

Summary of Recommendations

With reference to systemic issues

- (i) The CBDT may evolve a suitable mechanism to determine the value of transient products during currency of business where the market price of such products is indeterminable.
[Para 2.5]
- (ii) Taking into account the nature of business in various sectors like power generation through windmill, power generation by cogeneration plants, the CBDT may consider defining the term 'undertaking' appropriately within the section.
[Para 2.6]
- (iii) The CBDT may modify the provisions of section 80 IA(5) so that a uniform stand is taken by all AOs on the treatment of setting off brought forward loss(es) pertaining to the period prior to initial assessment year.
[Para 2.7]
- (iv) The CBDT may consider taxing the income from the sale proceeds of carbon credit as income from other sources.
[Para 2.8]
- (v) The CBDT may consider incorporating provisions similar to first proviso to section 92C(4) stipulating that no deduction under section 10A, 10AA, 10B or under chapter VI-A to be allowed in respect of amount of income enhanced on the additions made by the AO during assessments.
[Para 2.9]

Issues relating to mistake in assessments

- (vi) The CBDT may ensure that mistakes in assessments pointed out by Audit have been duly taken care of with a view to avoiding the loss of revenue.
[Para 3.2 to 3.12]

Issues relating to Internal control

- (vii) The CBDT may evolve a mechanism for proper linkage between tax benefit allowed by the ITD with the actual investment made by the assessee as per records of the Government of India, Department of Economic Affairs thereagainst to assess the impact of tax holiday.
[Para 4.2.1]

(viii) DG (Systems) may generate MIS containing following information for use by the CBDT and field formations regularly:

- Nature of business like development of infrastructure roads, ports, generation of power etc., year of commencement of the eligible business together with the Initial assessment year from which deduction was claimed by the assessee and loss suffered by the assessee in the eligible business in relevant PYs in which such deduction was claimed.
- Deduction allowed and if deduction disallowed in original assessment whether the same was allowed by CIT(Appeal), ITAT, High Courts & Supreme Court;

[Para 4.3]

(ix) The CBDT may consider revision of Form 10CCB to include columns for allowable depreciation together with brought forward losses/unabsorbed depreciation of the eligible unit showing year wise breakup.

[Para 4.6]

(x) The CBDT may consider certification of the infrastructure activity for each sector separately, by a technically competent authority viz sector regulator.

[Para 4.9]