

Appendix 18

Chapter IV: Income Tax

(Referred to in para 4.6)

(Rs. in lakh)

ADOPTION OF INCORRECT FIGURES, MISTAKES IN COMPUTATION, ARITHMETICAL ERRORS, TOTALLING AND CALCULATION MISTAKES						
Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6	7
1.	Sh. S.Ramaswamy (Individual)	Mumbai Central	1998-1999	Scrutiny	The taxable income was computed at Rs. 3.25 crore whereas the correct income came to Rs. 3.94 crore.	57.65
2.	M/s Abhishek Trade Export (AOP)	Ahmedabad-I	1995-1996	Scrutiny	The taxable income was computed at Rs. 1.16 crore whereas the correct income was Rs.1.45 crore.	48.26
3.	M/s The Gurdaspur Co-operative Sugar Mills Ltd. (Co-op Society)	Amritsar-II	1997-1998	Scrutiny	The assessing officer while framing assessment made additions of Rs.10.97 lakh and Rs.79.18 lakh on account of MODVAT credit and interest against the actual amounts of Rs.10.97 lakh and Rs.179.18 lakh.	35.00
4.	M/s Rajgad SSK Ltd. (Co-op Society)	Pune-I	1999-2000	Scrutiny	Tax was levied at Rs.131.88 lakh on the assessed income of Rs.439.71	33.51

					lakh as against the total tax of Rs.153.86 lakh actually leviable.	
5.	Sh. Jagdeep Prasad Verma (Individual)	Patna Central	Block period 1990-1991 to 26/10/1999	Block assessment	The undisclosed income was not correctly worked out as per assessment order.	22.90
6.	Sh. Suresh Dubey (Individual)	Patna Central	Block period 1990-1991 to 01/12/1999	Block assessment	Rs.34.04 lakh was added back instead of Rs.45.56 lakh required to have been added on account of investment in immovable property as assessed by the assessing officer and as per the valuation report.	20.03
7.	M/s Super Industries (Firm)	Ahmedabad-I	2000-2001	Scrutiny	After reducing the loss from declared income, the taxable income worked out to Rs.20.39 lakh as against loss of Rs.9.61 lakh assessed by the assessing officer.	13.22
8.	Sh. Harish Chand Chhabria (Individual)	Bhopal	Block period 1991-1992 to 2000-2001	Block assessment	A totalling mistake resulted in adoption of a lower and incorrect figure of undisclosed income.	11.41

Appendix-19

(Referred to in para 4.8)

(Rs. in lakh)

NON LEVY OF SURCHARGE						
Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6	7
1.	Sh. M.J.Rathod (Individual)	Mumbai Central-II	Block period 1.4.1990 to 20.8.2000	Block assessment	Surcharge was levied at 10% as against the admissible rate of 17%.	96.89
2.	M/s Simoni Gems and Ajbani Jewellers (Firm)	Mumbai Central-I	Block period 1990-1991 to 1999-2000	Block assessment	Surcharged was not levied.	35.93
3.	Sh. Ajit Samdariya (Individual)	Jabalpur-I	Block period 01/04/1990 to 23/02/2001	Block assessment	Surcharge was not levied.	28.59
4.	M/s New Nandi Seeds Corporation (Firm)	Ahmedabad-I	2000-2001	Scrutiny	Surcharge was not levied.	26.50
5.	Sri Laxmi Narayan Shah	Kolkata-IV	Block period 01/04/1989 to 03/11/1999	Block assessment	Surcharge was not levied	24.12
6	Sh. Jai Shankar Singh (Individual)	Delhi-VIII	Block period 01/04/1990 to 26/08/2000	Block assessment	Surcharge was not levied.	15.59
7.	Sh. Vinod Kumar Ahuja (Individual)	Delhi-III	Block period 1991-1992 to 19/10/2000	Block assessment	Surcharge was levied at 10% as against the admissible rate of 17%.	15.35
8.	Sh. Mukesh B. Patel (Individual)	Ahmedabad Central-II	Block Period 01/04/1990 to 08/12/2000	Block assessment	Surcharge was levied at 12% as against the correct rate of 17%.	10.16

Appendix-20

(Referred to in para 4.9 to 4.16)

(Rs. in lakh)

INCORRECT COMPUTATION OF BUSINESS INCOME, INCORRECT ALLOWANCE OF LIABILITIES, UNDERASSESSMENT OF SALES, PAYMENTS MADE OTHERWISE THAN BY CROSSED CHEQUE OR BANK DRAFT, COMPUTATION OF CAPITAL GAINS, INCOME NOT ASSESSED, CARRY FORWARD AND SET-OFF OF LOSSES

Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6	7
Para 4.9						
1.	M/s Kisan Disc Family Trust (AOP/Trust)	Ahmedabad Central	2000-2001	Scrutiny	Deduction of Rs.91.50 lakh on account of bonus was not admissible as payment of bonus was not made before the due date of filing the return.	44.84
2.	M/s Rajgad SSK Ltd. (Co-op Society)	Mumbai-I	1999-2000	Scrutiny	Provident fund dues were not paid and hence required to be added to the income.	11.90
Para 4.10						
3.	Smt. Chanchal Dogra (Individual)	Shimla	1998-1999 1999-2000	Scrutiny Summary	The payments were not made either by the crossed cheque or crossed bank draft and 20% was required to be disallowed.	33.32
4.	M/s Kishore Construction Company (Firm)	Rajkot	1996-1997	Scrutiny	The payments were not made either by the crossed cheque or crossed bank draft and hence 20% was required to be disallowed.	33.00

Para 4.12						
5.	M/s Dayal Jewellery Museum (Firm)	Kolkata-XI	1998-1999	Scrutiny	Deduction of expenses was to be allowed of Rs.24.35 lakh instead of Rs.4.39 lakh.	11.14
6.	M/s Mewara Inda and Party (AOP)	Jaipur-I	2000-2001	Scrutiny	While determining gross profit, deduction on account of direct expenses was allowed which was not admissible.	10.99
Para 4.13						
7.	M/s Educational and Charitable Society (AOP Trust)	Chennai	1997-1998	Scrutiny	The difference between the sale consideration and cost of acquisition was not treated as "short term capital gain".	95.90
8.	Ms. Vijayaban P. Ruparell (Individual)	Mumbai-II	1997-1998	Scrutiny	Indexed cost of acquisition was not worked out for land and improvement separately.	11.04
Para 4.15						
9.	M/s P.P.Xavier & Co. (Firm)	Cochin	1995-1996	Scrutiny	The amount of arbitration award of Rs.20.69 lakh and interest thereon of Rs.0.32 lakh received by the assessee for work done in earlier years was not brought to tax.	15.27

Para 4.16						
10.	Smt. Amita Batra (Individual)	Delhi-VIII	1996-1997	Scrutiny	The assessee had filed the return of income after the due date and was not eligible to carry forward business loss of Rs.76.85 lakh.	30.48(P)
11.	M/s Lucky Exports (Firm)	Delhi Central-III	2000-2001	Scrutiny	While working out deduction u/s 80HHC, only unabsorbed depreciation was adjusted whereas brought forward business loss was allowed to be carry forward which was incorrect.	20.29(P)

Appendix-21

(Referred to in para 4.18 and 4.19)

(Rs. in lakh)

INCORRECT ALLOWANCE OF DEDUCTION IN RESPECT OF EXPORT PROFITS AND MISTAKE IN ALLOWANCE OF DEDUCTION IN RESPECT OF COOPERATIVE SOCIETIES

Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6	7
Para 4.18						
1.	M/s Tamcom Electronics (Firm)	Mumbai-XX	1996-1997 1997-1998	Summary Scrutiny	90% of interest, insurance claim and other receipts were not deducted from the profits to arrive at the profit of the business resulting in excess grant of deduction u/s 80HHC.	23.47 43.10
2.	M/s Agarwal Chemicals (Firm)	Mumbai Central-I	1999-2000	Scrutiny	Export profits were incorrectly enhanced by 90% of other income of Rs.92.83 lakh instead of reducing the export profits by the same amount.	36.34
3.	M/s Everwin Export Corporation (Firm)	Coimbatore-III	1996-1997 1997-1998	Summary	While computing the deduction u/s 80HHC, the assessee did not exclude 90% of interest and rent receipts, which resulted in excess allowance of deduction.	28.11

4.	M/s Kachwala Gems (Firm)	Jaipur-I	1997-1998	Scrutiny	The correct amount of deduction works out to Rs.12.72 lakh as against Rs.28.83 lakh allowed by the assessing officer while computing deduction u/s HHC.	11.57
5.	M/s Handloom Emporium (Firm)	Delhi-XI	2000-2001	Scrutiny	The amount received as 'duty drawback' and expenditure incurred on insurance and freight was not reduced from the total turnover and export turnover respectively while quantifying deduction towards export profits.	10.41
Para 4.19						
6.	M/s Bhilwara Ajmer Kshetriya Gramin Bank (Co-op Society)	Ajmer	1998-1999	Scrutiny	The unabsorbed loss of Rs.439.25 lakh was not set-off from the income, before allowing deduction.	45.49(P)
7.	M/s Marwar Gramin Bank (Co-op Society)	Jodhpur	1996-1997	Scrutiny	The brought forward losses were not set-off from income, before allowing the deduction.	13.10(P)

Appendix 22

(Referred to in para 4.20 and 4.21)

(Rs. in lakh)

MISTAKES IN GRANTING REFUND, NON LEVY/SHORT LEVY LEVY OF INTEREST FOR DELAY IN FILING RETURN OF INCOME, DEFAULT IN PAYMENT OF ADVANCE TAX

Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6	7
Para 4.20						
1.	M/s Baby Marine (Eastern) Exports (Firm)	Trivandrum	1993-1994	Scrutiny	Credit for tax paid was allowed for Rs.32.12 lakh against the actual amount of Rs.12.89 lakh which resulted in refund.	19.23
Para 4.21						
2.	M/s Birla Tyres (AOP)	Kolkata-IV	1997-1998	Scrutiny	Interest was not levied for delay in submission of return.	52.06
3.	Sh. R.N.Thakar (Individual)	Mumbai-I	2000-2001	Scrutiny	Interest was not levied for delay in submission of return.	24.73
4.	M/s Kaiwal Agro Products (Firm)	Baroda-II	1994-1995	Scrutiny	Interest was not levied for delay in submission of return.	15.48
5.	Sh. Narayan T.Baddi (Individual)	Ahmedabad Central	Block period 1988-1989 to 1998-1999	Block assessment	Interest was charged at the rate of one and one half percent instead of 2% for delay in filing the return.	15.04
6.	Sh. Manish Ajmera (Individual)	Jaipur-II	1995-1996	Scrutiny	Interest for default in payment of advance tax on increased amount of tax as a result of reassessment, was not levied.	91.50

7.	M/s Kisan Sahkari Chini Mills Ltd. (Co-op Society)	Bareilly	1998-1999	Scrutiny	Interest for short payment of advance tax was erroneously levied at Rs.108.53 lakh instead of correct amount of Rs.153.79 lakh.	45.27
8.	Sh. Kapurchand Bansal (Individual)	Ahmedabad-VI	1993-1994	Scrutiny	Interest for default in payment of advance tax was not charged.	26.33
9.	M/s Vighnagar SSK Ltd. (Firm)	Pune-V	1996-1997	Scrutiny	Interest of Rs.223.54 lakh was levied on enhanced income instead of Rs.248.58 lakh actually worked out.	25.04
10.	Sh. Rajkumar Bansal (Individual)	Bhavnagar-IV	1993-94	Scrutiny	Interest for default in payment of advance tax was not charged.	21.59
11.	Sh. Md. Sayeed (Individual)	Patna Central	1995-1996	Scrutiny	Interest for non payment of tax demand was short levied by the department.	88.44
12.	Sh. Parmod Kumar Jaiswal (Individual)	Patna Central	1992-1993	Best judgement assessment	While raising revised demand interest was omitted to be included in the total demand.	21.60
13.	Sh. Rajarathina m P (Individual)	Chennai Central-III	1994-1995	Scrutiny	While collecting the demand by way of adjustment of refund, interest for delay in payment of demand was omitted to be levied.	20.07
14.	Sh. R. Veeramani (Individual)	Chennai Central-II	1996-1997	Scrutiny	Interest levied at Rs.24.23 lakh against the correct amount of Rs.35.82 lakh.	11.59

Appendix 23
(Referred to in para 4.24)

(Rs. in lakh)

SUMMARY ASSESSMENTS MADE FROM JUNE 1999 ONWARDS						
Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6	7
1.	M/s Ganga Kishan Sahkari Chini Mills Ltd. (Co-op Society)	Muzaffarnagar	2001-2002	Summary	Receipt of Rs.227.91 lakh earned from sale of additional free sale sugar under the incentive scheme was not included in the taxable income.	89.29(P)
2.	M/s Chittorgrah Kendriya Sahkari Bank Ltd. & M/s Banswara Central Co-operative Bank Ltd. (Co-op Society)	Udaipur	2001-2002 2001-2002 2002-2003	Summary	Receipts of interest on deposits in bonds for fixed period were allowed as deduction instead of restricting the deduction to Rs.50,000/- for each assessment year as this income was not from carrying on the business of banking or providing credit facilities to members.	66.11
3.	M/s Jannani's Impex (Firm)	Trichy-I	2001-2002 2002-2003	Summary	The assessee was not eligible for deduction u/s 80HHC on account of export of rough granite blocks in view of Supreme Court decis-	63.53

					ion in the case of M/s. Stone Craft Enterprises Vs CIT (237 ITR 131).	
4.	Sh. Samir J. Jhaveri (Individual)	Mumbai-IV	2000-2001	Summary	Exemption claimed was not admissible as no capital gain had arisen on sale of shares held as stock-in-trade.	42.19
5.	M/s Kashi Gramin Bank (Co-op Society)	Varanasi	2002-2003	Scrutiny	Expenses did not pertain to previous year relevant to assessment year 2002-03 and hence the provision made was required to be added back to the income of the assessee.	32.09(P)
6.	M/s Sai Engineering Foundation (Trust)	Shimla	2000-2001	Summary	Income of the trust was not spent for charitable and religious purpose as the assessee was doing the business of contract work and hence the assessee was not entitled to deduction.	24.17
7.	M/s Gramin Vidyut Sahakari Samiti Ltd. (Co-op Society)	Indore-I	2000-2001	Summary	Provision of Rs.43.30 lakh towards 'employees gratuity' was not admissible as the assessee society was not having any approved gratuity fund.	24.06

8.	M/s The Shahbad Coop. Sugar Mills Ltd. (Co-op Society)	Karnal	2001-2002	Summary	The assessee had credited Rs.54.08 lakh on account of interest accrued but not received under current liabilities and provisions in the balance sheet instead of crediting it to profit and loss account.	20.82(P)
9.	M/s Universal Textile Water Proof Co. (Firm)	Mumbai-XX	1998-1999	Summary	Rent receipts were assessed under the head "business income" instead of income from "house property".	16.74
10.	Sh. Anuj A. Sheth (HUF)	Mumbai-XXI	2001-2002	Summary	The long term capital gain was to be worked out without applying 'cost indexation'.	13.39

Appendix 24

(Referred to in para 4.25)

(Rs. in lakh)

OVERASSESSMENT OF INCOME AND TAX						
Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Excess levy of tax
1	2	3	4	5	6	7
1.	M/s The Shahabad Coop Sugar Mills Ltd. (Co-op Society)	Karnal	2000-2001	Scrutiny	The assessing officer had added back Rs. 65.23 lakh on account of deductions under chapter VIA, while computing taxable income which was not required.	37.29
2.	Smt. Shakuntala Devi Gupta and Sh. Vijay Kumar Gupta (Individuals)	Jabalpur-II	Block period 01/04/1989 to 15/12/1999	Block assessment	Interest was charged @ 2% against the admissible rate of one and one fourth percent.	29.85
3.	Sh. Anil Kumar Sinha (Individual)	Patna Central	1996-1997	Best Judgement Assessment	Interest was incorrectly worked out for non filing of return and non payment of advance tax.	14.98