

**Appendix 16**  
(Refer Para No.2.9.2)

<p><b>Chapter-2</b> <b>Efficiency and effectiveness of administration and implementation of selected deductions and allowances under Income Tax Act</b></p>
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**Deduction in respect of industries in infrastructure development [Sec. 80IA]**

Nature of Undertaking	Period of commencement of production		Quantum of deduction		Period of admissibility
	From	To	Company	Others	
1	2	3	4	5	6
1. Infrastructure facilities	1/04/95	Open ended	100%	100%	For 10 years out of first 15 years
2. Telecommunication services: Domestic Satelite Services	1/04/95	31/03/04	100% 30%	Not eligible	For initial 5 years Balance period of 5 years
(b) Other services viz. radio, paging, basic or cellular networking of trunking & Electronic data Interchange Service	1/04/95	31/03/04	100% 30%	100% 25%	For initial 5 years Balance period of 5 years
3. Industrial Park or special economic Zone	1/04/97	31/03/06	100%	100%	For 10 years out of 15 years
4. Power sector engaged in Generation or generation & distribution of power	1/04/93	31/03/06	100%	100%	For 10 years out of 15 years
b) Transmission or distribution of power	1/04//99	31/03/06	100%	100%	For 10 years out of 15 years

**Appendix 17**  
(Refer Para No.2.10.2)

**Eligible business/period/conditions of eligibility under section 80IB**

Nature of Undertaking	Commences production during the period		Quantum of deduction		Period of admissibility
	From	To	Company	Others	
Manufactures/produces articles or things in areas specified in the Eighth Schedule If located in back-ward states No deduction w.e.f. AY 2004-05	01/04/93	31/03/04	100% 30%	100% 25%	For initial 5 years Balance period of 5 years (For Co-op. Society 7 years)
(b) If located in North –Eastern Region No deduction w.e.f. AY 2004-05 I A SSI undertaking: Located in back-ward districts – Category A	01/04/93	31/03/04	100% 30%	100% 25%	For 10 years  For initial 5 years Balance period of 5 years (For Co-op. Society 7 years)
Category B	01/10/94	31/03/04	100% 30%	100% 25%	For initial 3 years Balance period of 5 years (For Co-op. Society 9 years)
(ii) Located elsewhere	01/04/95	31/03/04	30%	25%	For 10 years (Co-op Society-12 years)
2. Manufactures/produces articles or things in areas other than those specified in eighth Schedule Only if located in backward States	01/04/93	31/03/04	100% 30%	100% 25%	For initial 5 years Balance period of 5 years (For Co-op. Society 7 years)
(b) A SSI undertaking: Located in backward districts: - Category A	01/10/94	31/03/04	100% 30%	100% 25%	For initial 5 years Balance period of 5 years (For Co-op. Society 7 years)
Category B	01/10/04	31/03/04	100% 30%	100% 25%	For initial 3 years Balance period of 5 years (For Co-op. Society 9 years)
(ii) Located elsewhere	01/04/95	31/03/02	30%	25%	For 10 years (For Co-op. Society 12 years)
An industrial Undertaking which is not a SSI, located in backward					

districts Category A	01/10/94	31/03/02	100% 30%	100% 25%	For initial 5 years Balance period of 5 years (For Co-op. Society 7 years)
Category B	01/10/94	31/03/02	100% 30%	100% 25%	For initial 3 years Balance period of 5 years (For Co-op. Society 9 years)
3. Cold storage plant					
(a) Located in backward districts-	01/04/93	31/03/04	100% 30%	100% 25%	For initial 5 years balance period of 5 years (For Co-op. Society 7 years)
(b) Located in backward districts- Category A	01/10/94	31/03/04	100% 25%	100% 25%	For initial 5 years balance period of 5 years (For Co-op. Society 7 years)
Category B	01/10/94	31/03/04	100% 30%	100% 25%	For initial 3 years balance period of 5 years (For Co-op. Society 9 years)
© Located elsewhere (only for SSI)	01/04/95	31/03/02	30%	25%	For 10 years (For Co- op. Society 12 years)
4. Hotel – in Specified Areas	01/04/97	31/03/01	50%	Not eligible	For initial 10 years
In Non-specified Areas	01/04/97	31/03/01	30%	Not eligible	For initial 10 years
5. Scientific Research & Development	01/04/00	31/03/04	100%	Not eligible	For initial 5 years
6.Mineral Oil: Commercial Production Located in North Eastern Region	Prior to 01/04/97	Open ended	100%	100%	For initial 7 years
(ii) Located elsewhere	01/04/97	Open ended	100%	100%	For initial 7 years
(b) Refining	01/10/98	Open ended	100%	100%	For initial 7 years
7. Construction & development of Housing project	01/10/98	31/03/05	100%	--	Till 31/03/2001
8. Operating cold storage facility for agricultural produce	01/04/99	31/03/04	100% 30%	100% 25%	For initial 5 years Next 5 years (Co-op society 7 years)
9. Handling, Storage and Transportation of Food Grains	01/04/01	Open ended	100% 30%	100% 25%	First 5 Years For next 5 years
10. Multiplex Theatre	01/04/02	31/03/05	50%	50%	For initial 5 years
11. Convention Centre	01/04/02	31/03/05	50%	50%	For initial 5 years

## Appendix 18

(Rs. in lakh)

Sl No.	Name of the assessee/ CIT charge	Assessment year/ Nature of assessment	Nature of asset	Nature of mistake	Excess claim of depreciation	Tax effect
<b>Refer Para No.2.14.2: Depreciation on assets not owned by the assessee</b>						
1.	M/s Bhardwaj Construction Company Pvt. Ltd Hazari Bagh	2003-04 Summary	Business assets	Depreciation was claimed and allowed on assets not taken over by the assessee.	14.51	5.33
2.	M/s Apexa Software Pvt. Ltd Gandhi Nagar	2002-03 Summary	Car	Asset not owned by the assessee	0.59	0.19
<b>Refer Para No.2.14.5: Depreciation against let out house property</b>						
3.	M/s FFE Minerals Ltd, Chennai I	1999-00 Scrutiny 2000-01 Summary	Let out property	Incorrect allowance of depreciation against income from house property.	9.24 9.73	8.68
4.	M/s Meco Tronics Pvt. Ltd. Chennai III	1999-00 2000-01 Summary	Let out property	Incorrect allowance of depreciation against income from house property.	9.73 10.81	5.32
<b>Refer Para No.2.14.8: Depreciation on sale and lease back transactions</b>						
5.	M/s Thirunindra Narayanan Finance Pvt. Ltd. Chennai I	1999-00 Scrutiny 2000-01 Summary	Leased assets	Depreciation allowed on leased out assets.	189.02	72.13
6.	M/s Trident Finance Chennai I	1997-98 Scrutiny	-do-	-do-	132.89	57.14
7.	M/s Ind. Bank Merchant Banking Ltd. Chennai I	1997-98 Scrutiny	-do-	-do-	81.90	35.22
8.	M/s Kenzes foundation Chennai I	1997-98 Scrutiny	-do-	Depreciation allowed incorrectly in a sale and lease back transaction.	41.50	25.28
<b>Refer Para No.2.14.20: Capital investment subsidies not deducted from cost</b>						
9.	M/s R.K.B Cements Pvt. Ltd. and 5 others <sup>1</sup> Guwahati II	2000-01 to 2002-03 Summary/ Scrutiny	Business asset	Capital investment subsidies not deducted from cost	97.84	34.53
10.	M/s Satyam Steels and Alloys	2000-01 Summary/Sc	Business asset	Capital investment subsidies not deducted	81.13	28.39

1

Sl. No.	Name of the assessee	Assessment year	Tax effect
1.	M/s Borak Valley Alloys Pvt. Ltd.	2000-01 and 2001-02	2.72
2.	M/s Assam State Warehousing Corporation Ltd.	2001-02	12.88
3.	M/s Assam Air Products Pvt. Ltd.	2000-01	1.64
4.	M/s Assam Roofing Ltd.	2001-02	0.63
5.	M/s North East Gasess Pvt. Ltd.	2001-02	0.87

	Pvt. Ltd, Shillong	rutiny		from cost		
<b>Refer Para No.2.14.22: Depreciation allowed on assets disposed off</b>						
11.	M/s Kothari Beverages Pvt. Ltd, Baroda I	2002-03 Summary	Plant and machinery	Depreciation was allowed on plant and machinery disposed of	25.01	8.93
12.	M/s Gujarat Electricity Board Baroda I	2003-04 Summary	Building and vehicles	Depreciation allowed on Building and vehicles disposed of	22.94	8.43
<b>Refer Para No.2.14.33: Mistakes in grant of additional depreciation</b>						
13.	M/s Sree Mataliks Ltd. Bhubaneshwar	2003-04 Summary	Mini Blast Furnace	Expansion to Mini Blast Furnace acquired before 1 April 2002 was below 25 per cent.	90.85	36.85
14.	M/s Jalan Jee Polytax Ltd Gorakhpur	2003-04 Summary	Plant and machinery	Requisite Form 3AA not furnished	49.88	18.33
<b>Refer Para No.2.14.36: Depreciation claim allowed on ineligible items</b>						
15.	M/s Advanced Medicare & Research Institute Ltd Kolkata IV	1999-2000 to 2002-03 Summary	Leasehold land	Ineligible item	108.78	40.95
16.	M/s Ambuja Cement Eastern Ltd Kolkata IV	2000-01 Scrutiny 2001-02 2002-03 Summary	Leasehold land and surface right	Ineligible item	55.75	20.69
<b>Refer Para No.2.21.3: Inconsistency in the treatment of “loose tools” and “moulds</b>						
17.	M/s Thompson Consumer Electronics Chennai I	1996-97 Scrutiny	Loose tools	Depreciation claimed at 100 per cent was not restricted to 25 per cent treating the assets as plant and machinery in the year of consumption	14.54	13.39
18.	M/s Fennor India Ltd. Madurai I	2002-03 2003-04 Summary	Replacement of moulds	Depreciation claimed at 100 per cent was not restricted to 25 per cent treating the assets as plant and machinery in the year of consumption	6.63 28.68	12.68
<b>Refer Para No.2.30.3: Depreciation incorrectly allowed on ‘goodwill’</b>						
19.	M/s Radam Media Pvt. Ltd. Chennai IV	2002-03 Summary	Goodwill	Depreciation was incorrectly allowed on goodwill treating as ‘non competitive fee’.	28.33	5.53
20.	M/s Meltrek India Pvt. Ltd. Chennai III	2000-01 Summary	Goodwill	Depreciation was incorrectly allowed on goodwill treating as ‘trade mark knowhow’.	8.50	3.28
<b>Refer Para No.2.30.4: Depreciation on investment in shares and stock exchange membership fee</b>						
21.	M/s Vinayak Equity Brokers India Pvt. Ltd. Indore I	2000-01 to 2002-03 Summary	M.P.Stock Exchange Membership Fee	Depreciation was incorrectly allowed.	4.63	2.04

**Appendix 19**  
**(Refer Para 2.14.4)**  
**Assets not used in business**

(Rs. in lakh)

SI No.	Name of the assessee/ CIT charge	Assessment year	Depreciation irregularly allowed	Tax effect
1.	M/s Bilaspur Castings Ltd Kolkata I	1997-98 to 2003-04 Summary	216.78	82.65
2.	M/s Tex Tools Ltd. Coimbatore II	2003-04 Summary	188.18	69.16
3.	M/s Galaxy Multimedia Pvt. Ltd. Mumbai-VIII	2001-02 Scrutiny	158.99	62.88
4.	M/s Utkal Moulders Ltd. Bhubaneswar	2000-01 Summary	69.47	34.78

**Appendix 20**  
**(Refer Para 2.14.18)**

**Mistakes in determination of actual cost or written down value of assets**

(Rs. in lakh)

SI No.	Name of the assessee/ CIT charge	Assessment year/ Nature of Assessment	Nature of asset	Nature of mistake	Tax effect
1.	M/s SBI Home Finance Ltd. Kolkata III	1999-2000 to 2002-03 Summary	Different assets	Opening WDV was taken as Rs.4.97 crore instead of Rs.2.01 crore.	54.61
2.	M/s Roofit Inds. Pvt. Ltd. Central I Mumbai	1998-99 1999-00 Scrutiny	Buildings, Plant & Machinery, Equipments & Furniture	WDV of the asset was adopted as Rs.1704.38 lakh instead of Rs.1360.17 lakh	46.63
3.	M/s Hunter Snacks Pvt. Ltd, Chennai I	2001-02 Summary	Business assets	Opening WDV was incorrectly adopted.	38.11
4.	M/s Sarvaraya Sugars Ltd Central Hyderabad	2000-01 Scrutiny	Plant & machinery	WDV was not correctly adopted.	35.88
5.	M/s Black Thunder Theme Park, Chennai I	2000-01 Summary	Business assets	Opening WDV was incorrectly adopted.	33.79
6.	M/s Texprint Overseas Ltd. Kolkata III	2000-01 2001-02 2002-03 Summary	Plant & machinery	Additional amount of depreciation due to variation in exchange rate was calculated on the net book value instead of WDV.	32.23
7.	M/s Modern Denim Ltd, Jaipur II	1995-96 Scrutiny	Business assets	Incorrect adoption of written down value	27.10

## Appendix 21

(Rs. in lakh)

Sl. No	Name of assessee/ CIT charge	Assessment year/ Nature of assessment	Nature of asset	Rate of depreciation		Excess claim	Tax effect
				Admissible	allowed		
<b>Refer Para No.2.14.25: Adoption of incorrect rates of depreciation</b>							
1.	M/s Bank of Maharashtra Ltd, Pune-I	2001-02 Scrutiny	Electric Installation	10%	25%	215.13	85.08
2.	M/s Prax Air Carbondioxide Pvt. Ltd. Bangalore III	1999-00 Scrutiny 2000-01 2001-02 Summary	Gas Cylinder	25%	100%	62.83 45.08 34.50	52.99
3.	M/s Mardia Steel Pvt. Ltd. Ahmedabad Central	1997-98 Scrutiny	DCARC furnace	25%	More than 25%	114.34	45.94
4.	M/s Infrastructure Development Corporation Ltd, Chennai I	1999-00 2000-01 Scrutiny	Residential Building	5%	10%	101.27	45.26
5.	M/s Ashok Leyland Ltd. Chennai I	1998-99 Scrutiny	Building	5%	10%	115.72	38.57
6.	M/s L&T Western India Toll Bridge, Chennai I	2002-03 Summary	Buildings	10%	25%	45.49	37.15
7.	M/s DCM Financial Services Ltd, Delhi I	1996-97 Scrutiny	Buses/ Trucks in leasing finance	25%	40%	73.13	33.64
8.	M/s Gujarat Hotels Pvt. Ltd. Jabalpur	2000-01 Scrutiny 2001-02 Summary	Plant and Machinery	25%	More than 25%	68.71	33.04
9.	M/s Sayaji Hotels Ltd. Baroda III	2003-04 Summary	Hotel Building	10%	20%	81.35	29.90
10.	M/s Shri Satpuda Tapi Parisar SSK Ltd. Nasik I	1995-96 Scrutiny	Non-factory building used for residential purpose	5%	25%	31.59	27.48
11.	M/s Mysore Sales International Ltd. Bangalore III	1999-00 Scrutiny	Improvement to buildings on lease hold land	10%	100%	49.04	26.17
<b>Refer Para No.2.14.27: Depreciation on assets used for less than 180 days</b>							
12.	M/s Indapur Sahakari Sakahar Karkhana Ltd. Pune-I	2001-02 Scrutiny	Plant & Machinery	12.5%	25%	149.63	59.18
13.	M/s Lloyd Engineering Ltd, Delhi II	2000-01 Scrutiny	Plants & Machinery	12.5%	25%	49.55	27.38
14.	M/s Sadhu Singh Hamdard Trust Jalandhar	2000-01 2001-02 Scrutiny	Business assets	81.96	163.90	81.96	26.51

**Appendix 22**  
**(Refer Para No.2.14.30)**

**Excess carry forward of losses/unabsorbed depreciation**

**(Rs. in lakh)**

SI No.	Name of the assessee/ CIT Charge	Assessment year	Excess set off	Tax effect
1.	M/s East Coast Breweries and Distilleries Cuttack	1995-96 to 1997-98 Scrutiny	57.73	81.90
2.	M/s Shriram chits & Investments Chennai Central I	2002-03 & 2003-04 Summary	--	80.21
3.	M/s Rajasthan Small Industries Corporation Ltd. Jaipur II	1996-97 Scrutiny	70.11	47.65
4.	M/s Milton Plastics Ltd. Mumbai II	1997-98 to 2000-01	159.00	57.55
5.	M/s Gujarat Inject Ltd Baroda I	1989-90 Best judgement	41.72	56.71
6.	M/s Om Oil & Flour Mills Ltd. Cuttack	2002-03 & 2003-04 Summary	74.74 74.66	54.12
7.	M/s Thiru Arooran Sugars Chennai III	1992-93 Scrutiny	64.02	47.71
8.	M/s. Orissa Extrusions Ltd, Cuttack	1998-99 Scrutiny	133.99	46.90
9.	M/s Varun Shipping Company Ltd. Mumbai V	1999-00 Scrutiny	521.00	43.35
10.	M/s Rayalaseema Hi-strength Hypo Ltd Hyderabad III	1999-2000 Scrutiny	106.83	37.39
11.	M/s Parental Drugs India Pvt. Ltd. Mumbai VII	2001-02 Scrutiny	56.14	30.64
12.	M/s Shree Rajasthan Syntex Ltd. Udaipur	2003-04 Summary	76.47	31.39

**Appendix 23**

**(Refer Para No.2.14.39)**

**Mistakes in adoption of correct figures and errors in computation**

**(Rs. in lakh)**

SI No.	Name of the assessee/ CIT charge	Assessment year/ Nature of assessment	Excess deduction allowed	Tax effect
1.	M/s Madura Coats Ltd. Madurai I	1997-98 & 1999-00 Scrutiny	110.17 62.42	98.05
2.	M/s TVS Motor Company Chennai I	1999-00 scrutiny	78.64	53.48
3.	M/s Earnest Health Care Ltd Indore I	2000-01 Summary	106.95	41.17
4.	M/s Kapoor Rice and General Mills Moga (Punjab)	2002-03 Summary	75.07	26.80



**Appendix 24**  
**(Refer Para No.2.14.41)**  
**Other miscellaneous mistakes**

(Rs in lakh)

Sl No.	Name of the Assessee/ CIT charge	Assessment year/ Nature of assessment	Nature of observation	Under assessment	Tax effect
1.	M/s R.D.B. Industries Ltd. CIT-Kolkata-I	2000-01 Summary	Depreciation relating to prior period was not added back	254.39	97.94
2.	M/s Shoppers Investment and Finance Co. Chennai	1991-92 to 1994-95 (Scrutiny and appeal revision)	CIT(A)'s directions for disallowing depreciation on assets acquired on "hire purchase" were not carried out.	170.13	97.83
3.	M/s AFCON Pauliny (India) Ltd, City VIII Mumbai	2001-02 Scrutiny	Book depreciation not added back correctly	51.72	29.25
4.	M/s State Bank of Travancore	1993-94 Scrutiny	Claim of depreciation on permanent security disallowed in original order incorrectly allowed in revision order	20.15	25.60
5.	M/s Bharat Hotels (P) Ltd Delhi I	2001-02	Depreciation incorrectly allowed on 'motor car' manufactured out of India and acquired by the assessee before 1 April 2001.	39.89	22.72
6.	M/s Kamal Packaging (P) Ltd, Kolkata-II	2002-03 Summary	Depreciation of earlier year was incorrectly claimed and allowed	59.41	21.21
7.	M/s Maharashtra State Oil Seeds Commercial and Industries Corporation Ltd. City I Mumbai	1990-91 Scrutiny r.w.s 250	Book depreciation not added back correctly	31.80	17.17
8.	M/s Pancharatna Cements (P) Ltd Jorhat (Assam)	2002-03/ Summary	Book profit worked out after adjusting depreciation as per Income Tax Act instead of Companies Act.	13.60	5.43
9.	M/s Artose Breweries Ltd Rajamundry (AP)	2000-01 Summary	Book depreciation not added back correctly	9.73	3.75
10.	M/s HTE Enterprises (P) Ltd, Moradabad	2003-04 Summary	Assessee claimed arrear depreciation of Rs.4.86 lakh.	4.86	1.79
11.	M/s Rajasthan State Handloom Development Corporation Ltd. Jaipur-I	2003-04 Summary	Depreciation as per Income Tax Act was allowed without adding back depreciation as per Companies Act	3.78	1.32

## Appendix 25

(Rs in lakh)

Sl No.	Name of the assessee/ CIT charge	Assessment year/ Nature of assessment	Under assessment	Tax effect
<b>Refer Para No.2.15.3: Irregular allowance of deduction on scientific research</b>				
1.	M/s Soft Beverages Chennai III	2001-02 to 2003-04 Summary	63.35 43.52 16.69	60.93
2.	M/s Amoli Organics Ltd. Valsad (Gujarat)	2001-02 Scrutiny 2003-04 Summary	32.19 51.14	31.52
3.	M/s Shyam Telecom Ltd. Delhi	2000-01 Scrutiny	47.57	27.19
<b>Refer Para No.2.15.6: Incorrect allowance of deduction together with depreciation</b>				
4.	M/s I.T.C Ltd. Kolkata III	2000-01 & 2001-02 Scrutiny	236.52	92.35
5.	M/s Vera Laboratories Ltd. Hyderabad III	1998-99 to 2000-01 Summary	74.86	27.03
<b>Refer Para No.2.16.3: Deduction without approval of prescribed authority</b>				
6.	M/s Narula Corner House Delhi V	2001-02 Scrutiny 2002-03 & 2003-04 Summary	28.89	10.53
7.	M/s Nilgiri Dairy Farm Ltd. Bangalore III	1999-00 to 2002-03 Summary	13.90	5.27
8.	M/s Southern paper Products Pvt. Ltd. and two others <sup>2</sup> , Ernakulam Central	1999-00 & 2001-02 Scrutiny	6.90	3.51
<b>Refer Para No.2.16.6: Irregular/non-utilisation of reserve</b>				
9.	M/s New Kenilworth Hotel Ltd. Kolkata III	2001-02 & 2003-04 Scrutiny 2002-03 Summary	102.93	38.08
10.	M/s Parikh Inn Pvt. Ltd. Kolkata III	1999-00, 2000-01 & 2001-02 Summary	70.92	34.05
11.	M/s Thomas Cook India Ltd. Mumbai-I	2001-02 Scrutiny	78.79	31.16
<b>Refer Para No.2.16.9: Mistake in computation of eligible profit/deduction</b>				
12.	M/s EIH Hotels Ltd. Chennai I	1996-97 & 1997-98 Scrutiny	31.80 140.04	76.7 6
13.	M/s Paradise Holidays Delhi V	2001-02 Scrutiny 2003-04 Summary	6.69 1.47	4.38

2

1.	M/s Air Travel Enterprises India Ltd. Trivandrum	2000-01 2001-02 Scrutiny
2.	M/s Avenue Hotel and Resorts Kochi	2001-02 Summary

<b>Refer Para No.2.16.13: Deduction without setting off brought forward loss</b>				
14.	M/s Hotel and Allied Traders Pvt. Ltd. Kochi	2002-03, & 2003-04 Summary	97.71	35.44
15.	M/s Sangu Chakra Hotels Pvt. Ltd. Trichy	2001-02 & 2002-03 Summary	12.51	7.88
<b>Refer Para No.2.16.15: Other mistakes under section 80HHD</b>				
16.	M/s Marudhar Hotels Pvt. Ltd. Jodhpur I	1997-98 Scrutiny	39.67	17.06
17.	M/s Hotel Leela Venture Ltd. Mumbai VIII	1996-97 Scrutiny	30.55	14.05
<b>Refer Para No.2.21.8: Non compliance with judicial pronouncement</b>				
18.	M/s Jabalpur Hatcheries Pvt. Ltd. Jabalpur I	2002-03 & 2003-04 Summary	93.11 77.65	61.78
19.	Shri V.N.Dubey Jabalpur I	2000-01 to 2003-04 Summary	33.48 35.03	27.49
<b>Refer Para No.2.22.4: Double allowance of deductions under sections 35 (2) and 35 (2AB)</b>				
20.	M/s Cipla Ltd. Mumbai-II	2003-04 Summary	93.74	34.45
21.	M/s USV Ltd. CC-XXXII Mumbai	2003-04 Summary	38.41	21.17
<b>Refer Para No.2.26.3: Deductions under Chapter VIA without considering past depreciation</b>				
22.	M/s Hotels and Allied Traders Pvt. Ltd Kochi	2002-03 & 2003-04 Summary	247.36	89.83
23.	M/s Sourth India Corporation Ltd. Kochi	2002-03 2003-04 Summary	88.55 131.12	81.98
24.	M/s Atco Research & Development Ltd Mumbai VI	2000-01, Summary 2001-02, Scrutiny 2002-03, Summary	75.09 56.32 42.24	66.26
25.	M/s Red Rose Textiles Industries Ltd Mumbai IV	2000-01 2001-02 Scrutiny	139.68 107.89	25.45
<b>Refer para No.2.28.3: Irregular grant of depreciation without depreciation schedule</b>				
26.	M/s Ores India Pvt.Ltd. Cuttack	2002-03 2003-04 Summary	160.99 134.59	119.72
27.	M/s Zen global Finance Ltd. Chennai	1998-99, Scrutiny 2000-01, Summary	128.82 36.38	57.82
<b>Refer para No.2.32.2: Depreciation on WDV under Companies Act instead of Income Tax Act</b>				
28.	M/s Orissa Tourism Development Corporation Bhubaneshwar	2000-01 2001-02 Summary	70.13	29.40

## Appendix 26

(Rs in lakh)

Sl No.	Name of the assessee/ CIT charge	Assessment year/ Nature of assessment	Nature of mistake	Irregular deduction allowed	Tax effect
<b>Refer Para No.2.15.8: Other mistakes under section 35</b>					
1.	M/s Ashapura Minechem Pune-I	2001-02 Scrutiny	Incorrect allowance of capital expenditure without verification by the auditor	161.57	63.90
2.	M/s Dhara Vegetable Oil and Foods Company Ltd. Baroda I	2003-04 Summary	Incorrect allowance of deduction u/s 35(I)(i), 35(I)(ii), 35(2)(ia) and 35(I)(iv) without fulfilling the prescribed conditions therein.	160.79	59.08
3.	M/s Teledata Informative Ltd. Chennai III	1998-99 to 2000-01 Summary	Assessee's business being software development, capital expenditure was incorrectly allowed as deduction on scientific research	431.17	50.86
<b>Refer Para No.2.16.10: Deduction against ineligible business</b>					
4.	M/s Thomas Cook (India) Ltd. Mumbai I	2000-01 Scrutiny 2001-02 Scrutiny	Money changing business was incorrectly treated as service provided to foreign tourists for allowing deduction u/s 80HHD.	60.78 83.29	60.99
<b>Refer Para No.2.17.3: Irregular allowance of double deductions</b>					
5.	M/s Venus Continental Pvt Ltd, City XI Mumbai	2000-01 Summary	While computing deduction under section 80HHF, profit and export turnover taken under section 80 HHC were not deducted.	49.59	19.09
6.	Ms. Puja Bhaganani City XI Mumbai	2000-01 Scrutiny	While computing deduction under section 80HHF, profits taken for deduction under section 80 I were not deducted.	8.74	3.06
<b>Refer Para No.2.17.5: Mistakes in adoption of correct figures and errors in computation</b>					
7.	M/s Mukta Art Ltd Central II Mumbai	2001-02 Scrutiny	Miscellaneous income and equipment hire charges of Rs.7.14 crore received by the assessee were not reduced from profits.	112.85	44.63
<b>Refer Para No.2.17.7: Other miscellaneous mistakes under section 80HHF</b>					
8	M/s M.V Exports Ltd. Chennai	2000-01 Scrutiny	Deduction was allowed under section 80-HHC instead of section 80-HHF, in the absence of requisite audit certificate	122.52	47.17
9.	Shri Chandrakant A. Mehta, Mumbai-I	1996-97 Summary	Deduction was allowed under section 80-HHF instead of section 80-HHC	42.93	27.69
10.	M/s PCM Sports India Pvt Ltd Hyderabad	2000-01 Summary	Deduction was allowed even though it did not involve any export or transfer out of India, of film software.	25.09	11.18
11.	Shri Budhadev Dasgupta Kolkata XIX	2001-02 Summary	Deduction was incorrectly allowed to an individual against the certificate meant for industrial undertaking	6.19	2.17

<b>Refer Para No.2.18.26: Other miscellaneous mistakes under section 80IA</b>					
12.	M/s Media Tronix Pvt. Ltd; Kochi	2003-04 Summary	Company did not use power in manufacturing process and employed only 18 workers instead of 20 workers as required.	16.04	6.63
13.	M/s Avon Meters Pvt. Ltd Chandigarh	2003-04 Summary	Commencement of production beyond specified period.	4.73	1.74
<b>Refer Para No.2.19.6: Special provisions for small-scale industrial undertakings</b>					
14.	M/s Schuing Selter India Pvt. Ltd. Chennai III	2000-01 to 2002-03 Scrutiny	Assessee was not an eligible small scale industrial undertaking .for deduction	131.91	49.42
<b>Refer Para No.2.19.15: Irregular deduction to business not located in approved backward areas</b>					
15.	M/s Raghuraji Agro Industries Pvt. Ltd Faizabad	2001-02 Scrutiny	Location of business at Ambedkar Nagar was not in approved area	29.16	16.92
16.	M/s Kanpur Detergent & Chemicals Ltd Kanpur II	2001-02 Scrutiny	Location of business at Delhi was not in approved area	24.78	13.03
<b>Refer Para No.2.19.18: Double deduction</b>					
17.	M/s Kanam Latex Industries Pvt. Ltd Kottayam	2002-03 2003-04 Summary	Deduction under section 80IB was not reduced while computing deduction towards export profits.	86.19	34.39
<b>Refer Para No.2.19.20: Other miscellaneous mistakes under section 80IB</b>					
18.	M/s Malayala Manorama Company Ltd. Kottayam	2000-01 Summary	Inflation of eligible profits due to wrong apportionment of expenses. Besides, figures of deduction were not adopted correctly.	62.03	27.94
19.	M/s K.P Issac & Sons Kochi	2000-01 Summary	Hotel business was not approved by the prescribed authority	20.09	10.33
20.	M/s Utkal Asbestos Ltd, Bhubaneswar	2002-03 Summary	Inflation of eligible profits due to wrong apportionment of expenses	25.20	9.72
21.	M/s R.V.Nirman Pvt. Ltd, Hyderabad	2002-03 Summary	Production commenced before prescribed date of October 1998.	--	3.70
22.	M/s Spectrum Projects Pvt. Ltd, Bhubaneswar	2000-01 Summary	- do -	3.31	1.50
23.	M/s Him Metal Processing Pvt. Ltd. Himachal Pradesh	2003-04 Summary	Deduction was incorrectly allowed beyond the tax holiday period of 10 years	1.39	0.43
<b>Refer Para No.2.24.2: Deduction on "duty drawback"</b>					
24.	M/s Venus Continental (P) Ltd City XI Mumbai	2000-01 Summary	Duty drawback, sale of licenses etc. were not reduced from export profits.	72.35	27.86
25.	M/s C A Films Pvt Ltd City XI Mumbai	2000-01 Summary	Duty drawback was not reduced from export profits.	12.73	5.03

## Appendix 27

(Rs. in lakh)

Sl No.	Name of the assessee/ CIT charge	Assessment year/Nature of assessment	Nature of income to be excluded	Irregular deduction allowed	Tax effect
<b>Refer Para No.2.18.2: Irregular deduction allowed on ineligible business/other income</b>					
1.	M/s Northern Strips Ltd. Delhi V	2001-02 Summary	Ineligible business of cutting and slitting of polyster film	218.18	86.22
2.	M/s Elastrex Polymers Ltd. Bangalore I	2000-01 2001-02 Summary	Income from manufacturing 'ruffer chappel' not an eligible business	165.18	64.36
3.	M/s Meghmani Organics Ltd. Ahmedabad II	2000-01 Scrutiny 2002-03 Summary	DEPB benefit of eligible unit	129.28	59.90
4.	M/s Regency Exports Pvt. Ltd/ Mumbai City-III	1996-97 Scrutiny	Income from designing production and export of cotton made ups and trading of goods manufactured by others	40.83	32.31
<b>Refer Para No.2.19.3: Irregular allowance of deduction on other income to be excluded</b>					
5.	M/s Kanam Latex Industries Pvt. Ltd, Kottayam	2002-03 Summary	Other income	--	55.95
6.	Jawand Sons Udey Complex Ludhiana III	2001-02 Scrutiny 2002-03 2003-04 Summary	Export incentive	111.35	46.22
7.	M/s Malayala Manorma Company Ltd, Kottayam	2003-04 Summary	Income relating to ineligible period where production started after prescribed date of 31 March of 1995.	118.13	45.80
8.	M/s Merck Limited Mumbai VI	2000-01 Scrutiny	Sale proceeds of DEPB	71.72	40.66
9.	(i) M/s N Sahewalla and Co. Ltd. Dibrugarh  (ii) Dr. S.S.Malpani Jorhat	1997-98 1998-99 Scrutiny 1999-00 to 2001-02 Summary 1999-00 to 2000-01 Summary	Income from ineligible business of application of X-ray and ultrasonic machinery in medical clinic.	60.88	34.42
10.	M/s Himson Textile Engg. Ind. Ltd, Surat I	2003-04 Summary	Interest, rent and dividend not excluded	91.46	33.61
11.	M/s Rohit Soap & Detergent Pvt. Ltd, Kanpur II	2000-01 2001-02 Scrutiny	Income from ineligible business	58.89	32.56
12.	Sh Tilak Raj Bedi Prop M/s Puneet Exports Inds Ludhiana III	2001-02 Scrutiny 2002-03 2003-04 Summary	Export incentive and Interest	71.71	30.33

## Appendix 28

(Rs. in lakh)

Sl No.	Name of the assessee/ CIT charge	Assessment year/ Nature of assessment	Irregular deduction allowed	Tax effect
<b>Refer Para No.2.18.8: Incorrect allowance of double deduction</b>				
1.	M/s Metrochem Industries Ltd Ahmedabad I	1999-2000 Scrutiny	358.56	82.11
2.	M/s Sri Lakshmi Saraswathi Mills Ltd. Chennai III	1999-00 & 2000-01 Summary	153.85	73.55
3.	M/s Brakes India Ltd. Chennai I	2000-01 & 2002-03 Summary	167.64	61.85
4.	M/s Pioneer Niaggi Chemicals Madurai I	2002-03 & 2003-04 Summary	171.35	61.71
<b>Refer Para No.2.18.15: Claims allowed without audit certificate</b>				
5.	M/s Bajaj Motors Ltd Gurgaon	2001-02 2002-03 Summary	40.81 64.92	39.31
<b>Refer Para No.2.18.21 Non-furnishing of separate accounts for separate units/divisions</b>				
6.	M/s Bhagwati Rubber & Allied Products Ltd, Kanpur	2000-01 & 2001-02 Scrutiny	131.70	72.32
7.	M/s Alkem Laboratories Ltd. Patna I	1997-98 & 1999-00 Scrutiny	108.06	41.28
<b>Refer Para No.2.18.26: Other miscellaneous mistakes under section 80IA</b>				
8.	M/s Magnum Power Generation Ltd. Delhi II	2001-02 Scrutiny	119.50	47.26
9.	M/s Sundaram Brake Linings Ltd Chennai III	1999-2000 Scrutiny	59.18	24.65
<b>Refer Para No.2.19.13: Claims allowed without audit certificate under section 80IB</b>				
10.	M/s P.K.Re-rolling Mills Pvt. Ltd. Kozhikode	2000-01 Summary	47.20	16.85
11.	M/s DSP Precision Products Ltd. Himachal Pradesh	2001-02 2002-03 Summary	14.53 8.16	8.66
<b>Refer Para No.2.25.5: Inconsistent application of judicial decisions</b>				
12.	M/s Patnaik Minerals Pvt. Ltd. Sambalpur	1997-98 1999-00 2000-01 2001-02 Scrutiny	44.84 23.90 20.34 28.76	52.36
<b>Refer Para No.2.29.3: Non adjustment of depreciation before allowing deduction under section 80IA</b>				
13.	M/s Reliance Industries Ltd Mumbai III	2001-02 Scrutiny	219.20	86.69
14.	M/s Cello Writing Instruments & Containers Pvt. Ltd, CC III Mumbai	1999-00 Scrutiny	167.04	51.49
15.	M/s Cello Home Products CC III Mumbai	1999-00 Scrutiny	124.24	43.48
16.	M/s Diamond Cables Ltd. Baroda I	2001-02 & 2002-03 Scrutiny & Summary	98.97	40.49