporates	565	881.38
	ii) Irregular exemptions / deduction/ relief given to Trusts/ Firms/ Societies	566	538.56
	iii) Irregular exemptions / deduction/ relief given to individuals	461	23.37
	iv) Incorrect allowance of Business Expenditure	3,936	3,317.84
	v) Irregularities in allowing depreciation/business losses/Capital losses	2,506	2,965.39
	vi) Incorrect allowance of DTAT relief	156	115.97
3	Income not/ under assessed	2,169	2,023.92
	i) Under Special Provisions including MAT/ Tonnage Tax etc.	253	1,274.90
	ii) Unexplained investments/ cash credits etc.	510	346.04
	iii) Incorrect classification and Computation of Capital Gains	496	152.82
	iv) Omission to club income of spouse, minor child etc.	26	10.21
	v) Incorrect computation of Income from House Property	239	76.90
	vi) Incorrect computation of salary income	645	163.05
4	Others	3,289	1,461.61
	i) Mistake in assessment while giving effect to appellate orders	97	309.42
	ii) Omission in implementing provisions of TDS/TCS	1,243	358.21
	iii) Others topics	1,949	793.98
Total		18,471	13,894.20

Appendix-8**(Referred to in Paragraph 2.3.3)**

Category wise details of observations in respect of Draft Paragraphs sent to Ministry			
Sl. No.	Sub category	No.	Tax effect (₹ in lakh)
1	Errors/Omission in computation	113	1,52,546.79
	i) Arithmetical errors in computation of income and tax	63	1,46,994.82
	ii) Incorrect application of rate of tax, surcharge etc.	17	1,180.69
	iii) Non/short levy of interest/penalty for delay in submission of returns, delay in payment of tax etc.	31	4,243.25
	iv) Excess or irregular refunds / interest on refunds	2	128.03
2	Ineligible concessions given to assesses	230	96,488.78
	i) Irregular exemptions / deduction/ relief given to Corporates	20	4,397.88
	ii) Irregular exemptions/deduction/relief given to Trusts/ Firms / Societies	19	1,519.48
	iii) Irregular exemptions/deduction/relief given to individuals	11	185.74
	iv) Incorrect allowance of Business Expenditure	78	33,655.18
	v) Irregularities in allowing depreciation/business losses/ Capital losses	102	56,730.50
3	Income not/ under assessed	53	32,335.01
	i) Under Special Provisions including MAT/Tonnage Tax etc.	26	1,0857.44
	ii) Unexplained investments/ cash credits etc.	2	191.68
	iii) Incorrect classification and Computation of Capital Gains	4	1,060.98
	iv) Incorrect computation of income	21	20,224.91
4	Others	68	82,797.48
	i) Mistake in assessment while giving effect to appellate orders	7	10,009.94
	ii) Omission in implementing provisions of TDS/TCS	12	60,175.33
	iii) Waiver/ remission not assessed to tax	1	401.19
	iv) Over charge of tax	7	11,157.30
	v) Others topics	41	1,053.74
Total		464	3,64,168.06

Appendix-9

(Referred to in paragraph 2.4.1)

A - Details of cases accepted by Department and remedial action taken during 2010-11

No. of cases accepted and remedial action taken	No. of cases accepted but remedial action not taken	No. of cases not accepted but remedial action taken	No. of cases not accepted	No. of cases where reply has not been received	Total replies received (Col. 1+2+3+4)	Percentage of reply received (Col. 6)/ Col. 1+2+3+4+5)	Percentage accepted out of Col. 6 (Col. 1+2/ Col. 6)	Percentage of remedial action taken out of Col. 6 (Col. 1+3/ Col. 6)
1	2	3	4	5	6	7	8	9
1,658	2,696	203	3,365	12,208	7,922	39.4	54.9	23.4

B- Position of acceptance during the last five years

Year of Report	No. of observations raised	No. of cases Accepted	No. of cases not accepted	Reply not received
2006-07	16,735	3,127 (18.7%)	8,298 (49.6%)	5,310 (31.7%)
2007-08	19,694	4,099 (20.8%)	7,455 (37.9%)	8,140 (41.3%)
2008-09	19,631	4,898 (25.0%)	5,892 (30.0%)	8,841 (45.0%)
2009-10	19,227	2,927 (15.2%)	3,919 (20.4%)	12,381 (64.4%)
2010-11	20,130	4,354 (21.6%)	3,568 (17.7%)	12,208 (60.7%)

Appendix-10
(Referred to in Paragraph 2.4.2)

(₹ in crore)

A- Cases where remedial action has become time barred in 2010-11			
Sl. No.	State	Audit observations where remedial action became time barred	
		No.	Tax effect
1	Andhra Pradesh	66	2.41
2	Assam	0	0
3	Bihar	70	0.87
4	Chhattisgarh	32	0.85
5	Goa	16	2.21
6	Gujarat	228	19.46
7	Haryana	63	3.53
8	Himachal Pradesh	161	1.41
9	Jharkhand	625	28.26
10	Jammu & Kashmir	15	0.84
11	Karnataka	36	0.43
12	Kerala	11	0.12
13	Madhya Pradesh	81	19.74
14	Odisha	40	24.13
15	Punjab	9	0.23
16	UT Chandigarh	23	0.25
17	Rajasthan	330	29.17
18	Tamil Nadu	1,347	751.48
19	Uttar Pradesh	97	12.23
20	Uttaranchal	264	612.77
21	Delhi	895	617.68
22	Maharashtra	3,041	2,908.21
23	West Bengal	492	298.10
Total		7,942	5,334.46

(₹ in crore)

B - No. and tax effect of cases that have become time barred during the last five years

Year of Report	No. of cases	Tax effect
2006-07	3,593	1,354.3
2007-08	13,833	33,851.1
2008-09	16,557	5,612.8
2009-10	5,644	2,868.9
2010-11	7,942	5,334.46

Appendix-11**(Referred to in Paragraph 2.4.4)****(₹ in lakh)**

Recovery on cases issued during 2010					
Sl. no.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
1	M/s L&T Vaidel Engineering Pvt. Ltd.	Bengaluru-I	2007-08	While computing the tax payable in scrutiny order, refund of ₹ 71.45 lakh allowed to the company after processing the return in March 2009 was not added to the total demand.	75.02
2	RSWM Ltd.	Ajmer	2004-05	Tax credit of ₹ 32.23 lakh was allowed against the admissible tax credit of ₹ 13.38 lakh. The mistake resulted in under charge of tax of ₹ 22.88 lakh. .	22.88
3	M/s ECL Engineering & Construction Co. Ltd.	Hyderabad-II	2005-06	i) Depreciation was allowed in excess by ₹ 96.50 lakh. ii) Deduction of ₹ 1.39 crore was allowed in excess towards machinery usage charges. iii) Prior period income of ₹ 11.17 lakh was not offered for taxation.	73.08
4	M/s Advait Motors Pvt. Ltd.	Bengaluru-I	2007-08	The assessee had adopted opening written down value of ₹ 9.93 crore and ₹ 14.49 crore instead of actual WDV of ₹ 8.56 crore and ₹ Rs. 11.12 crore as on 1 April 2006 and 2007. The mistake resulted in excess allowance of depreciation of ₹ 28.27 lakh and ₹ 54.88 lakh for both the assessment years	34.41
5	Shri M. Balasubramaniam	Coimbatore-I	2006-07	The assessee adopted value of 9 acres of non agricultural land owned by him at ₹ 27 lakh instead of ₹ 3.26 crore based on the guideline value of ₹ 83 per square feet. Non adoption of value of asset has resulted in under valuation of ₹ 2.99 crore involving short levy of wealth tax of ₹ 2.99 lakh.	2.99
6	Achintya Kumar	Kolkata-XIV	2006-07	The assessee had incurred	53.83

	Dey			expenditure of ₹ 126.54 lakh on contract works without deducting tax at source. The amount was disallowable, which was not done.	
7	V. Lakshminarayana	Bengaluru-Central	2005-06	Interest for short payment of advance tax was short levied by ₹ 9.58 lakh	9.58
8	M/s Doon Valley Special Area Development Authority	Dehradun	2007-08	Surcharge was levied at the rate of 2 per cent instead of 10 per cent.	20.19
9	Sh. M.P. Somaprasad	Bengaluru Central	2003-04 to 2006-07	The assessee had taxable wealth. Still neither did the assessee file return of wealth nor did the assessing officer initiate any proceeding.	9.06
10	Sri Ravula Sriramachandra	Rajahmundry	2006-07	The assessee had taxable wealth. Still neither did the assessee file return of wealth nor did the assessing officer initiate any proceeding.	0.82
11	Sri Buchepally Subha Reddy	Gundur	2004-05	The assessee had taxable wealth. Still neither did the assessee file return of wealth nor did the assessing officer initiate any proceeding.	0.36
12	M/s J.D. Electronics	Hyderabad-IV	2006-07	₹ 17.83 lakh debited to the profit and loss account as gold and drive lucky scheme was not considered as Fringe benefit.	1.74
13	M/s Teknomin Constructions Ltd.	Vijayawada	2006-07	Instead of ₹ 24.09 lakh debited to profit and loss account towards medical expenses and tours and travels, only ₹ 0.44 lakh was considered for Fringe Benefit tax.	2.22
Total					306.18

Appendix-12

(Referred to in Paragraph 2.4.5)

(₹ in lakh)

Cases issued during 2010 : accepted and remedial action taken

Sl. No.	Name of assessee	CIT charge	Assessment Year(s)	Category of mistake	Tax effect
1	M/s Saga Department Stores Ltd.	Delhi-III	2005-06	Commission expenses of ₹ 1.21 crore was allowed twice.	59.16
2	M/s Aakriti Dwelling (Pvt). Ltd.	Bhopal	2005-06	The assessee claimed and was allowed deduction of ₹ 50.03 lakh under section 80IB(10) without fulfillment of the prescribed conditions. The omission resulted in under assessment of income of ₹ 50.03 lakh.	21.42
3	M/s Curewell (India) Pvt. Ltd.	Delhi-I	2006-07	Loss of ₹ 9.86 lakh was allowed to be set off even though it was more than eight years old and ineligible for set-off against profit of assessment year 2006-07.	85.53
4	M/s Laxmi Sugar Mills Co. Ltd.	Delhi-II	2006-07	Depreciation of ₹ 3.96 crore was allowed against the correct amount of ₹ 2.44 crore. The mistake resulted in over assessment of loss by ₹ 74.81 lakh and under assessment of income by ₹ 77.01 lakh.	59.65
5	M/s City & Guides (South Asis) Pvt. Ltd.	Delhi-I	2006-07	Assessing Officer adopted loss of ₹ 565.75 lakh from the computation of income of the assessee which included the brought forward losses of ₹ 499.90 lakh relating to three previous assessment years whereas the current year's loss was ₹ 91.91 lakh only. The mistake resulted in over assessment of loss of ₹ 499.90 lakh involving potential tax effect of ₹ 168.27 lakh.	168.27
6	M/s Plant Remedies Pvt. Ltd.	Patna-I	2006-07	Deduction under section 80IB was allowed at the rate of 100 <i>per cent</i> instead of 30 <i>per cent</i> in the sixth year. ii) Provision for dealers scheme of ₹ 18.81 lakh and Income tax of ₹ 0.006 lakh were debited to Profit and Loss account. Both mistakes resulted in short computation of income of ₹ 87.86 lakh.	37.35
7	M/s Sajjan India Ltd.	Mumbai-VII	2007-08	₹ 4.37 crore disallowed by the Assessing officer remained to be added back to the income while computing taxable income.	195.76
8	M/s Pancard Clubs Ltd.	Mumbai-VII	2004-05	Arithmetical errors in adoption of figures	524.59
9	M/s Asian Heart Instt. & Research Centre Pvt. Ltd.	Mumbai-X	2006-07	Incorrect computation of income under special provisions of the Act.	68.84

10	M/s Tata Chemicals Ltd.	Mumbai-II	2003-04	Short term capital gain of ₹ 24.17 crore was not considered in the re assessment made under section 143(3)/147. ₹ 30 lakh disallowed under section 36(1)(ii) on account of commission to Directors was reduced from taxable income instead of adding it. The mistakes resulted in under assessment of income of ₹ 24.77 crore.	1173.82
11	Brahma Bazar Hotels Ltd	Pune City-I	2006-07	₹ 3.54 crore towards excess depreciation disallowed for AYs 2001-02 to 2003-04 in scrutiny assessments was to be reduced from carried forward loss which was not done. The omission resulted in excess carry forward of depreciation of ₹ 3.54 crore.	119.31
12	M/s Karthikeya Paper and Boards Ltd.	Coimbatore-I	2006-07	Brought forward loss of ₹ 5.62 crore was allowed to be set off when there was no loss to be set off. Depreciation of ₹ 71.16 lakh was allowed to be carried forward when there was no loss. Both the mistakes resulted in incorrect set off of loss of ₹ 1.03 crore and excess carry forward of depreciation of ₹ 0.71 crore.	58.6
13	M/s Sterlite Industries (India) Ltd.	Chennai-III	2006-07	Interest for short payment of advance tax was levied at ₹ 9.93 crore instead of ₹ 12.36 crore.	243.46
14	M/s United India Insurance Company Ltd.	LTU Chennai	2002-03	Unabsorbed loss of ₹ 34.40 crore was allowed to be set off when there was no loss to be set off.	2038.75
15	M/s Shriram Chits Tamil Nadu Pvt. Ltd.	Chennai-III	2001-02 (ITAT revision order dated 2.2.2009)	Tax demand of ₹ 3.54 crore had been adjusted against various refund orders on different dates and refund of ₹ 2.17 crore was allowed after giving interest under section 24A on refund. The Department did not charge interest u/s 220(2) for default in payment of tax demand on due dates.	104.42
16	ITI Ltd.	Bengaluru-I	2006-07	While determining loss of ₹ 247.89 crore, short term capital gain of ₹ 2.77 crore on sale of M/s FIBCOM Limited shares was not considered, which resulted in excess assessment of loss of ₹ 2.77 crore.	93.19
17	M/s Vivimed Labs Ltd.	Hyderabad-III	2006-07	Depreciation of ₹ 6.59 crore was allowed @ 100 per cent on assets put to use for less than 180 days instead of 50 per cent of the applicable rate.	147.43
18	M/s Fortune Baroda Network Pvt. Ltd.	Baroda-I	2005-06	Payment of ₹ 87.92 lakh made without deducting tax at source was not disallowed. The mistake resulted in over assessment of loss of ₹ 27.58 lakh.	42.1

19	Audichem (India) Ltd.	Ahmedabad-I	2001-02	Though the assessee was having unadjusted MAT credit of ₹ 2.22 lakh only, adjustment of MAT credit of ₹ 19.28 lakh was allowed. This resulted in under assessment of income of ₹ 17.06 lakh.	34.55
20	SNS Textiles Ltd.	Surat-II	2007-08	Unabsorbed depreciation and business loss for the period prior to 1.4.2002 was allowed to be carried forward for more than eight AYs.	224.83
21	Rushabh Capital and Financial Services	Ahmedabad-III	2000-01	Interest income of ₹ 107.48 lakh was not offered for taxation.	79.45
22	M/s Writers and Publishers Ltd.	Bhopal	2005-06	Additional depreciation claimed without furnishing the requisite details was not disallowed.	93
23	M/s The Nizam Sugars Ltd.	Hyderabad-II	2003-04	Of the gratuity payment of ₹ 16.13 crore, ₹ 15.64 crore was allowed as against the allowable amount of ₹ 3.13 crore being 1/5 of the expenditure. The mistake resulted in excess computation of business loss of ₹ 12.51 crore.	459.79
24	M/s Transchem Ltd.	Mumbai-VIII	2007-08	The Assessing Officer adopted the business income as ₹ 1.53 crore instead of ₹ 3.48 crore.	65.38
25	M/s SBI Capital Markets Ltd.	LTU	2005-06	While giving effect to the CIT(A) order, the tax on short term capital gain was computed at concessional rate of 10 per cent instead of normal rate of 35 per cent.	172
26	M/s UTI Asset Management Company Pvt. Ltd.	Mumbai-X	2006-07	The assessee regularly claimed and was allowed scheme expenses aggregating ₹ 7.69 crore. These expenses were incurred on behalf of the mutual fund company and as such being the liability of the Mutual Fund company, should have been disallowed, which was not done.	258.91
27	M/s Lease Plan India Ltd.	Delhi-II	2005-06	₹ 71.45 crore shown under the head 'Lease/ Hire Purchase receivables' was not taken into account while calculating business income.	3776.92
28	M/s Delhi Transport Corporation	Delhi-IV	2006-07	Against ₹ 224.59 lakh paid during the previous year, deduction of ₹ 1335.99 lakh was allowed, which resulted in over assessment of loss of ₹ 1111.40 lakh.	374.1
29	M/s Bharti Cellular Ltd.	Delhi-I	2003-04	₹ 5.82 crore was allowed as 'Billing and software expenses', which was a capital expenditure and hence was to be disallowed after allowing eligible depreciation. The mistake resulted in over assessment of loss of ₹ 2.33 crore.	85.53
30	M/s Arisudana Industries Ltd. Ludhiana	Ludhiana-II	2007-08	Income of ₹ 86.96 lakh was taken as loss and after adding back ₹ 2.23 lakh, loss was assessed at ₹ 84.72 lakh which resulted in irregular carry forward of loss of ₹ 84.72 lakh.	28.52

31	Appeline Cosmetics & Toiletries Ltd.	Kolkata Central-III	2006-07	The assessee was allowed expenditure of ₹ 216.82 lakh as 'loss for inventory (submerged). There was no discussion or evidence in the assessment records for the same. As such the expenditure was not allowable. The omission resulted in under assessment of income of ₹ 216.82 lakh.	72.98
32	M/s McDonalds India Pvt. Ltd.	Delhi-II	2005-06	The Department charged interest u/s 234B for 32 months only instead of 44 months.	83.58
33	M/s Atlas Copco (India) Ltd.	LTU Mumbai	2003-04	The assessee returned long term capital gain of ₹ 2.77 crore allowing the benefit of indexed cost against the amount received for transfer of development rights taking the same as sales consideration. As there was no transfer of land, the benefit allowed towards indexed cost of acquisition of land should have been disallowed, which was not done. The omission resulted in short computation of short term capital gain of ₹ 9.92 crore	610
34	M/s Excellon Software Pvt. Ltd.	Nagpur-I	2007-08	Returned loss of ₹ 1.26 crore was taken as starting point in computation instead of NIL income.	52.26
35	M/s Mattel Toys India Pvt. Ltd.	Mumbai-VI	2001-02	While giving effect to ITAT order, relief of ₹ 2.13 crore was reduced from the assessed loss instead of adding thereto.	168.38
36	M/s ASB International Pvt. Ltd.	Thane-II	2005-06	The assessee was allowed incorrect allowance of exemption of ₹ 11.15 crore and irregular set off of carry forward loss of ₹ 3.17 crore.	524.27
37	Vapi Waste & Effluent Company Ltd.	Valsad	2007-08	Net surplus as per Income and expenditure account after depreciation was taken as ₹ 3.78 crore instead of ₹ 4.47 crore and addition on account of depreciation was taken as ₹ 2.94 crore instead of ₹ 3.09 crore. The mistake resulted in under assessment of income by ₹ 84.86 lakh.	37.99
38	Mansi Builders Ltd.	Ahmedabad Central-I	2004-05	Interest of ₹ 95.33 lakh under section 234A(1) was charged for the period from August 2005 to December 2006 instead of ₹ 145.80 lakh for the period from November 2004 to December 2006.	50.47
39	Lexicon Auto Ltd.	Kolkata-I	2005-06	Out of total receipt of ₹ 288.97 lakh, only ₹ 141.87 lakh was reflected in the Profit and loss account. Credit TDS of ₹ 9.90 lakh on the entire amount was allowed in the assessment. Non consideration of the entire amount of receipt resulted in under assessment of income by ₹ 147.10 lakh.	52.77

40	Inland Vikash Ltd.	Kolkata Central-I	2004-05	₹ 162.22 lakh shown against a debtor company was to be considered as the income of the assessee as the other company was not a debtor to the assessee.	68.67
41	Nilhat Promoters & Fiscals Pvt. Ltd.	Kolkata Central -I	2007-08	In the assessment order the assessing officer had considered the amount of ₹ 11.75 crore as unexplained income. While computing the income, only ₹ 9.88 crore was considered.	83.88
42	Jaganani Textiles Ltd.	Jaipur-I	2007-08	While computing the income, ₹ 58.45 lakh was reduced as depreciation as per Income tax Act, but did not add back ₹ 116.91 lakh as depreciation as per Companies Act.	39.35
43	M/s Ajmer Vidyut Vitran Nigam Ltd.	Ajmer	2002-03 & 2004-05	Surcharge was levied at 5 per cent instead of 2 per cent for Assessment year 2002-03 and at 10 per cent instead of 2.5 per cent for assessment year 2004-05 Education cess was charged for assessment year 2004-05 while it was not applicable.	248.63
44	Ajmer Vidyut Vitran Nigam Ltd.	Ajmer	2003-04	Interest for short payment of advance tax was charged in excess.	74.21
45	M/s HMT Limited	Bengaluru-I	2007-08	As against ₹ 183.86 crore available for set off, ₹ 208.34 crore was allowed to be carried forward for set off in future years. The mistake resulted in excess carry forward of loss by ₹ 24.48 crore.	824
46	M/s Kitply Industries Ltd.	Dibrugarh	2006-07	Loss was carried forward in excess	26.67
47	M/s Andhra Pradesh Mineral Development Corporation Ltd.	Hyderabad-II	2003-04	Deduction towards export profit had also been allowed on Mining franchise fee amounting to ₹ 1.15 crore which was incorrect as the same was not derived from export activity. The mistake resulted in excess allowance of deduction of ₹ 1.15 crore.	74.86
48	M/s Srikrishna Jewellery Mart	Hyderabad Central	2006-07	i) No TDS was made on interest payment of ₹ 36.97 lakh debited to the Profit and Loss account, and as such the amount was to be disallowed under section 40(a)(ia) which was not done. ii) There was an excess debit of ₹ 0.25 lakh towards payment of interest on capital to the partner of the firm. iii) There was no evidence for claim of deduction of ₹ 0.95 lakh under section 80G.	22.01
49	United Breweries Ltd.	Bengalure-III	2004-05	While computing book profit, expenditure of ₹ 7.64 crore disallowed during the assessment under normal provisions was not added back. The mistake resulted in short computation of book profit by	66.1

				₹ 7.64 crore.	
50	M/s Rashtriya Ispat Nigam Ltd.	Visakhapatnam	2007-08	While computing the tax payable, interest under section 234C, leviable for deferment of advance tax was not levied.	44.09
51	M/s Industrial Development Corporation of Orissa Ltd.	Bhubaneswar	2006-07	i) The assessee made provision of ₹ 4.57 crore towards gratuity for its subsidiary companies, which was not an admissible deduction ii) Claimed deduction of leave salary provision of ₹ 53.02 lakh of the chairperson of subsidiary companies iii) Closing stock valuing ₹ 2.18 crore was shown as short in the Tax Audit Report without explanation for the shortage.	244.87
52	M/s Deposit Insurance and Credit Guarantee Corporation Ltd.	LTU Mumbai	2004-05	Refunds pertaining to assessment years 1991-92 and 2003-04 issued in October 2006 and May 2007 respectively were adjusted against the demand of tax for the assessment year 2004-05. However, while giving effect to the CIT(A) s order dated 12 August 2009, the assessing officer did not give credit to the above refunds.	8768
53	M/s Wartsila India Ltd.	Mumbai-III	1996-97 & 1997-98	While finalising the assessment at the total income as arrived at in the order giving effect to ITAT order, the amount set aside for consideration of the claim for deduction under section 80I was not added back.	72
54	M/s Sarita Synthetic and Industries Ltd.	Visakhapatnam -II	2006-07	Loan amount of ₹ 20.44 crore waived by the financial institutions in a scheme of one time settlement was directly credited to reserve account as reduction in liability though the amount became assessee's own money and thus required to be brought to tax.	688.08
55	M/s Cepco Industries Ltd.	Delhi-I	2006-07	Instead of ₹ 703.23 lakh debited to profit and loss account as depreciation as per Companies Act, only ₹ 70.32 lakh was added back. This resulted in over assessment of loss of ₹ 632.91 lakh.	213.04
56	M/s Duncan Industries Ltd.	Kolkata-III	2002-03	₹ 4.97 crore being 40 per cent of ₹ 8.28 crore expended towards operation of growing and manufacturing of tea was admissible against which the full amount was allowed.	177.31
57	M/s Rajesh Exports Pvt. Ltd.	Bengaluru-III	2004-05	While giving effect to Tribunal order, entire deduction of ₹ 31.05 crore under section 10B was allowed and adjusted against the available income of ₹ 24.87 crore and balance of ₹ 6.18 crore was allowed as loss to be carried forward for future adjustment instead of restricting deduction to the extent of income, i.e. ₹	221.76

				24.87 crore and assessing at nil income. This resulted in incorrect computation and carry forward of loss of ₹6.18 crore.	
58	M/s Bharti Cellular Ltd.	Delhi-I	2002-03	In the re-assessment order, there was no change in the book profit and consequently, there was no additional demand for tax. Hence no demand for tax was to be issued. However, in the re-assessment order, tax was incorrectly charged on ₹ 932.67 lakh. The mistake resulted in overcharge of tax of ₹ 121.33 lakh including interest.	121.33
59	M/s Sanghi Spinners India Ltd.	Hyderabad-III	2004-05	i) An amount of ₹ 211.91 lakh which represented deduction in foreign currency term loan liability on assets due to exchange fluctuation was not reduced from written down value of plant and machinery. The omission resulted in excess allowance of depreciation to the extent of ₹ 59.28 lakh. ii) The assessee was allowed ₹ 1.43 crore towards interest on payment basis which was actually disallowed in previous year under section 43B. As per 3CD report no such payment was made. Hence the same should have been disallowed, which was not done.	70.31
60	M/s Heavy Engineering Corporation Ltd.	Ranchi	2006-07	The assessee debited a sum of ₹ 133.46 lakh as provision for Leave Travel Assistance in the Profit and Loss account under the head employees remuneration and benefits. As it was not an ascertained liability, it was not an allowable expenditure. Omission to disallow the amount resulted in short computation of income by ₹ 133.46 lakh.	44.92
61	Calcutta Tramways Company Ltd.	Kolkata-II	2006-07 & 2007-08	Depreciation on buses was allowed at the rate of 40 percent instead of the correct rate of 30 percent which resulted in over assessment of loss of ₹ 159.52 lakh.	53.7
62	M/s Sunrock Construction and Trading Pvt. Ltd.	Chennai-III	2006-07	The total income was determined at ₹ 82.35 lakh as loss which was allowed to be carried forward instead of positive income of ₹ 110.19 lakh after adding back ₹ 13.92 lakh on account of repairs and maintenance of plant and machinery to the returned net profit of ₹ 96.27 lakh. This resulted in under assessment of income of ₹ 110.19 lakh with consequent excess carry forward of loss of ₹ 82.35 lakh for the current year as well as ₹ 82.03 lakh for earlier years, having potential tax effect of ₹ 55.33 lakh.	55.33
63	M/s Bharat Sanchar Nigam	Delhi-I	2002-03	While giving effect to appellate order, refund of ₹ 33.08 crore was allowed to the	3308

	Ltd.			assessee. The Department overlooked the amendment in the provisions of the Act while finalising the case. As per the amendment, provisions for bad and doubtful debts are to be added to book profit under section 115JB of the Act.	
64	M/s Manu Vaniya & Holdings (P) Ltd.	Kolkata-III	2005-06	Loss of ₹ 269.32 lakh incurred from share trading, being speculation business loss was not to be set off against normal business income. The mistake resulted in under assessment of income by ₹ 269.32 lakh.	100.24
65	M/s CEAT Ltd.	Mumbai-VI	2007-08	Loss of ₹ 51.97 crore was allowed to be set off in excess.	2266
66	M/s Hotel Leela Venture Ltd.	Mumbai-VIII	2005-06	While determining the book profit under special provisions of the Act, prior period income of ₹ 1.28 crore was not added back. While computing income under normal provisions, prior period income was not considered resulting in excess carry forward of loss to the extent of ₹ 1.28 crore.	57.05
67	M/s Tamil Nadu State Transport Corporation (Madurai) Ltd.	Madurai-I	2006-07	Prior to AY 2002-03, unabsorbed depreciation was allowed to be set off up to eight assessment years only. Unabsorbed depreciation of ₹ 123.03 crore upto assessment year 1998-99 was allowed to be set off even though it was more than eight year old.	4141.27
68	M/s Ashok Apparels Pvt. Ltd.	Mumbai Central-IV	2001-02	While giving effect to the Appellate orders, the Department started computation from total income instead of computing the income head-wise. The mistake resulted in under assessment of business income of ₹ 2 crore. Short term capital loss of ₹ 31.87 lakh was wrongly allowed to be carried forward.	64
69	The Indian Jute Industries Ltd.	Kolkata-I	2007-08	Unabsorbed depreciation of ₹ 261.32 lakh pertaining to assessment years 1983-84 to 1992-93 was allowed to be set off from current year's profit which was not allowable.	87.96
70	M/s Allwyn Watches Ltd.	Hyderabad-II	2005-06	Depreciation of ₹ 84.15 lakh was allowed on factory building, equipment, Plant and machinery and electrical installation, which were not put to use during the year.	30.79
71	National Jute Manufacturing Ltd.	Kolkata-I	2006-07	Amount of ₹ 1020.67 lakh towards employees contribution of PF/ ESI, which had not been deposited by the assessee, was not disallowed during the assessment.	343
72	M/s Praxair Carbon di oxide	Bengaluru-III	2006-07	During scrutiny assessment, revised return filed by the assessee was not	357

	Pvt. Ltd.			considered which resulted in incorrect computation of income and excess carry forward of loss of ₹ 10.61 crore.	
73	M/s Creative Garments (P) Ltd.	Mumbai-VI	2007-08	Depreciation was allowed in excess.	66.35
74	M/s Carol Info Services Ltd.	Mumbai-Central	2007-08	Mistakes in adoption of figures.	121
75	M/s Bank of Baroda	Mumbai-II	2003-04	Interest under section 234D was short levied.	1355.96
76	Bata India Ltd.	Kolkata-I	2006-07	Amount of ₹ 225.37 lakh deducted from employees towards Provident Fund and ESI, not deposited to Government account was not disallowed.	75.86
77	M/s Mysore Mercantile Company Ltd.	Bengaluru-III	2008-09	Deduction under section 80-IA of ₹ 1.24 crore had been allowed without giving effect to brought forward losses (depreciation loss) of ₹ 9.84 crore. The omission resulted in excess carry forward of loss of ₹ 1.24 crore	42.03
78	M/s Sea Glimpse Investment Ltd.	Mumbai-III	2007-08	Loss was allowed to be carried forward in excess	464.85
79	M/s Famm Private Ltd.	Mumbai-V	2006-07	Opening stock was wrongly debited in the profit and loss account	86
80	Eveready Industries India Ltd.	Kolkata-IV	2007-08	The assessee was allowed full deduction of ₹ 272.29 lakh incurred towards Voluntary Separation Scheme instead of 1/5 amount. Actually allowable under section 35DDA. This lead to excess computation of loss of ₹ 217.83 lakh.	73.32
81	Angus Company Ltd.	Kolkata-III	2005-06	The assessee was allowed set off of brought forward business loss of ₹ 85.04 lakh and ₹ 61.99 lakh pertaining to assessment years 1989-90 and 1991-92 respectively from the current assessment year's profit even though these were more than eight assessment years old.	53.8
82	M/s Tessolve Services Private Ltd.	Bengaluru-III	2007-08	Instead of loss of ₹ 7.96 crore, declared in the return of income, loss was assessed at ₹ 10.25 crore.	77.07
83	M/s Kandla Port Trust	Rajkot-I	2006-07	Brought forward loss of ₹ 134.14 crore was allowed to be set off instead of ₹ 106.63 crore actually available for set off.	1119.76
84	M/s Eastern Power Distribution Company of Andhra Pradesh Ltd.	Visakhapatnam -I	2007-08	Scrutiny assessment was completed without considering the revised loss returned by the assessee which resulted in excess determination of loss of ₹. 81.97 lakh.	75.02
85	M/s Tamil Nadu Power Finance &	Chennai-I	1999-2000	Interest of ₹ 1.50 crore due from M/s NEPC was not recognised as NPA. Which	52.56

	Infrastructure Development Corporation Ltd.			resulted in under assessment of income of ₹ 1.50 crore.	
86	Jharkhand Police Housing Corporation	Ranchi	2007-08	While raising demand, tax was wrongly calculated @40 per cent instead of 30 per cent and surcharge was calculated @2.5 per cent instead of 10 per cent.	391.23
87	M/s Westing House Saxby Farmer Ltd.	Kolkata-I	2005-06	During the previous year the assessee had provided a liability for payment of ₹ 148.63 lakh to sub contractors on receipt of bills. This amount was to be disallowed as it related to earlier years and was required to be disallowed, which was not done.	54
88	M/s Kilburn Office Automation Ltd.	Kolkata-I	2005-06	i) ₹ 50.74 lakh and ₹ 102.81 lakh shown as expenses towards payment of past service gratuity liability and contribution to superannuation fund were not disallowed. ii) ₹ 119.16 lakh shown as provision for shortfall in fund was not disallowed.	99
89	M/s Cimmco Birla Ltd.	Delhi-I	2007-08	Instead of ₹ 1356.02 lakh available for disallowance, ₹ 1577.91 lakh was disallowed which resulted in over assessment of income and simultaneously incorrect set off of loss of ₹ 221.90 lakh.	74.69
90	M/s SICOM Ltd.	Mumbai-III	2007-08	Rental receipt was treated as income from house property and depreciation claimed by the assessee was disallowed, but failed to add back the amount while computing taxable income.	107.32
91	M/s Nirmal Super Markets Pvt. Ltd.	Mumbai-X	2007-08	While determining total income, the returned loss of ₹ 12.87 crore was taken as income. This resulted in over assessment of income by ₹ 25.74 crore.	866
92	M/s Hindustan Shipyard Ltd.	Visakhapatnam	2003-04	i) Total expenditure of ₹ 25.26 crore on voluntary retirement scheme was allowed in one installment instead of five installments. ii) ₹ 8.74 crore being the unspent portion of ₹ 34 crore received from the Government towards VRS expenditure was to be brought to tax, which was not done.	1063.82
93	Rajan Rakesh and Brothers	Mumbai-XX	2004-05	Depreciation was allowed in excess	10.63
94	M/s Ghatte Fabrics	Kohlapur-III	2006-07	While finalising scrutiny assessment, loss of ₹ 54.47 lakh was adopted instead of the correct figure of ₹ 5.47 lakh. This resulted in excess carry forward of loss of ₹ 48.72 lakh.	16.4
95	Shri S. Perumal	Chennai-VIII	2006-07	The capital gains on sale of property was offered at ₹ 60 lakh as against ₹ 1.36 crore fixed by Stamp Valuation Authority. Incorrect adoption of value of the	21.61

				property resulted in underassessment of capital gains of ₹ 75.83 lakh involving short levy of tax of ₹ 21.61 lakh.	
96	M/s Golder Transport	Rajkot-I	2007-08	The assessee was allowed to carry forward unabsorbed loss of ₹ 57.56 lakh instead of available amount of ₹ 7.46 lakh.	16.86
97	M/s Geneva Industries	Rajkot-I	2004-05	Income tax including surcharge worked out to ₹ 19.99 lakh against which only ₹ 14.23 lakh was levied.	5.76
98	M/s Subhlaxmi Petrochemicals	Surat-I	2005-06	₹ 37.72 lakh relating to capital goods was allowed as Manufacturing expenses, which was not admissible.	13.8
99	M/s The Primary Co-operative Agricultural Rural Development Bank	Gulbarga	2007-08	Loss of ₹ 7.01 crore was allowed to be set off against the available loss of ₹ 1.10 crore.	180.79
100	M/s Wadeshwar	Pune-II	2005-06	Business income was incorrectly computed and loss was allowed to be carried forward in excess.	11.55
101	M/s Tara Brothers	Chandigarh-I	2007-08	Depreciation was allowed in excess	8.41
102	Sh. Ashok Kumar Gupta	Delhi CC-II	1-4-1996 to 7-5-2002	Surcharge was levied at 10 <i>per cent</i> instead of 5 <i>per cent</i>	19.49
103	Jaipur Club Ltd.	Jaipur	2007-08	While computing the total income, depreciation of ₹ 25.29 lakh under the Act was allowed but omitted to add depreciation of ₹ 25.65 lakh debited in the Profit and Loss account.	8.64
104	Sh. P.V. Ramakrishna Rao	Vijayawada	2006-07	i) Long term capital gain of ₹ 1.42 crore derived from sale of asset other than 'specified asset' u/s 115c(f) was taxed @10 percent instead of 20 percent. ii) The assessee owned more than two residential houses. Exemption of ₹ 9.47 lakh towards investment on another residential house was required to be disallowed u/s 54F.	22.03
105	Siddhartha Mitra	Kolkata-XVII	2005-06	As against the receipt of ₹ 72.16 lakh as per TDS certificate, only ₹ 11.53 lakh was offered for taxation.	27.14
106	Vijay Kumar Bothre	Kolkata Central-III	2005-06	During the relevant previous year the assessee received loans and advances of ₹ 66.95 lakh from a Private Limited Company. In that company, the assessee had more than 10 <i>per cent</i> shares. The loans and advances was required to be treated as deemed dividend to the extent of the accumulated profit u/s 2(22)(e). During the previous year, the company had accumulated profit of ₹ 35.66 lakh, which was to be treated as deemed dividend. The omission resulted in under	15.84

				assessment of income by ₹ 35.66 lakh.	
107	Premium Writing products	Kolkata Central-III	2004-05	"Today's Writing Product Ltd." was a debtor of ₹ 251.03 lakh. But the assessee company was not shown as a creditor by 'Today's Writing Products Ltd.' during 2003-04. The assessee could not explain this credit satisfactorily. As such the amount was to be treated as unexplained cash credit which was not done.	121.58
108	Master Sundar Das & Sons	West Bengal CIT-Burdwan	2004-05	The assessee had received contractual payments of ₹ 471.48 lakh out of which only ₹ 349.17 lakh was offered for taxation.	60.99
109	Sh. Gopal Das Khandelwal	Jaipur-I	2006-07	Tax was calculated on short term capital gains at the rate of 10 <i>per cent</i> instead of 30 <i>per cent</i> Short term capital gain was wrongly taken as ₹ 25.27 lakh instead of ₹ 25.47 lakh.	7.63
110	Nmetal Fab Silk Industries Ltd.	Surat-III	2006-07	Depreciation of ₹ 22.36 lakh at the rate of 50 percent was allowed on machineries against the admissible amount of ₹ 6.71 lakh at the rate of 15 percent.	7.01
111	M/s Gramin Vidyut Sahakari Samiti, Maryadit, Amarpatan, Satna	Jabalpur-II	2006-07	Instead of loss of ₹ 12.29 crore, loss was assessed at ₹ 65.62 crore.	1631.9
112	Shri Mahendra Kumar Jain	Chennai Central-I	2005-06	The assessee was allowed expenditure of ₹ 1.42 crore on account of interest payment made on which no tax was deducted at source as required under section 194A. The incorrect allowance resulted in short levy of tax of ₹ 89.01 lakh including interest.	89.01
113	M/s Hero Exports	Ludhiana-II	2002-03	Demand of ₹ 10.75 lakh was raised against the correct demand of ₹ 32.58 lakh. This resulted in short computation of tax of ₹ 14.35 lakh excluding interest of ₹ 7.48 lakh under section 234B.	14.35
114	Sh. Abdullabhai	Nagpur-II	2005-06	As the income from the sale of US-64 did not form part of the total income as per the provisions of section 10(33) of the Act, set off and carry forward of the LTCL from the transfer of US-64 bonds was required to be disallowed. Omission to do so resulted in incorrect set off of long term capital loss of ₹ 21.41 lakh.	14.59
115	The Deodurg Taluk Co-op. Agricultural and Rural Devpt. Co-op. Society	Gulbarga	2007-08	The assessee was allowed excess carry forward of loss of ₹ 218 crore.	66.59

116	Sh. Sukhjit Singh	Patna-II	2006-07	Depreciation on vehicles running on hire was allowed at 40 <i>per cent</i> instead of 30 <i>per cent</i> .	14.01
117	Sh. Yogesh Pareriya	Bhopal	2007-08	Total income of the assessee was taken as ₹ 242.05 lakh instead of ₹ 462.56 lakh.	120.52
118	K. Gnaneshwar	Hyderabad-II	2004-05	Total income was taken as ₹ 2,43,31,001 instead of the correct amount of ₹ 2,43,76,001. Interest under section 234B was calculated from 1.4.2005 instead of 1.4.2004.	9.89
119	Sh. Sudhir Sareen	Hyderabad-Central-I	2002-03	Interest under section 234B was excess levied	523
120	M/s Manikchand Giriraj Group	Pune-II	2005-06	Expenses/ Payments were not disallowed though TDS was paid after the due date.	11.79
121	Sri Rao Subha Rao	Hyderabad Central	2006-07	Interest under section 234B was not levied.	13.01
122	Jharkhand Hill Area Lift Irrigation Corporation Ltd.	Ranchi	2007-08	Taxable income was taken as ₹ 322.84 lakh instead of the correct figure of ₹ 613.94 lakh	130.62
123	Shri Raj Kumar Jain	Kolkata-XVII	2006-07	Deduction of ₹ 47 lakh was allowed under section 80-IC even though the deduction was not available for goods produced by the concern.	20.05
124	M/s Sri Gayatri Wines	Hyderabad-VI	2006-07	As per orders of Andhra Pradesh Beverages Corporation Ltd., maximum retail price of liquor was fixed at the rate of 30 <i>per cent</i> over the issue price. As such, goods sold by the assessee worked out to ₹ 191.85 lakh (sales ₹ 147.57 lakh increased by 30 <i>per cent</i> .) The mistake resulted in short computation of income of ₹ 20.18 lakh.	7.68
125	Sri Rao Subba Rao	Hyderabad Central	2006-07 (covering Ays 2001-02, 2002-03, 2004-05 to 2006-07)	Undisclosed amounts of ₹ 11 lakh, ₹ 9.97 lakh and ₹ 15.18 lakh in respect of assessment years 2001-02, 2004-05 and 2005-06 were not brought to tax in full. Interest under section 234B was short levied for all the assessment years.	83.73
126	Late Shri. Saheb Khan	Raipur	2005-06	Closing capital and work in progress for the year 2004-05 were wrongly carried forward for the year 2005-06.	6.85
127	Faze Three Exports Ltd.	Mumbai-VI	2004-05	The assessee had taxable wealth. Still neither did the assessee file return of wealth nor did the assessing officer initiate any proceeding.	1.43
128	Sh. Irfan Razack	Bengaluru Central	2007-08	Urban land valued at ₹ 7.19 crore was not brought to tax.	8.34
129	Sri Grandhi Subba Rao	Gundur	2003-04	The assessee had taxable wealth. Still neither did the assessee file return of wealth nor did the assessing officer initiate any proceeding.	8.02
130	Dr. B.V. Radha Ramana	Rajamundri	2006-07	The assessee had taxable wealth. Still neither did the assessee file return of	1.81

				wealth nor did the assessing officer initiate any proceeding.	
131	Suresh Singh	Kolkata-X	2003-04 & 2004-05	Values of two buildings were not considered for wealth tax assessments.	11.97
132	Metal Engineering & Treatment Co. Pvt. Ltd.	Kolkata-I	2007-08	The assessee was engaged in the business of manufacturing bridge components and not in the business of construction. So 20 per cent of the amount expended as conveyance charges should have been considered as fringe benefit which was not done. The mistake resulted in under valuation of Fringe benefit of ₹ 6.87 lakh.	2.31
133	Megatherm Electronics Pvt. Ltd.	Kolkata-I	2006-07	20 per cent of the expenditure towards staff welfare expenses to be treated as Fringe Benefit tax, which was not done	1.16
134	Neosa Electronics Pvt. Ltd.	Kolkata-III	2008-09	Fringe Benefit was taken as ₹ 64,637 against ₹ 3.23 lakh on the value of ₹ 16.16 lakh on account of the expenditure towards repair, running and maintenance of motor cars including depreciation thereof.	1.01
135	EIHLtd.	Kolkata-III	2006-07 & 2007-08	Amounts of ₹ 363.25 lakh and ₹ 473.35 lakh expended on account of repair, running and maintenance of aircraft and depreciation thereon were not considered as Fringe benefit.	34.75
136	National Jute Manufacturing Corporation Ltd.	Kolkata-I	2006-07	Amounts of ₹ 26.75 lakh expended on account of payment towards employee's welfare, conveyance and travelling, repair, running and maintenance of motor car and depreciation thereon were not considered as Fringe benefit.	10.01
137	Net 4 Communications Ltd.	Kolkata-I	2006-07	Amounts of ₹ 6.59 lakh expended on account of payment towards employee's welfare, conveyance and travelling, use of hotel and boarding and lodging facilities etc. were not considered as Fringe benefit.	1.98
138	M/s Andhra Pradesh Tourism Development Corporation Ltd.	Hyderabad-I	2006-07	Amounts of ₹ 34.94 lakh expended on account of staff welfare was not considered as Fringe benefit.	2.87
139	M/s L.M. Glass fiber (India) Pvt. Ltd.	Bengaluru-I	2007-08	As per the certified statement of fringe benefits enclosed to return of income, total value of fringe benefit was ₹ 81.41 lakh against which only ₹ 68.80 lakh was assessed and brought to tax.	4.24
140	M/s Kohler India Corporation Ltd.	Bengaluru-I	2007-08	As per the certified statement of fringe benefits enclosed to return of income, total value of fringe benefit was ₹ 54.28 lakh against which only ₹ 37.23 lakh was assessed and brought to tax.	5.74
					45354.79

Appendix-13

(Referred to in Paragraph 2.4.6)

(₹ in lakh)

Cases issued during 2010 : accepted and remedial action initiated					
Sl. No.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
1	M/s Renowned Auto Products & Manufacturers (P) Ltd.	Chennai-III	2004-05	Income of ₹ 66.56 crore was worked out instead of loss of ₹ 2.64 crore which resulted in short computation of loss by ₹ 2.64 crore and over assessment of income by ₹ 66.56 crore and incorrect set off of brought forward loss by like amount.	2482.66
2	M/s Orissa Power Transmission Corporation Ltd.	Bhubaneswar	2007-08	The amount of prior period expenditure to be disallowed was wrongly taken as ₹ 27.71 crore instead of ₹ 12.12 crore.	923
3	M/s Neelachal Ispat Nigam Ltd.	Bhubaneswar	2007-08	The assessee understated the sales by ₹ 6.12 crore. The acceleration of stock was understated by ₹ 2.02 crore.	274
4	M/s Southern Electricity Supply Company of Orissa Ltd.	Bhubaneswar	2007-08	The assessee made provision of ₹ 3.76 crore for payment of gratuity, which was not admissible deduction. Still the amount was not disallowed.	126
5	M/s Trichy Steel Rolling Mills Ltd.	Trichy-I	2006-07	Forfeited amount of sundry creditors of ₹ 6.42 crore was credited into profit and loss account. While computing the total income, it was added back to the net loss. This resulted in underassessment of business income by ₹ 1.45 crore.	216.14
6	M/s Small Industries Promotion Corporation of Tamil Nadu Ltd.	Chennai-III	2007-08	Loss of ₹ 12.35 crore relating to assessment year 2003-04 was set off against profit of assessment year 2007-08 when actually there was a profit of ₹ 11.88 crore for the year 2003-04.	815.82
7	Le Passage To India Tours and Travels Pvt. Ltd.	Delhi-II	2006-07	In the schedules forming part of the annual accounts, Rs. 129.79 crore had been stated to have accrued as receipt from 'sales and services'. In the Profit and loss account, only Rs. 21.03 crore had been shown as income from services. Thus income of ₹ 108.76 crore escaped assessment.	4869.03
8	M/s Delhi Transport Corporation	Delhi-IV	2006-07	An amount of ₹ 131.07 crore being interest on plan loan taken for acquisition of capital assets was	4411.82

				omitted to be added back to the total income.	
9	M/s Bank of Maharashtra	Mumbai-X	2006-07	The assessee was allowed write off of bad debts of ₹ 42.18 crore in violation of provisions of section 36(1)(vii) as the bad debt of ₹ 155.13 crore written off by the assessee during the relevant previous year was less than the opening provision of ₹ 233.52 crore for bad and doubtful debts.	1888.48
10	M/ s Futura Polysters Ltd.	Mumbai-V	2007-08	The assessee while computing book profit, did not add back the deferred tax adjustment of ₹ 4.34 crore and provision for doubtful debts/ advances of ₹ 1.43 crore. Further, the assessee reduced depreciation of ₹ 24.79 crore including depreciation of ₹ 9.08 crore on account of revaluation of assets which was not admissible as per provisions of 115[B(1)(g)(iia)].	245.14
11	Allied Resins & Chemicals Ltd.	Kolkata Central -I	2005-06	The assessee had been allowed an expenditure of ₹ 19.06 crore being the interest on MDF term loan. But the said MDF project had not started functioning as on 31 March 2005 and the entire expenditure incurred as on that date was capitalised in the accounts. hence the interest of ₹ 19.06 crore was to be disallowed, which was not done.	697.59
12	West Bengal State Electricity Board (P) Ltd.	Kolkata-I	2007-08	The assessee was allowed ₹ 30.04 crore towards payment made to the Power Grid Corporation on account of transmission charges. As no TDS was made on that payment, the deduction was not regular which resulted in over assessment of loss to the extent of ₹ 30.04 crore.	1011
13	Bata India Ltd.	Kolkata-I	2006-07	The assessee was allowed deduction of ₹ 1.49 crore which was paid during assessment year 2007-08.	50.01
14	M/s National Aluminium Company Ltd.	Bhubaneswar	2007-08	i) The assessee made provision of ₹ 9.58 crore towards likely liabilities on account of pending finalisation of pay scale which was not an admissible deduction. Still the amount was not disallowed by the AO. ii) Dues on electricity, water charges and royalty are in dispute and not ascertainable and hence interest on the same is also unascertained liability. Provision of	1792

				₹ 43.67 crore made on these items was not disallowed.	
15	M/s National Aluminium Company Ltd.	Bhubaneswar	2006-07	Out of ₹ 12.39 crore proposed for disallowance under section 43B, only ₹ 2.42 crore was offered by the assessee for disallowance. Difference was ₹ 9.95 crore. Further there was excess allowance of depreciation of ₹ 1.68 lakh Both mistakes resulted in under assessment of income of ₹ 9.97 crore.	111.71
16	Gluconate Health Ltd.	Kolkata-IV	2003-04	Interest on Government loan is not covered under the provisions of section 43B of the Act. Still, the assessee was not allowed deduction of ₹ 579.07 lakh being the interest on Government loan because of non payment of the same.	212.81
17	M/s Indian Metals and Ferro Alloys Ltd.	Bhubaneswar	2006-07	As the share value of amalgamated company was de rated, the assessee company had to pay ₹ 7.42 crore which was allowed by the Assessing Officer instead of 1/5 of the amount.	200
18	M/s Shiva Cement Ltd.	Sambalpur	2006-07	Provision for interest of ₹ 2.48 crore not actually paid was not disallowed. This resulted in under assessment of income of ₹ 2.48 crore.	83.49
19	M/s Chaitanya Properties Pvt. Ltd.	Bengalure-I	2005-06	While computing the tax payable, refund of ₹ 95.84 lakh allowed in March 2006 was not considered.	105.9
20	M/s Paradeep Phosphates Ltd.	Bhubaneswar	2006-07	TDS was not made on the value of ₹ 1447.91 crore on imports from Morocco. As such the amount was to be disallowed, which was not done.	58712
21	M/s Rohit Kumar Construction Pvt. Ltd.	Bhubaneswar	2007-08	Value of work in progress was shown as ₹ (-)36.33 lakh as against the correct figure of ₹ 562.52 lakh which resulted in under assessment of profit by ₹ 5.63 crore.	260.46
22	M/s Orissa Sponge Iron Ltd.	Bhubaneswar	2006-07	Loss of ₹ 7.39 crore was allowed to be set off when there was no brought forward loss to be set off.	330.97
23	M/s Kaytee Cotsynth Ind. Ltd.	Mumbai-III	2007-08	The assessee set off unabsorbed depreciation of ₹ 2.90 crore pertaining to assessment years 2002-03 and 2003-04 against short term capital gain. The mistake resulted in under assessment of short term capital gain by ₹ 4.90 crore.	216
24	M/s Patliputra Builders (P) Ltd.	Patna-I	2004-05	Cost of investment as reported by the District Valuation Officer was not considered by the Assessing Officer which resulted in short computation of income of ₹ 13.87 crore.	781.31

25	Jharkhand Tourism Development Corporation Ltd.	Ranchi	2007-08	Interest receipt of ₹ 146.63 lakh was not considered in computation of total income.	65.64
26	Voltas Ltd.	Mumbai-VII	2001-02, 2002-03 to 2005-06	While computing book profit, provision for diminution in the value of investment amounting to ₹ 14.52 crore in assessment year 2001-02, provision for doubtful debt/advances amounting to ₹ 4.61 crore in assessment year 2002-03, provision for diminution in the value of investment of ₹ 2.61 crore and provision for doubtful debt/advances amounting to ₹ 9.84 crore in assessment year 2005-06. The omission resulted in short computation of book profit to the same extent.	363.7
27	M/s Tamil Nadu Electricity Board	Chennai-I	2006-07	Payment of ₹ 10.04 crore towards legal charges, audit fee, consultancy charges, technical fee and other professional charges, paid without deducting tax at source was not disallowed.	337.84
28	M/s Harihar Power and Alloys P Ltd.	Trichy-I	2006-07	Depreciation and additional depreciation on furniture and fittings and Plant and Machinery was allowed at more than applicable rates resulting in excess depreciation of ₹ 1.68 crore.	56.7
29	M/s Indian Oil Corporation Ltd.	Mumbai-X	2006-07	The assessee debited ₹ 146.10 crore to the profit and loss account towards technical fees. ₹ 2.08 crore was also debited towards the same under the head prior period expenses. Even though ₹ 146.10 lakh was disallowed after allowing depreciation at 25 per cent, the amount of ₹ 2.08 crore was not disallowed which resulted in under assessment of income by ₹ 1.56 crore.	69.84
30	M/s Bihar Rajya Pul Nirman Nigam Ltd.	Patna-I	2006-07	Loss of ₹ 15.91 lakh and ₹ 59.92 lakh was allowed to be set off in respect of assessment years 2004-05 and 2005-06 when actually there was no loss to be set off.	34.18
31	Shri. Ram Kandoi	Patna-II	2006-07	Deduction under section 80-IC(2)(ii) is admissible only if the production activity starts after 7 January 2003. Even though the production started well before 7 January 2003, the deduction was allowed.	29.71

32	Kerala State Co-operative Consumer Federation Ltd.	Kochi	2004-05	As the return of loss was filed after the due date, the assessee was not eligible to carry forward unabsorbed business loss of ₹ 6.02 crore, but the same was allowed.	215.76
33	M/s Sahyagiri Constructions	Pune-II	2004-05	Interest receivable on loans to various persons was required to be added to taxable income which was not done. The omission resulted in under assessment of income of ₹ 29.73 lakh.	14.08
34	M/s. Tiruchirapalli District Central Co-operative Bank Ltd	Trichi-I	2007-08	The assessee had claimed and was allowed deduction of ₹ 3655.88 lakh by aggregating 10 <i>per cent</i> of the loans and advances pertaining to rural branches and 5 <i>per cent</i> of the profits. As the assessee had no rural branches as defined under clause (ia) of Explanation to Section 36(1)(vii) it was eligible for deduction of ₹ 293.73 lakh only i.e. 7.5 <i>per cent</i> of the total income. Omission to consider the same resulted in excess allowance of deduction of ₹ 3358.15 lakh with consequential underassessment of business income of ₹ 1789.80 lakh and excess carry forward of loss of ₹ 1568.35 lakh involving positive tax effect of ₹ 547.67 lakh and potential tax effect of ₹ 479.92 lakh respectively.	1027.59
35	Shri Devi Nenshi Palani	Mumbai-XIII	2007-08	Income from other sources remained to be added while computing taxable income, though declared by the assessee in the return of income.	12.89
36	Bhilwara Mahila Urban Co-operative Bank	Ajmer	2007-08	Provision of ₹ 26.40 lakh was allowed on account of unascertained liability	9.77
37	M/s Barmer Central Co-operative Bank Ltd.	Jodhpur	2007-08	Provision of ₹ 90 lakh towards salary which was not ascertained and which was not incurred during the year was not disallowed.	32.19
38	Sh. Vetrival	Madurai-I	2007-08	Income tax payment of ₹ 43.79 lakh debited to the Profit and loss account was not added back while computing total income.	15.53
39	M/s Kundil Alloys (P) Ltd.	Goa	2006-07	The assessee had taxable wealth. Still neither did the assessee file return of wealth nor did the assessing officer initiate any proceeding.	1.11
					83,103.87