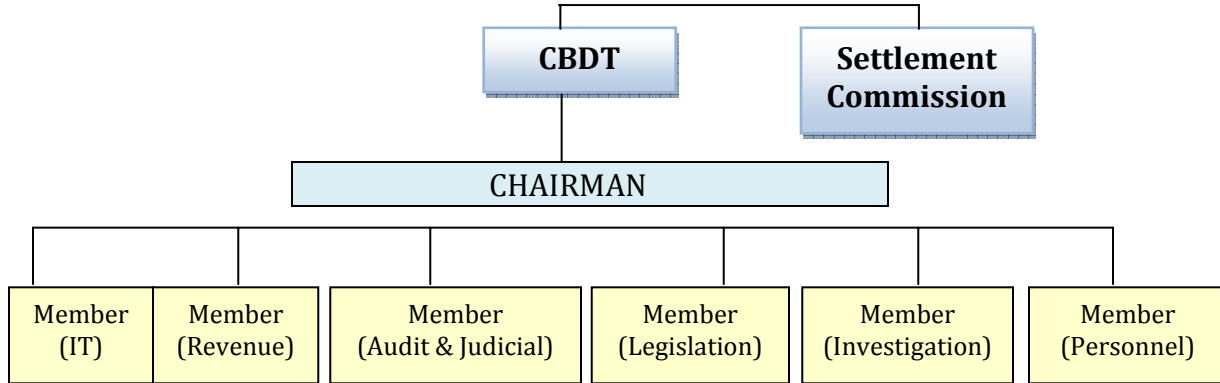


Chapter I

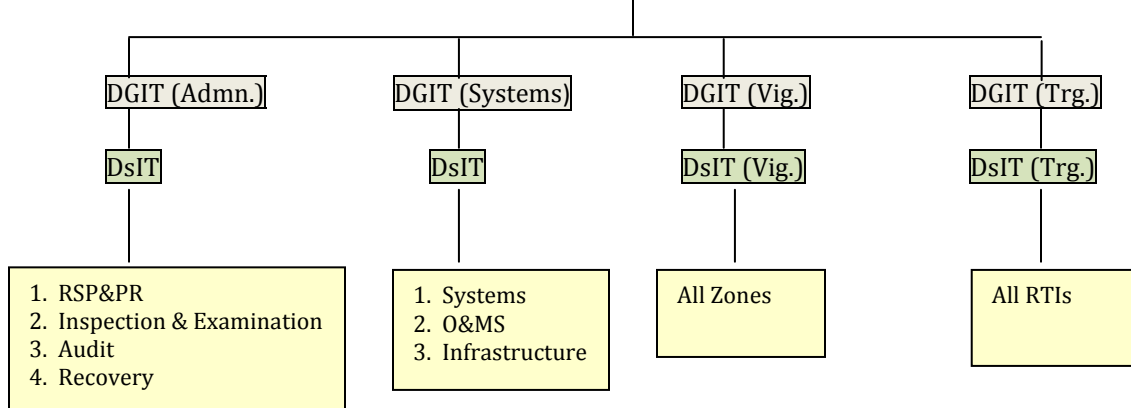
Tax Administration

**Appendix 1
(Reference: Paragraph 1.2)**

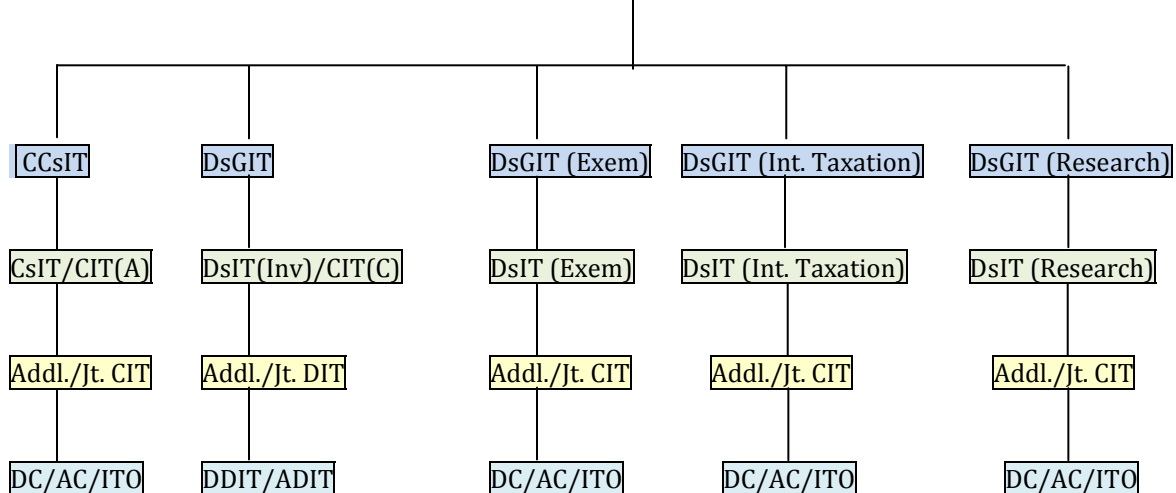
Organisational set up of the Income Tax Department



Attached Offices of CBDT



Field Formations of CBDT



Appendix 2

(Reference: Paragraph 1.3)

(Rs. in crore)

State/UT wise break up of Direct taxes												
States	0020	0021	0023	0024	0026	0028	0031	0032	0033	0034	0036	Total
	Corpn tax	Income Tax	Hotel Rect Tax	Interest Tax	Fringe Ben. Tax	Expdr Tax	Estate Duty	Wealth Tax	Gift Tax	Sec. Trans Tax	Ban. Cash Tran. Tax	
Andhra Pradesh	4298.53	4238.19	0.22	0.18	166.34	2.62	0	12.69	0.03	2.32	22.77	8743.89
Arunachal Pradesh	0	13.80	0	0	0	0	0	0	0	0	0	13.80
Assam	- 675.75	127.22	0.01	0.07	1.87	- 51.03	0	0.88	0	0	0.15	-596.58
Bihar	62.25	423.27	0	0.03	4.58	0.49	0	0.41	0	0	0.05	491.08
Chhatisgarh	255.54	- 289.20	0	0.01	1.01	0.01	0.01	0.69	0	0	0.08	-31.85
Delhi	22000.69	12068.23	0	1.19	1105.22	1.73	0.08	52.95	0.34	13.22	85.56	35329.21
Goa	133.03	296.09	0	0	7.09	0	0	0.84	3.95	0	0.09	441.09
Gujarat	3725.93	3880.96	0.05	0.65	153.60	2.21	0.05	14.90	0	0.02	22.19	7800.56
Haryana	666.93	1761.57	0	0.11	35.61	0.33	0	2.99	0	0	0.10	2467.64
Himachal Pradesh	207.51	209.12	0	0.01	4.35	0.44	0	0.11	0	0	0.06	421.60
Jammu & Kashmir	273.63	234.40	0	0	5.59	0	0	0.20	0	0	3.35	517.17
Jharkhand	110.66	793.02	0.01	0.05	8.36	0.59	0	0.26	0	0	0.12	913.07
Karnataka	62075.67	13909.00	0.11	1.29	1438.77	1.16	0	61.65	- 3.74	4.80	99.96	77588.67
Kerala	694.80	1430.10	0.01	0.04	36.14	0.66	0	2.75	0.02	0	3.07	2167.59

States	0020	0021	0023	0024	0026	0028	0031	0032	0033	0034	0036	Total
	Corpn tax	Income Tax	Hotel Rect Tax	Interest Tax	Fringe Ben. Tax	Expdr Tax	Estate Duty	Wealth Tax	Gift Tax	Sec. Trans Tax	Ban. Cash Tran. Tax	
Madhya Pradesh	694.57	1709.70	0	0.13	55.07	- 0.01	0.01	-2.46	0.18	0.01	8.82	2466.02
Maharashtra	90744.69	41379.71	1.52	1.30	3757.68	25.64	0.05	160.34	0.27	5384.32	211.79	141667.31
Manipur	9.01	0.16	0	0	0	0	0	0	0	0	0	9.17
Meghalaya	6.64	108.15	0	0	0.85	0	0	0.04	0	0	0.01	115.69
Mizoram	0	0.10	0	0	0	0	0	0	0	0	0	0.10
Nagaland	0.91	4.05	00	0	0	0	0	0	0	0	0	4.96
Orissa	1124.51	818.90	0	0	14.62	0.01	0	0.32	0	0	0.16	1958.52
Punjab	218.27	1287.02	0.09	0.02	23.29	1.70	0.01	5.41	0	- 0.02	0.41	1536.20
Rajasthan	1082.17	1411.41	0	0.01	43.96	7.33	0	4.70	0.02	0	9.21	2558.81
Sikkim	0.13	1.21	0	0	0.04	0	0	0	0	0	0	1.38
Tamil Nadu	6120.99	5780.15	0.22	1.63	256.85	10.48	0.02	22.39	0.11	0.01	33.09	12225.94
Tripura	39.69	39.36	0	0	0.92	0	0	0.09	0	0	0.01	80.07
Uttar Pradesh	645.95	2720.81	0.01	0.95	48.17	1.07	0.18	6.62	0	0.02	2.09	3425.87
Uttaranchal	- 537.96	258.84	0	0.47	11.02	0.31	0	0.70	0	0.01	0.65	- 265.96
West Bengal	18977.71	7615.69	0.01	0.40	778.22	10.60	0.01	38.71	0.03	0.25	81.48	27503.11
Total (i)	212956.7	102231.03	2.26	8.54	7959.22	16.34	0.42	388.18	1.21	5404.96	585.27	329554.13

States	0020	0021	0023	0024	0026	0028	0031	0032	0033	0034	0036	Total
	Corpn tax	Income Tax	Hotel Rect Tax	Inter est Tax	Fringe Ben. Tax	Expdr Tax	Estat e Duty	Wealth Tax	Gift Tax	Sec. Trns. Tax	BCTT	
Union Territories												
Andaman and Nicobar Islands	16.09	7.60	0	0	2.36	0	0	0	0	0		26.05
Chandigarh	212.39	448.87	0.01	0.06	11.11	0.98	0.16	0.86	0	0	0.15	674.59
Daman and Diu	0.27	0.32	0	0	0	0	0	0	0	0	0	0.59
Dadra and N.Haveli	0	0	0	0	0	0	0	0	0	0	0	0
Pondicherry	81.33	83.41	0	0.02	3.88	0	0	0.20	0	0	0	168.84
Lakshadweep	0.26	2.62	0	0	0	0	0	0	0	0	0	2.88
Total (ii)	310.34	542.82	0.01	0.08	17.35	0.98	0.16	1.06	0	0	0.15	872.95
Total (i) &(ii)	213267.04	102773.85	2.27	8.62	7976.57	17.32	0.58	389.24	1.21	5404.96	585.27	330427.08
CTDS (Prov)	128.13	3262.80	0	0	0	0	0	0	0	0	0	3390.93
Grand Total	213395.17	106036.65	2.27	8.62	7976.57	17.32	0.58	389.24	1.21	5404.96	585.27	333818.01

Appendix 2A
(Reference: Paragraph 1.4.3)

(Rs. in crore)

Sl. no	State	Net collection (2007-08)	Net Collection (2008-09)	Net State DP(NSDP) (2006-07)	NSDP (2007-08)	Percent Growth in collection	Percent Growth in NSDP	Tax-NSDP Ratio (%)	Buoyancy (%)
1	2	3	4	5	6	7=(col.4/col.3-1)x100	8=(col.6/col.5-1)x100	9=(col.4/col.6)x100	10=(col.7/col.8)
1	Andhra Pradesh	13,835.66	8743.89	240261	279483	(-) 36.80	16.32	3.13	(-) 2.25
2	Arunachal Pradesh	8.56	13.8	3020	3266	61.21	8.15	0.42	7.52
3	Assam	1,623.38	-596.58	57378	62852	(-) 136.75	9.54	(-) 0.95	(-) 14.33
4	Bihar	791.42	491.08	86424	98373	(-) 37.95	13.83	0.50	(-) 2.74
5	Chhattisgarh	1,891.67	-31.85	56934	68045	(-) 101.68	19.52	(-) 0.05	(-) 5.21
6	Delhi	45,954.98	35329.21	109238	125700	(-) 23.12	15.07	28.11	(-) 1.53
7	Goa	2,156.26	441.09	13284	15065	(-) 79.54	13.41	2.93	(-) 5.93
8	Gujarat	11,909.14	7800.56	180271	208211	(-) 34.50	15.50	3.75	(-) 2.23
9	Haryana	5,246.26	2467.64	118995	140457	(-) 52.96	18.04	1.76	(-) 2.94
10	Himachal Pradesh	465.54	421.6	24797	27542	(-) 9.44	11.07	1.53	(-) 0.85
11	Jammu & Kashmir	533.34	517.17	24747	27100	(-) 3.03	9.51	1.91	(-) 0.32
12	Jharkhand	1,958.57	913.07	54472	60548	(-) 53.38	11.15	1.51	(-) 4.79
13	Karnataka	30,706.94	77588.67	174742	203703	152.67	16.57	38.09	9.21
14	Kerala	2,775.79	2167.59	123366	140889	(-) 21.91	14.20	1.54	(-) 1.54
15	Madhya Pradesh	3,556.22	2466.02	113221	123230	(-) 30.66	8.84	2.00	(-) 3.47
16	Maharashtra	129,353.89	141667.31	375915	437035	9.52	16.26	32.42	0.59
17	Manipur	11.06	9.17	4726	5044	(-) 17.09	6.73	0.18	(-) 2.54

Report No. 4 of 2009-10 (Direct Taxes)

Sl. no	State	Net collection (2007-08)	Net Collection (2008-09)	Net State DP(NSDP) (2006-07)	NSDP (2007-08)	Percent Growth in collection	Percent Growth in NSDP	Tax-NSDP Ratio (%)	Buoyancy (%)
1	2	3	4	5	6	7=(col.4/col.3-1) x100	8=(col.6/col.5-1)x100	9=(col.4/col.6)x100	10=(col.7/col.8)
18	Meghalaya	206.66	115.69	6162	6707	(-) 44.02	8.84	1.72	(-) 4.98
19	Mizoram	0.18	0.1	2629	2887	(-) 44.44	9.81	0.00	(-) 4.53
20	Nagaland	11.21	4.96	4980	5255	(-) 55.75	5.52	0.09	(-) 10.10
21	Orissa	4,279.15	1958.52	81392	92603	(-) 54.23	13.77	2.11	(-) 3.94
22	Punjab	2,584.48	1536.2	109459	122049	(-) 40.56	11.50	1.26	(-) 3.53
23	Rajasthan	5,240.71	2558.81	128997	145125	(-) 51.17	12.50	1.76	(-) 4.09
24	Sikkim	15.91	1.38	1746	1990	(-) 91.33	13.97	0.07	(-) 6.54
25	Tamil Nadu	18,010.29	12225.94	229896	254268	(-) 32.12	10.60	4.81	(-) 3.03
26	Tripura	64.25	80.07	8712	9533	24.62	9.42	0.84	2.61
27	Uttar Pradesh	7,044.62	3425.87	271750	303228	(-) 51.37	11.58	1.13	(-) 4.43
28	Uttaranchal	6,689.13	-265.96	22781	25868	(-) 103.98	13.55	(-) 1.03	(-) 7.67
29	West Bengal	12028.57	27503.11	240775	274897	128.65	14.17	10.00	9.08
30	A& N Islands	21.26	26.05	1382	1527	22.53	10.49	1.71	2.15
31	Chandigarh	1,053.92	674.59	11266	13248	(-) 35.99	17.59	5.09	(-) 2.05
32	Puducherry	143.95	168.84	6231	7002	17.29	12.37	2.41	1.40

Chapter 2

Audit Impact

Appendix -3

(Referred to in Paragraph 2.4)

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 (Rs. in crore)	Percentage (Column 4/ column 3 x 100)
1	2	3	4	5	6
Andhra Pradesh	14027	10630	937	258.37	8
Assam	1538	1403	29	3.90	2
Bihar	930	852	54	3.11	6
Chhattisgarh	294	264	6	0.22	2
Delhi	31586	21571	1039	1107.43	4
Goa	873	422	30	4.48	7
Gujarat	13967	12819	806	157.43	6
Haryana	6378	5488	531	91.51	9
HP	1160	1073	257	6.49	23
Jharkhand	2036	1598	98	89.88	6
J&K	128	85	31	0.43	36*
Karnataka	11810	9925	353	285.87	3
Kerala	3952	3434	442	268.84	12
Madhya Pradesh	5456	5244	388	65.92	7
Maharashtra	49905	46998	1817	3097.67	3
Orissa	2501	2066	202	94.33	9
Punjab	11955	10826	662	49.96	6
UT	2215	1984	159	102.38	8
Rajasthan	12159	11191	687	135.70	6
TN	25679	23288	3616	545.59	15
Uttar Pradesh	14174	13697	455	157.93	3
Uttaranchal	648	424	20	0.11	4
West Bengal	19222	18264	1016	922.77	5
Total	232593	203546	13635	7450.33	6.7

Total demand raised during the assessments in 2007-08 = Rs. 52865 crore.

Percentage of error (in terms of revenue) = $\frac{\text{Rs. 7450.3}}{\text{Rs. 52865}} = 14\%$

*This may not be true representation since a small number of cases were audited.

Appendix 4

(Referred to in Paragraph 2.4)

Details of establishment cost of statutory receipt audit			
Cadre	Working Strength	Average of pay Band + Grade pay + DA	Total cost (Rs. in crore) Column2xColumn3
1	2	3	4
Sr. Audit Officers	297	27350+5400+7205	1.19
Asstt. Audit Officers	419	22050+4800+5907	1.37
Sr. Auditors	400	22050+4200+5775	1.28
Total			3.84

- I. Total cost = Rs. 3.84 crore
- II. Total tax effect of cases audited in 2008-09 on which remedial action was completed=Rs. 696.7 crore⁹³
- III. Establishment cost as percentage of total tax effect in completed cases = $\frac{3.84}{696.7} = 0.55$

Note: Pay at mid-scale has been used for arriving at the figure. The cost does not include travel expenses.

⁹³ Based on the tax effect in audit observations included in the Local Audit Reports of various audit offices.

Appendix-5

(Referred to in Paragraph 2.5.2)

Details of cases accepted by Department and remedial action taken								
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. 1+2+3+4)/ Col. 1+2+3+4+5)	Percentage accepted out of column 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
2455	2443	140	5752	8841	10790	55	45	24

Appendix -6

(Referred to in Paragraph 2.5.6)

(Rs. in lakh)

Recovery on cases issued during 2009					
Sl. no.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
1	M/s. Rohtak Co-operative Milk Producers Union Ltd. Rohtak	Rohtak	2004-05	Set off of loss of Rs. 11.97 lakh was claimed even though there was no loss, resulting in underassessment of Rs. 11.97 lakh with tax effect of Rs. 5.25 lakh	5.25
2	M/s. Rohtak Co-operative Milk Producers Union Ltd. Rohtak	Rohtak	2004-05	Provisions not written-off were not disallowed.	8.21
3	Sh. R. Maheswara Naidu	Hyderabad -III	2006-07	The assessee owned gross wealth of Rs. 2.79 crore in the form of cash exceeding Rs. 50,000/- thus attracting the provisions of Wealth tax Act. Although the assessee did not file wealth tax return, yet the AO did not initiate any proceeding to call for it.	2.64
4	Sh. Lok Nath Prasad Gupta	Kolkata Central III	2004-05 & 2005-06	The assessee had taxable wealth, Although the assessee did not file wealth tax return, yet the AO did not initiate any proceeding to call for it.	2.7
Total					18.80

Appendix- 7

(Referred to in Paragraph 2.5.6)

(Rs. in lakh)

Cases issued during 2009 : accepted and remedial action taken

Sl. No.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
1	M/s. Vivimed Laboratories Ltd.	Hyderabad-III	2004-05	Unabsorbed depreciation and business loss already adjusted in earlier years were allowed again.	134.14
2	M/s. Universal Industrial Funds	Kolkata-II	2005-06	Business loss of Rs. 1.3 crore was taken as Rs. 13 crore.	428
3	M/s. Sakthi Auto components Ltd	Coimbatore-I	2005-06	Technical know how expenditure, being of capital nature, was not disallowed.	115.69
4	M/s. Pentair Water India Pvt. Ltd.	Goa	2002-03	Written down value was taken in excess leading to excess allowance of depreciation.	119
5	M/s. Dharamraj Industries (P) Ltd	Mumbai Central Range-II	1998-99	Interest for default in payment of advance tax was levied short.	127.48
6	M/s. Odyssey Capital Pvt. Ltd.	Mumbai-V	2005-06	Tax was calculated at 65% instead of 35%.	80.81
7	NRC Ltd	Mumbai-II	2005-06	Unabsorbed depreciation/ brought forward business loss was not allowed to be set off.	186.8
8	M/s. Paresh Exports Pvt. Ltd	Bangalore Central	2003-04	Interest for late filing of return was not levied.	215
9	Super Forgings and Steels Ltd.	Kolkata Central-II	2005-06	Interest payable on term loans and others was allowed even though they were not actually paid.	74.58
10	M/s. Hansaflon Plastochem Ltd.	Delhi-IV	2003-04	Arithmetical mistake while calculating income in the revised return.	153
11	M/s. Mahaan Proteins Ltd	Delhi-II	2004-05	Depreciation was allowed in excess.	109
12	M/s. Indian Vaccine Corporation Ltd.	Delhi-IV	2002-03	Waiver of loan allowed was to be treated as income, which was not done.	69
13	M/s. IBM Daksh Services (P) Ltd	Delhi-IV	2003-04	Foreign exchange fluctuation gain was not brought to tax.	63
14	M/s. First Aid Medicine Ltd.	Mumbai-II	1996-97	Interest was short levied.	86
15	M/s. Lloyd Metals & Engineers Ltd	Mumbai-VI	2003-04	Write off of bad debt was allowed twice.	86
16	M/s. Royal Touch Fablon Pvt. Ltd.	Kolkata-II	2005-06	TDS was not deposited in Govt. a/c within due date. Still deduction was allowed.	112
17	M/s. Maithan Alloys Ltd.	Kolkata Central-I	2005-06	There was no unabsorbed depreciation. Yet it was allowed set off.	55

Sl. No.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
18	M/s. Indian Explosives Company	Kolkata-IV	2003-04	Business loss was allowed to be set off in excess.	78
19	M/s. Metals Centre Company	Kolkata-II	2001-02	Arithmetical mistake in computation of loss.	282
20	M/s. GMMCO Ltd	Kolkata-II	2005-06	Unabsorbed depreciation which could have been set off was not set off and was allowed to be carried forward.	119
21	M/s. Maithan Alloys Ltd	Kolkata Central-I	2005-06	Sales tax subsidy was not deducted from the cost of assets.	54
22	M/s. Goetze (India) Ltd.	Delhi-II	2004-05	Rs. 1.94 crore debited to P&L account on account of royalty paid to foreign company in lieu of technical know how was not disallowed.	69.43
23	Industrial Investment Bank of India Ltd.	Kolkata ACIT Circle VI	2004-05	Arithmetical mistake in computation of income.	358
24	E.C. Bose & Co. (Paradeep) (P) Ltd	Kolkata-III	2004-05	Entire contract receipt was not considered in assessment.	178
25	J K Corporation Ltd.	Kolkata Central I	2005-06	Mistake in adjustment of unabsorbed depreciation	1551.18
26	Hoogli Dock & Port Engineers Ltd.	Kolkata-I	2005-06	In admissible expenditure was added back twice.	160
27	West Bengal Infrastructure Development Finance Corporation Ltd.	Kolkata ACIT-Circle VI	2002-03	Even though there was no brought forward loss, loss was allowed to be set off.	73.16
28	J.K. Corporation Ltd.	Kolkata Central I	2004-05	Short term capital gain was set off with long term capital loss of earlier years	146
29	All Bank Finance Ltd.	Kolkata-II	1994-95	Depreciation was not considered while giving effect to appellate orders.	59
30	M/s. Lakshmi Machine Works Ltd	Coimbatore-II	2004-05	Unabsorbed business loss and depreciation of amalgamated company was brought forward and absorbed as goodwill which was amortised for a period of 3 years.	343.83
31	M/s. Margadarshi Chit Funds Ltd.	Hyderabad-IV	2005-06	Interest for default in payment of advance tax under section 234-B was levied in excess by Rs. 1.21 crore.	121

Sl. No.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
32	Radica Ispat (India) Ltd	Kolkata Central III	2005-06	Diminution in the value of shares, being notional and relating to capital assets, was to be disallowed, which was not done.	80
33	M/s. Millenium Alcobev Pvt Ltd	Chennai-III	2004-05	In the absence of any manufacturing activity in the assessment year 2004-05 the assessing officer erroneously added back book depreciation of Rs. 2.76 crore to the business loss instead of the depreciation of Rs. 4.22 crore as per the Act.	69.56
34	M/s. Vashishti Detergents Ltd.	Kohlapur-II	2004-05	Arithmetical mistake in carry forward of loss.	169
35	M/s. Karnataka State Road Transport Corporation	Bangalore-I	2002-03	54 percent of expenditure allowed towards conditioning of vehicles was to be capitalised, which was not done.	105
36	M/s. National Textiles Corporation	Coimbatore-I	2004-05	The delayed remittances of Rs. 3.65 crore on account of employees' contribution towards the Employees State Insurance and Employees Provident Fund to Government Account were allowed as deduction.	131
37	Raasi Cements Ltd	Hyderabad-III	1999-2000	Interest liability of Rs. 58.21 lakh relating to ceramic division, was to be disallowed which was not done.	100
38	M/s. Hindustan Antibiotics Ltd	Pune-V	2005-06	Business loss was neither set off against long term capital gains nor long term capital gain was taxed separately.	124
39	M/s. KDL, Biotech Ltd.	Mumbai Central-II	2003-04 and 2004-05	Customs duty which was not actually paid, was allowed as deduction.	80.32
40	M/s. Kinetic Engineering Ltd	Pune-V	2005-06	The assessing officer accepted the figure of loss as per original return instead of revised return.	52.21
41	Krishna Valley Development Corporation Ltd.	Pune-I	2001-02& 2002-03	Finance costs and interest payments in respect of ongoing projects were not capitalized.	52911
42	Rai Saheb Rekhachand Mehta Spinning & Weaving Mills Ltd.	Mumbai-IV	2001-02	Depreciation was allowed in excess.	951

Sl. No.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
43	Sh. Precoated Steel Ltd.	Mumbai Central-I	2004-05	Income returned by the assessee was taken as Rs. 6.41 crore instead of Rs. 28.83 crore.	805
44	Sunflag Iron & Steel Co.	Nagpur-I	2005-06	Deduction u/s 80-IA was allowed without setting off unabsorbed depreciation.	476
45	Athena Financial Services Ltd.	Pune-V	2005-06	Income was overassessed due to arithmetical mistake.	847
46	Biodeal Laboratories Pvt.Ltd	Ahmedabad-V	2004-05	Business loss of Rs. 1.10 crore was set off against long term capital gains of current year.	39.66
47	Petronet V.K. Ltd	Jamnagar	2004-05	Despite allowing the depreciation of Rs. 4.34 crore, the assessing officer neither reduced the same from carried forward losses nor was the figure intimated clearly.	156
48	M/s. Nagarjuna Electric Generating Company Ltd.	Hyderabad-IV	2003-04	As there was no business activity during the year, loss claimed in the form of finance charges paid and depreciation was to be disallowed, which was not done.	162
49	M/s. Shree Shinde Enterprises	Hyderabad-IV	2006-07	Incorrect allowance of depreciation on good will.	7.77
50	M/s. Chanakya Education Society	Pune-I	2005-06	Mistake in adoption of correct figures.	4614
51	M/s. Shankar Maharshi Dattajirao Kadam Shankare Soot Girani Ltd	Kolhapur-I	2005-06	Incorrect carry forward of losses.	25.1
52	M/s Allah Dad Tannery	Kanpur-I	2000-01	Short levy of interest.	10.41
53	Sh. Santosh Kumar Jha	Patna-I	2004-05	Non levy of surcharge.	8.48
54	Sh. Ishwar Chand Tayal	Delhi-VII	2002-03	Arithmetical mistake in calculating tax.	64
55	M/s. National Co-operative consumers federation of India	Delhi-VIII	2003-04	Unabsorbed depreciation was incorrectly allowed to be set off.	54
56	M/s. Sarla Jain	Delhi-VIII	2003-04	Tool and dyes expenses and Product registration charges, being Capital expenditure, was not disallowed.	11

Sl. No.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
57	Mr. Jamaluddin	Kolkata Central II	2005-06	Though return was filed late, loss was allowed to be carried forward.	13
58	Sh. Yogendra Ratilal Sheth	Kolkata Central II	2005-06	Excess allowance of expenditure.	6
59	M/s. Kamala Construction Company	Dhanbad	2005-06	Application of incorrect rate of tax.	9.63
60	M/s. Lamina International	Mangalore	2004-05	Excess deduction allowed under section 80-HHC.	8.67
61	The Bhawaskar Kshetriya Co-operative Bank	Balgaum	2006-07	Excess carry forward of loss.	10
62	Smt. K. Rajeswary	Hyderabad-I	2004-05 & 2005-06	The assessee had taxable wealth. Although the assessee did not file wealth tax return, yet the AO did not initiate any proceeding to call for it.	4.27
63	TIL Limited	Kolkata-I	2003-04 & 2004-05	The assessee was falling within the purview of section 2(ea) of Wealth tax Act, Although the assessee did not file wealth tax return, yet the AO did not initiate any proceeding to call for it.	1.24
64	Biodeal Laboratories Pvt. Ltd.	Ahmedabad-V	2004-05	The assessee was falling within the purview of section 2(ea) of Wealth tax Act, Although the assessee did not file wealth tax return, yet the AO did not initiate any proceeding to call for it.	0.54
65	Sh. Sunil Vasant Sathe	Pune-III	2005-06	The assessee was falling within the purview of section 2(ea) of Wealth tax Act, Although the assessee did not file wealth tax return, yet the AO did not initiate any proceeding to call for it.	1
66	Central Coalfields Ltd	Ranchi	2005-06	Total taxable income after additions and adjustments worked out to Rs. 1685.29 crore whereas it was determined as Rs. 1585.29 crore.	4871.00
67	M/s Deep Jyoti Textile Mills	Valsad	2005-06	Depreciation of Rs. 78.92 lakh was allowed instead of Rs. 49.33 lakh.	9.96
					72795.93

Appendix-8

(Referred to in Paragraph 2.5.8)

(Rs. in lakh)

Cases issued during 2009 : accepted and remedial action initiated					
Sl. No.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
1	M/s. Sanghi Polyesters Ltd	Hyderabad-III	2001-02	Funded interest of Rs. 77.48 crore was not disallowed as per Section 43-B.	3064
2	M/s. PKPN Spinning Mills Pvt.Ltd.	Salem	2001-02 and 2002-03	Capital expenditure of Rs. 2.81 crore was not disallowed.	58.87
3	Container Corporation of India Ltd	Delhi-I	2005-06	Advance tax paid was less than 90 per cent. Department levied interest short by Rs. 3.12 crore.	312
4	Hirakud Industrial Works	Sambalpur	2005-06	TDS collected but not deposited was not disallowed.	116
5	M/s. Calcutta State Transport Corporation	Kolkata-IV	2004-05 and 2005-06	Employee's contribution was not remitted within time, but was not disallowed.	223
6	Orissa Mining Corporation	Bhubaneswar	2004-05	The amount paid by the assessee as Net Present Value for the forest land was not capitalized.	423
7	M/s. Northern Coalfields Ltd.	Jabalpur-II	2005-06	While revising the assessment, interest already calculated remained to be levied.	365
8	M/s. Modern Beverage	Jammu	2003-04 and 2004-05	Inadmissible deduction was allowed.	12
9	Sh. Rajesh Jaiswal	Bhubaneswar	2005-06	Tax was not deducted at source on payment of transportation charges.	188
10	Puri Gramya Bank	Bhubaneswar	2005-06	Business loss was allowed to be set off on excess.	285
11	Sh. Arvind Kumar Tusela	Kanpur-I	2005-06	Expenditure on royalty, though being of capital nature, was not disallowed.	8.69
12	M/s. Tyre Corporation of India	Kolkata-III	2002-03 and 2003-04	Expenditure on voluntary retirement was allowed in excess.	455
13	Central Warehousing Corporation	Delhi-I	2002-03	Rs. 4.16 crore debited to P&L a/c as unabsorbed overheads on capital works was to be disallowed being of capital nature, which was not done.	148

Sl. No.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
14	M/s. HEG Ltd. Manideep Raisen	Bhopal	2001-02 to 2004-05	While allowing deduction under section 80-HHC, profits relating to eligible undertakings on which deduction under section 80-IA was claimed, were not deducted.	734
15	M/s. Northern Coalfields Ltd.	Jabalpur-II	2004-05 to 2007-08	Hundred <i>per cent</i> deduction was allowed instead of one tenth in respect of one time payment of rent and afforestation charges for leasehold land.	2082
16	M/s. Servalakshmi Paper & Boards (P) Ltd	Chennai-III	2004-05	Sale of steam does not construe an activity relating to generation of power. Still 80-IA deduction was allowed.	143.86
17	Orissa State Warehousing Corporation	Bhubaneswar	2004-05	Interest paid on loan during pre operation period was not capitalised. 2. Depreciation was claimed on the amount of capital subsidy received. 3. Payment of employees CPF was not made within due date. 4. Dividend tax, service tax and contribution to CM's relief fund were taken as expenditure. These were not disallowed.	80.13
18	M/s. New Deal Finance & Investments Ltd	Chennai-III	2003-04	Interest payment of Rs. 1.80 crore on loan raised for investment in shares was allowed as deduction despite it being of capital nature.	65.55
19	Bihar State Text Book Publishing Corporation Ltd.	Patna DCIT-II	2002-03	Interest chargeable on revised income worked out to Rs. 51.34 lakh whereas only Rs. 4.84 lakh was levied.	46.5
20	M/s. Madras Wire Products Ltd.	Chennai-III	2004-05	The assessee did not offer land that it sold for Rs. 5.19 crore in 2001 for tax during the assessment years 1999-2000 to 2002-03.	18.31

Sl. No.	Name of assessee	CIT charge	Assessment year(s)	Category of mistake	Tax effect
21	M/s. Billroth Hospitals Ltd.	Chennai-I	2003-04 and 2004-05	Although the assessee did not file wealth tax return for the assessment years 2003-04 and 2004-05 in respect of urban land acquired at Koyambedu (January 2003), yet the AO did not initiate any proceeding to call for it.	3.03
22	Darshan Art Exports	Jaipur-II	2005-06	While computing the total income, returned income was taken as Rs. 34.95 lakh instead of Rs. 72.50 lakh.	13.74
					8845.68