

Appendix-1

Chapter I: Introduction

(Referred to in para No.1.13)

**STATEWISE DETAILS OF RECORDS NOT PRODUCED TO AUDIT IN EARLIER
YEARS AND REQUISITIONED AGAIN IN 2004-05**

S.No.	State	Records requisitioned again	Records not produced	Percent (4/3)
1	2	3	4	5
1	Andhra Pradesh	4649	3324	71.50
2	Gujarat	3753	3090	82.33
3	Haryana	352	341	96.88
4	Himachal Pradesh	416	104	25.00
5	Jammu & Kashmir	28	28	100.00
6	Karnataka	21799	17134	78.60
7	Kerala	2036	712	34.97
8	Madhya Pradesh	1509	1470	97.42
9	Chhattisgarh	224	221	98.66
10	Orissa	1217	1089	89.48
11	Punjab	5853	1969	33.64
12	Chandigarh	1261	709	56.23
13	Rajasthan	1595	789	49.47
14	Tamil Nadu	2062	1382	67.02
15	Delhi	6138	3749	61.08
16	Maharashtra	2929	1360	46.43
	Total	55821	37471	67.13

Appendix 2

Chapter II: Tax Administration

(Reference: Para 2.4/Table 2.3)

Minor head wise details of Budget estimates and Actuals for 2004-05					
Sl. No.	Head of revenue	Budget estimates	Actuals	Surplus(+)/ Shortfall(-)	Percentage of surplus/ shortfall
		(Rs. in crore)			
0020-Corporation tax					
(i)	Income tax on companies	84,221.00	73,781.60	(-) 10,439.40	(-) 12.39
(ii)	Surcharge	2,148.00	2,630.14	(+)482.14	(+) 22.45
(iii)	Other receipts	2,067.00	6,267.84	(+) 4,200.84	(+) 203.23
(iv)	Total	88,436.00	82,679.58	(-) 5,756.42	(-) 6.51
(v)	Deduct share of proceeds assigned to states		(-)22,391.05		
	Net collection		60,288.53		
0021 - Taxes on income other than corporation tax					
(i)	Income tax	46,304.00	47,760.34	(+) 1,456.34	(+) 3.15
(ii)	Surcharge	1,390.00	706.16	(-) 683.84	(-) 49.20
(iii)	Other receipts	3,235.00	801.62	(-) 2,433.38	(-) 75.22
(iv)	Total	50,929	49,268.12	(-) 1,660.88	(-) 3.26
(v)	Deduct share of proceeds assigned to states		(-)14,392.68		
	Net collection		34,875.44		

Appendix 3
[Reference: Para 2.5/Table 2.4]

(Rs. in crore)

State	Corporation tax				Income tax				Total of two heads			
	2002-03	2003-04	2004-05	Percent change over pre. Year	2002-03	2003-04	2004-05	Percent change over pre. Year	2002-03	2003-04	2004-05	Percent change over pre. year
Andhra Pradesh	1,243.27	1,804.26	2,363.57	31.00	1,631.07	2,035.92	2,460.13	20.84	2,874.34	3,840.18	4,823.70	25.62
Assam	390.41	690.54	961.36	39.22	453.05	592.32	532.48	(-)10.11	843.46	1,282.86	1,493.84	16.45
Bihar & Jharkhand	29.74	86.34	407.75	381.09	827.57	855.63	1,145.99	33.94	857.31	941.97	1,553.74	64.95
Goa	43.60	176.42	517.77	193.49	97.30	178.64	274.94	53.91	140.90	355.06	792.71	123.26
Gujarat	1,271.90	1,648.20	2,444.03	48.29	1,966.14	2,125.03	2,524.59	18.81	3,238.04	3,773.23	4,968.62	31.68
Haryana	206.95	295.25	589.04	99.51	660.60	831.73	1,060.61	27.52	867.55	1,126.98	1,649.65	46.38
HP	9.36	11.72	43.55	271.59	160.18	184.44	208.13	12.85	169.54	196.16	251.68	28.31
J&K	148.46	201.25	74.70	(-)62.89	124.81	144.11	133.90	(-)7.09	273.27	345.36	208.60	(-)39.60
Karnataka	2,141.50	3,365.99	5,930.74	76.20	3,181.93	3,960.98	4,521.69	14.16	5,323.43	7,326.97	10,452.43	42.66
Kerala	573.10	989.32	832.53	(-)15.85	795.95	747.40	912.42	22.08	1,369.05	1,736.72	1,744.95	0.48
MP & Chattisgarh	1,255.09	1,511.79	2,072.18	37.07	832.09	1,008.74	1,216.51	20.60	2,087.18	2,520.53	3,288.69	30.48
Maharashtra	20,500.35	28,671.36	33,210.22	15.83	10,963.09	11,895.69	15,008.17	26.17	31,463.44	40,567.05	48,218.39	18.86
Delhi	8,085.93	10,416.80	13,362.34	28.28	5,125.15	5,722.78	6,834.95	19.44	13,211.08	16,139.58	20,197.29	25.15
Orissa	606.40	1,018.55	1,805.53	77.27	334.62	380.47	393.81	3.51	941.02	1,399.02	2,199.34	57.21
Punjab	370.08	446.76	494.59	10.71	835.08	1,036.04	1,197.80	15.62	1,205.16	1,482.80	1,692.39	14.14
Rajasthan	233.88	560.75	767.20	36.82	746.54	835.49	889.77	6.50	980.42	1,396.24	1,656.97	18.68
Tamil Nadu	2,340.52	3,164.91	4,714.85	48.98	2,896.99	3,148.79	3,560.82	13.09	5,237.51	6,313.70	8,275.67	31.08
UP & Uttaranchal	4,972.62	5,539.85	8,117.07	46.53	1,773.84	2,225.89	2,434.06	9.36	6,746.46	7,765.74	10,551.13	35.87
West Bengal	1,562.49	2,730.31	3,507.47	28.47	1,984.26	1,961.25	2,189.18	11.63	3,546.75	4,691.56	5,696.65	21.43
Union Territories	154.74	199.67	398.65	99.66	337.71	271.80	198.68	(-)26.91	492.45	471.47	597.33	26.70
CTDS	31.96	31.99	64.44	101.44	1,137.99	1,243.37	1,569.49	26.23	1,169.95	1,275.36	1,633.93	28.12
Total	46,172.35	63,562.03	82,679.58	30.08	36,865.96	41,386.51	49,268.12	19.04	83,038.31	1,04,948.54	1,31,947.70	25.73

Appendix 4

[Reference: Para 2.5/Table 2.4]

STATE/UT WISE BREAK UP OF DIRECT TAXES										
States	0020	0021	0023	0024	0028	0031	0032	0033	0034	Total
	Corpn tax	Income Tax	Hotel Rect Tax	Interest Tax	Expdr Tax	Estate Duty	Wealth Tax	Gift Tax	Sec. Trans Tax	
(Rs. in crore)										
Andhra Pradesh	2363.57	2460.13	0.03	1.54	0.24	0.00	4.37	0.29	0.41	4830.58
Arunachal Pradesh	0.00	8.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.40
Assam	925.21	441.65	0.00	22.46	0.06	(-)0.02	0.82	0.00	0.00	1390.18
Bihar	151.95	277.52	0.00	0.06	0.00	0.00	0.16	0.00	0.00	429.69
Chhattisgarh	871.27	573.57	0.00	0.00	0.00	0.00	0.07	0.00	0.00	1444.91
Goa	517.77	274.94	0.00	0.05	0.00	0.00	0.29	0.04	0.00	793.09
Gujarat	2444.03	2524.59	0.06	0.68	0.02	0.00	0.50	0.01	0.00	4969.89
Haryana	589.04	1060.61	0.00	0.03	0.25	0.00	1.37	0.02	0.00	1651.32
Himachal Pradesh	43.55	208.13	0.00	0.00	0.02	0.00	0.00	0.00	0.00	251.70
Jharkhand	255.80	868.47	0.00	0.01	0.21	0.00	0.28	0.00	0.00	1124.77
Jammu & Kashmir	74.70	133.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	208.60
Karnataka	5930.74	4521.69	0.09	0.70	4.19	0.01	9.43	0.07	0.00	10466.92
Kerala	832.53	912.42	0.84	(-)7.63	0.08	0.00	1.40	0.09	0.00	1739.73
Madhya Pradesh	1200.91	642.94	0.01	0.03	0.00	0.01	0.76	0.07	0.00	1844.73
Maharashtra	33210.22	15008.17	0.09	22.93	19.37	0.02	55.85	0.35	583.40	48900.40
Manipur	2.86	2.31	0.00	0.00	0.00	0.00	0.01	0.00	0.00	5.18
Meghalaya	27.27	32.04	0.00	0.51	0.00	0.00	0.06	0.00	0.00	59.88
Mizoram	0.00	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.21
Nagaland	0.19	6.47	0.00	0.00	0.00	0.00	0.01	0.00	0.00	6.67
New Delhi	13362.34	6834.95	0.00	6.25	1.91	0.00	25.68	0.86	0.16	20232.15
Orissa	1805.53	393.81	0.00	0.15	0.00	0.00	0.14	0.00	0.00	2199.63
Punjab	494.59	1197.80	0.02	5.64	0.19	0.00	2.00	0.00	0.00	1700.24
Rajasthan	767.20	889.77	0.00	(-)5.99	0.31	0.00	1.56	(-)0.04	0.00	1652.81
Sikkim	0.14	6.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.89
Tamil Nadu	4714.85	3560.82	0.00	1.89	0.84	0.09	13.97	0.13	4.18	8296.77
Tripura	5.69	34.65	0.00	0.00	0.00	0.00	(-)0.01	0.00	0.00	40.33
Uttar Pradesh	763.69	2063.81	0.00	0.36	6.44	0.00	5.30	(-)0.01	0.12	2839.71
Uttaranchal	7353.38	370.25	0.00	0.01	0.00	0.00	1.76	0.00	0.00	7725.40
West Bengal	3507.47	2189.18	0.00	0.13	1.03	0.01	17.28	0.01	1.23	5716.34
Total (i)	82216.49	47499.95	1.14	49.81	35.16	0.12	143.06	1.89	589.50	130537.12

States	0020	0021	0023	0024	0028	0031	0032	0033	0034	Total
	Corpn tax	Income Tax	Hotel Receipts Tax	Interest Tax	Expdr Tax	Estate Duty	Wealth Tax	Gift Tax	Sec. Trns. Tax	
Union Territories										
Andaman and Nicobar Islands	0.53	5.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.04
Chandigarh	366.63	149.88	0.00	0.04	0.00	0.08	2.27	0.00	0.00	518.90
Daman	7.15	3.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.30
Diu	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
Dadra and N.Haveli	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pondicherry	24.22	39.82	0.00	0.00	0.00	0.00	0.03	0.00	0.00	64.07
Lakshadweep	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
Silvassa	0.12	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.31
Total (ii)	398.65	198.68	0.00	0.04	0.00	0.08	2.30	0.00	0.00	599.75
Total (i) & (ii)	82615.14	47698.63	1.14	49.85	35.16	0.20	145.36	1.89	589.50	131136.87
CTDS (Prov)	64.44	1569.49								1633.93
Grand Total	82679.58	49268.12	1.14	49.85	35.16	0.20	145.36	1.89	589.50	132770.80

Appendix 5
[Reference: Para 2.9/Table 2.11]

(i) STATUS-WISE AND CATEGORY-WISE BREAK-UP OF WORK LOAD, DISPOSALS AND PENDING OF ASSESSMENTS AS ON 31 MARCH 2005

			Workload		Disposal		Balance	
			Scrutiny	Non-Scrutiny	Scrutiny	Non-Scrutiny	Scrutiny	Non-Scrutiny
1.	Category 'A' Assessments	Company	24,234	1,94,143	13,376	1,41,721	10,858	52,422
		Non-Company	2,24,361	2,31,04,819	1,19,522	1,02,09,116	1,04,839	48,95,703
2	Category B (lower) Assessments	Company	14,558	88,247	7,262	54,453	7,296	33,794
		Non-company	55030	17,68,564	26,647	12,09,223	28,383	5,59,341
3.	Category 'B' (higher) assessments	Company	6,835	35,145	3,054	32,506	3,781	2,639
		Non-company	21,830	6,34,550	9,799	5,01,497	12,031	1,33,053
4.	Category 'C' Assessments	Company	29,174	48,322	10,849	33,724	18,325	14,598
		Non-Company	35,180	1,29,335	11,985	86,672	23,195	42,663
5.	Category 'D' Assessments	Company	2,946	1,264	1,111	657	1,835	607
		Non-Company	25,110	2,93,677	7,261	2,23,396	17,849	70,281
6.	Total	Company	77,747	3,67,121	35,652	2,63,061	42,095	1,04,060
		Non-Company	3,61,511	2,59,30,945	1,75,214	2,02,29,904	1,86,297	57,01,041

(ii) STATUS-WISE BREAK-UP OF INCOME TAX (INCLUDING CORPORATION TAX) ASSESSMENTS COMPLETED DURING THE YEARS 2002-03 TO 2004-05

		2002-03	2003-04	2004-05
(a)	Individuals	3,09,49,772	1,96,54,891	1,86,94,801
(b)	Hindu undivided families	7,36,537	4,82,743	4,56,426
(c)	Firms	15,70,104	10,13,336	8,55,678
(d)	Companies	5,19,170	3,42,412	2,98,713
(e)	Others (including trusts)	1,89,622	84,498	3,98,213
	Total	3,39,65,205	2,15,77,880	2,07,03,831

Appendix 6

[Reference: Para 2.11/Table 2.16]

(Rs. in crore)

(i) YEAR WISE BREAK UP OF TAX RECOVERY CERTIFICATES PENDING AS ON 31 MARCH 2005 AND AMOUNT OF DEMAND

Year	No. of Certificates	Amount
1999-00 and earlier years	1,45,482	3,137.50
2000-01	11,448	733.12
2001-02	25,458	1,741.61
2002-03	23,828	3,263.47
2003-04	22,090	3,419.19
2004-05	1,54,543	14,062.46
Total	3,82,849	26,357.35

(Rs. in crore)

(ii) TAX-WISE AND AMOUNT-WISE ANALYSIS OF PENDING TAX RECOVERY CERTIFICATES

	Range of Demand	Corporation Tax		Income Tax		Wealth Tax	
		No.	Amount	No.	Amount	No.	Amount
(a)	Upto Rs.10,000	8,517	8.25	2,47,666	203.92	18,602	1.86
(b)	Over Rs.10,000 and below Rs.1 lakh	4,936	23.59	52,245	286.06	1,306	2.21
(c)	Over Rs.1 lakh to Rs.5 lakh	2,251	79.32	17,969	397.35	207	4.05
(d)	Over Rs.5 lakh to Rs.10 lakh	1,043	83.44	6,060	561.85	22	1.33
(e)	Over Rs.10 lakh	3,895	7,731.74	12,731	16,751.33	69	42.04
	Total	20,642	7,926.34	136,673	18,200.51	20,206	51.49

(Rs.in crore)

	Range of Demand	Gift Tax		Sur Tax		Others		Total	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
(a)	Upto Rs.10,000	2,381	0.48	1,424	1.81	171	0.10	2,78,761	216.42
(b)	Over Rs.10,000 and below Rs. 1 lakh	262	0.27	550	1.69	75	0.28	59,374	314.10
(c)	Over Rs.1 lakh to Rs.5 lakh	10	0.18	367	4.89	32	0.36	20,836	486.15
(d)	Over Rs.5 lakh to Rs.10 lakh	8	0.70	6	0.39	1	0.00	7,140	647.72
(e)	Over Rs.10 lakh	27	1.81	14	162.67	2	3.38	16,738	24,692.96
	Total	2,688	3.44	2,361	171.45	281	4.12	3,82,849	26,357.35

Chapter III: Corporation Tax

Appendix 7
(Referred to in para 3.6 & 3.7)

(Rs. in crore)

MISTAKES IN ADOPTION OF CORRECT FIGURES/ARITHMETICAL MISTAKES AND LEVY OF SURCHARGE					
SI No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6
Para 3.6					
1	M/s Escotel Mobile Communications Ltd, Delhi-IV	2001-02	Scrutiny	Rs.40.24 crore on account of licence fee was allowed though the correct fee debited to profit and loss account was Rs. 18.08 crore.	8.77 (P)*
2	M/s. Uniplas India Ltd., Delhi VI	2001-02	Scrutiny	Rs. 1.65 crore was erroneously adopted on account of unconfirmed increase in unsecured loans instead of correct amount of Rs. 16.46 crore.	5.86 (P)
3	M/s.Indian Aluminium Co. Ltd., WB III	2000-01 and 2001-02	-do-	Profit on sale of investment was erroneously taken as Rs.3.95 crore and Rs.6.79 crore instead of correct amount of Rs.78 lakh and Rs. 1.36 crore respectively.	3.37
4	M/s MPEB Jabalpur Jabalpur I	2001-02	-do-	Prior period income of Rs.4.25 crore, discussed in the assessment order to be added to income, was not added while computing taxable income.	2.72
5	M/s.Bharat Shell Ltd., Mumbai X	2001-02	-do-	Disallowed amount of Rs. 2.05 crore was added to the net loss instead of reducing the same from the loss.	1.62 (P)
6	M/s. Burns Philips India Ltd., Kolkata, Central-I	2001-02	-do-	Total taxable income of Rs. 1.55 crore was adopted instead of correct amount of Rs.4.50 crore.	1.53

* P denotes Potential tax

SI No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
7	M/s Samtel Color Ltd., Delhi-III	1999-2000	-do-	Loss was determined at Rs. 12.35 crore instead of correct amount of Rs.8.38 crore.	1.39
8	M/s. VST Industries Ltd., Hyderabad III	2001-02	-do-	Refund of Rs. 1.21 crore made in March 2003 after 143(1) assessment was not considered while computing tax payable.	1.21
9	M/s. Hitaisum Magnetics Ltd., Ahmedabad II	1998-99	-do-	As against Rs.3.29 crore on account of unpaid excise duty and estimated gross profit to be added to the income, an amount of Rs. 1.67 lakh was added.	1.15 (P)
10	M/s. Torrent Pharmeceuticals Ltd., Ahmedabad IV	2000-01	-do-	Refund of Rs. 1.06 crore granted in June 2001 was not taken into consideration while allowing credit for pre-paid taxes.	1.06
Para 3.7					
11	M/s. Narang International Hotels Ltd., Mumbai, Central III	1 April 1990 to 7 November 2000	Block assessment	Surcharge was levied at the rate of two percent instead of correct rate of 13 percent.	1.34

Appendix 8
(Referred to in paras 3.8, 3.9 3.10 & 3.11)

(Rs. in crore)

MISTAKES IN COMPUTATION OF BUSINESS INCOME/ INCORRECT ALLOWANCE OF CAPITAL EXPENDITURE / NON BUSINESS EXPENDITURE/ PRELIMINARY EXPENDITURE/ PROVISIONS/LIABILITY/EXPENDITURE					
Sl No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6
Para.3.8					
1	M/s MMTC Ltd., Delhi II	2001-02	Scrutiny	Though the assessee was following mercantile system of accounting, prior period expenses of Rs.6.05 crore was not disallowed.	3.44
2	M/s.Gujarat State Fertilizers and Chemical Ltd., Baroda	1999-2000	-do-	Prior period expenses of Rs. 277.49 crore were not added back	1.48
3	M/s Lear Seating Pvt. Ltd., Delhi II	2001-02	-do-	As per TDS certificate income was Rs. 10.63 crore whereas in profit and loss account.income was shown as Rs. 8.19 crore.	1.39
4	M/s Bacardi Martini India Pvt Ltd., Delhi I	2000-01 2001-02	-do-	One fifth of advertisement expenditure of earlier assessment years was allowed though the expenditure was already allowed in the earlier assessment year.	1.38 (P)
5	M/s VST Industries Ltd., Hyderabad-III	1999-2000	-do-	'Foreign exchange fluctuation loss' of Rs.3.73 crore was allowed though no foreign exchange transaction had actually taken place.	1.30 (P)
6	M/s RPG Cellcom Ltd., Delhi-V	2001-02	-do-	Written back licence fee amounting to Rs.3 crore was not added back to the income.	1.19 (P)
7	M/s Tube Rose Estate Ltd., Delhi VI	2001-02	-do-	Rental income actually worked out to Rs. 5.60 crore as against Rs. 2.90 crore taken into account.	1.15
8	M/s GVK Industries Ltd, Hyderabad I	1999-2000	-do-	Reimbursement towards 'foreign exchange fluctuation' was not added to the total income	1.09 (P)

SI No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
9	M/s Karur Vysya Bank Ltd, Trichy-I	2001-02	-do-	Interest receivable on securities was not included in the taxable income.	1.07
Para.3.9					
10	M/s.Syndicate Bank Ltd., Mangalore	1999-00	-do-	Interest of Rs. 17.63 crore on securities relating to pre-acquisition was treated as revenue expenditure instead of capital expenditure.	6.17 (P)
11	M/s Sterling Holiday Resorts (I) Ltd., Chennai III	2000-01	-do-	'Interest capitalised to capital work-in-progress' amounting to Rs.11.34 crore was allowed as revenue expenditure though similar expenditure had been disallowed in earlier assessment years stating that capitalised amount cannot be debited as revenue expenditure.	4.37 (P)
12	M/s.Jindal Iron & Steel Co. Ltd., Mumbai City V	2000-01	-do-	Assessee borrowed funds for expansion of business and advanced unutilised funds to various parties with intention of earning interest. Deduction of Rs.7.81 crore on account of write off of interest receivable on loan advanced was incorrectly allowed.	3.01 (P)
13	M/s ITC Ltd., Kolkata-III	2001-02	-do-	Expenditure of Rs. 2.45 crore towards loss on sale of investments was allowed though it was a capital loss.	1.39
14	M/s Central Warehousing Corporation, Delhi I	2001-02	-do-	Loss of Rs.3.06 crore on sale of investment and assets, though a capital loss, was allowed	1.21 (P)
15	M/s Nuclear Power Corporation of India Ltd., Mumbai City III	2000-01	-do-	Expenditure of Rs. 3.02 crore incurred on construction was allowed though it was a capital expenditure.	1.16

SI No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
16	M/s Lear Seating Pvt. Ltd., Delhi-II	2001-02	-do-	Deduction of Rs.1.86 crore on account of project development expenses, though a capital expenditure, was allowed.	1.06
3.10					
17	M/s SSI Ltd., Chennai III	2001-02	-do-	Preliminary expenses of Rs.9.70 crore (five percent of Rs. 193.95 crore) was allowable in five equal instalments as against Rs.4.81 crore allowed by the department.	1.13
3.11					
18	M/s MMTC Ltd., Delhi-II	2001-02	-do-	Adhoc provision of Rs.12.90 crore was allowed in respect of payment made to employees due to revision of pay, an unascertained liability.	7.34
19	M/s Oriental Insurance Co. Ltd., Delhi VI	2002-03	-do-	Provision towards unascertained liability towards diminution in the value of investment amounting to Rs.11.86 crore was allowed.	4.23 (P)
20	M/s The Federal Bank Ltd., Cochin	1993-94 & 1994-95	-do-	Interest tax liability reduced from Rs.4.43 crore and Rs.5.62 crore to Rs.2.90 crore and Rs.3.57 crore respectively but effect to this was not given in the income tax assessment.	3.49
21	M/s Hongkong & Shanghai Banking Corpn. Ltd, Mumbai DIT (International Taxation)	1999-2000	-do-	Assessee debited an amount of Rs.42.51 crore as provision for bad and doubtful debts but assessing officer added back only Rs.36.41 crore.	2.93
22	M/s Ciba India Pvt Ltd., Mumbai City-IX	1999-2000 and 2000-01	-do-	Research activity for which deduction of Rs.6.53 crore and Rs.49.52 lakh was allowed, was not part of the business of the assessee.	2.48

SI No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
23	M/s Kerala Financial Corporation, Thiruvananthapuram	2001-02	-do-	Deduction on account of bad debts written off but provision not made in accounts was incorrectly allowed.	2.43
24	M/s Bharat Almunium Co., Ltd., Delhi-I	2001-02	-do-	Provision of Rs.3.61 crore was allowed for unascertained liability.	2.04
25	M/s LIC Housing Finance Ltd., Mumbai City-II	2001-02	-do-	Capital loss on account of expenditure written off against non-convertible debentures was allowed against business income.	1.85
26	M/s ICICI Banking Corporation Ltd., Mumbai City-V	1998-99	-do-	Deduction on account of bad debts was not restricted to the credit balance in the provision for bad and doubtful debts.	1.77
27	M/s Karnataka State Financial Corporation, Bangalore-I	2001-02	-do-	Entire expenditure towards Voluntary Retirement Scheme was allowed and not restricted to one fifth of the expenditure.	1.37
28	M/s Lloyds Finance Ltd., Mumbai City-II	1998-99	-do-	Provision of Rs. 3.16 crore for non performing assets was allowed though not an ascertained liability.	1.11 (P)
29	M/s Becton Dikinson India Pvt.Ltd, Delhi-I	2001-02	-do-	Provision for slow moving finished goods, an unascertained liability was allowed.	1.08 (P)

Appendix 9
(Referred to in para 3.12 & 3.13)

(Rs in crore)

INCORRECT ALLOWANCE OF DEPRECIATION AND CAPITAL GAINS					
Sl. No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6
Para 3.12					
1	M/s J.K. Chemicals Ltd., Mumbai City-II	1997-98	Scrutiny	Set off of carried forward unabsorbed depreciation of Rs.6.24 crore was allowed against the income from 'capital gains' and 'income from other sources'.	5.78
2.	M/s Timken India Ltd., Kolkata-I	2000-01	-do-	As against the correct amount of carried forward unabsorbed depreciation, an amount of Rs.16.37 crore was allowed to be set off and Rs.7.37 crore to be carried forward.	3.80
3.	M/s Land Base India Ltd., Delhi-IV	2000-01	-do-	Depreciation at the rate of 25 percent was allowed on Golf Course, which was a piece of land.	1.14
4.	M/s Vitara Chemicals Ltd., Mumbai City-II	1996-97	-do-	Depreciation was allowed on lab equipments, capital expenditure of which was already allowed 100 percent in assessment year 1995-96 being capital expenditure on scientific research. Further depreciation of Rs.2.48 crore was allowed on certain plant and machinery for which no details were available.	1.07
Para 3.13					
5	M/s Jagatjit Industries Ltd., Delhi-I	2000-01	-do-	Rs.30 crore out of Rs.55 crore, on which exemption for investing in specified securities was allowed, was invested in units of unspecified mutual fund.	6.60
6	M/s Information Products & Research Services, Mumbai City VI	2000-01	-do-	While discussing assessment order, the assessing officer had treated capital gain of Rs 7 crore as short term capital gain but in the computation taxed Rs.3.32 crore only.	2.08

Appendix 10

(Referred to in para 3.14)

(Rs.in crore)

Incorrect computation/carry forward/set off of losses					
Sl. No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6
1	M/s Apollo Hospitals Enterprise Ltd, Chennai-I	2000-01	Scrutiny	Unabsorbed loss and depreciation of Rs.11.60 crore relating to amalgamated company running hotel business was incorrectly set off against the income of the assessee company running hospitals.	4.84
2	M/s Spectramind & Services Ltd., Delhi-III	2001-02	-do-	Loss of Rs 9.91 crore was computed and allowed to be carried forward. The assessee was registered as hundred percent export oriented unit, entitled to exemption under section 10 B and no loss was allowable.	3.92
3	M/s Unimin India Ltd., Delhi-VI	2001-02	-do-	Carry forward of losses of earlier years amounting to Rs.15.15 crore was allowed instead of correct amount of Rs.6.59 crore.	3.39 (P)
4	M/s PSI Data Systems Ltd, Bangalore-III	2001-02	-do-	Loss of Rs.3.53 crore allowed to be carried forward was actually the excess of exemption under section 10A over the business income and not the loss.	1.40 (P)
5.	M/s Shaw Wallace Distilleries Ltd, Kolkata Central-I	2001-02	-do-	Set off of unabsorbed business loss of Rs.2.49 crore was allowed instead of correct amount of Rs.4.92 lakh.	1.39

Sl. No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
6.	M/s Tulip Stars Hotels Ltd, Delhi-VI	2000-01	-do-	Non-revision of assessment for year 2000-01 after the revision of assessment for assessment year 1999-2000 resulted in excess set off of loss of Rs.2 crore.	1.14
7.	M/s Thapsons Steels Ltd, Delhi-VI	2001-02	-do-	Set off of losses amounting to Rs.5.12 crore was allowed instead of correct amount of Rs.2.64 crore.	1.11
8.	M/s Dhanalakshmi Bank Ltd., Thrissur	2000-01	-do-	Though there was no carried forward loss of earlier assessment year, set off of loss of Rs.1.90 crore was allowed.	1.01

Appendix 11
(Referred to in para 3.15)

(Rs. in crore)

MISTAKES IN GIVING EFFECT TO APPELLATE ORDERS					
Sl. No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6
1.	M/s Indian Aluminium Co. Ltd. Kolkata-III	1996-97	Scrutiny	While giving effect to appellate orders deduction on export profits was allowed at Rs 30.99 crore instead of correct amount of Rs.15.63 crore.	7.07
2	M/s State Bank of Bikaner and Rajasthan, Jaipur-II	1997-98 2001-02 2002-03	Scrutiny	Deduction aggregating to Rs. 52.89 crore was allowed on the basis of original assessment on account of provisions for bad and doubtful debts as against allowable deduction aggregating Rs.38.40 crore in pursuance of appellate orders.	5.92
3	M/s The Federal Bank Ltd., Cochin	1999-2000	-do-	While giving effect to appellate orders income was converted into loss but deduction of Rs. 4.87 lakh towards dividend income was not disallowed before computing the loss. Further, deduction of Rs.38.71 crore on account of bad and doubtful debts was not restricted to Rs.34.46 crore, the allowable amount.	1.51
4	M/s Super Spinning Mills Ltd., Coimbatore-I	1996-97	-do	Depreciation allowance of Rs. 1.46 crore was allowed on replacement of machinery which was subsequently disallowed by the ITAT. Consequential effect was not given to the appellate orders to withdraw the depreciation.	1.02

Appendix 12
(Referred to in para 3.16, 3.17, 3.18 & 3.19)

(Rs. in crore)

MISTAKES IN ALLOWANCE OF RELIEF AND EXEMPTION UNDER CHAPTER VIA/ INCORRECT DEDUCTION OF EXPORT PROFITS/PROFITS FROM COMPUTER SOFTWARE/ PROFITS AND GAINS FROM INDUSTRIAL UNDERTAKINGS					
Sl No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6
Para.3.16					
1	M/s Tata Petrodyne Ltd., Delhi VI	2001-02	Scrutiny	Deduction of Rs. 22.99 crore under section 80 IB was allowed without setting off brought forward business losses and unabsorbed depreciation of Rs.74.07 crore.	9.09
2	M/s Ranbaxy Laboratories Ltd. Delhi-V	2001-02	-do-	Loss of Rs.16.34 crore on account of export trading goods was not taken into account while computing the taxable income.	2.21
Para 3.17					
3	M/s Lucent Technologies India Ltd. Delhi-II	2001-02	-do-	Deduction was allowed without calculating amount of deduction based on the proportion of export turnover to the total turnover.	2.28
4	M/s RCC Sales (P) Ltd., Hyderabad-II	2000-01 2001-02	-do- summary	90 percent of other income consisting of job work charges was not reduced from business profits.	1.78
5	M/s Khushi Ram Behari Lal Ltd. .Delhi-II	2000-01	-do-	Deduction allowed under section 80IA was not deducted from the profit of business for purpose of 80HHC deduction. Ninety per cent interest income also was not deducted from the profits.	1.73
6	M/s Ranbaxy Laboratories Ltd., Delhi-V	2002-03	-do-	Loss of Rs.6.07 crore from export of trading goods was not taken into account while computing deduction under 80 HHC.	1.47

Sl No.	Assessee company/ CIT charge	Assessment year	Type of assess- ment	Nature of mistake	Tax effect
7	M/s Hindustan Zinc Ltd. Udaipur	1999-2000 2001-02 2002-03	scrutiny	80HHC deductions were worked out without reducing 90 per cent of interest receipts.	1.11
Para 3.18					
8.	M/s Ramco Systems Ltd. Madurai-II	2000-01	-do-	Export turnover of the assessee was Rs.2.90 crore as per audit certificate as against Rs.29.98 crore adopted in the revised assessments.	2.39
Para 3.19					
9.	M/s HEG Ltd. Bhopal	2000-01	-do-	Excess deduction of Rs.3.43 crore was allowed as earlier years losses of eligible units that had been set off against the profits of other units were not considered before computing the deduction.	1.32
10.	M/s Jagsonpal Pharmaceuticals Ltd. Delhi-II	2001-02	-do-	Deduction of Rs.2.61 crore under section 80 IB was allowed on expansion of the existing unit.	1.29
11.	M/s Vardhman Polytex Ltd. Ludhiana-I	1998-99	-do-	Profits on which the deduction of Rs.10.16 crore was computed included other income of Rs.4.78 crore not directly accruing from the business of the assessee.	1.10

Appendix 13
(Referred to in para 3.20)

(Rs. in crore)

INCORRECT COMPUTATION OF INCOME UNDER SPECIAL PROVISIONS OF THE ACT					
SI No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6
1	M/s Moser Baer India Ltd, Delhi-II	2001-02	Scrutiny	In the assessment under special provisions deduction under 10A and 10B was not restricted to Rs.98.25 crore as was done in the assessment under normal provisions of the Act.	4.26
2	M/s Duncans IndustriesLtd., Kolkata-II	1998-99	-do-	MAT credit of Rs.6.15 crore was treated at war with other pre paid taxes.	3.85
3	M/s Singareni Collieries Limited Vijaywada	2000-01	-do-	Provision for unascertained liabilities was not added back to the book profit.	3.44
4	M/s Otis Elevators Co. (I) Ltd. Mumbai-City-II	2001-02	-do-	MAT credit of Rs.2.97 crore pertaining to assessment year 2000-01 was allowed against the tax demand for assessment year 2001-02 though the assessment for assessment year 2000-01 was completed under normal provisions and there was no MAT credit available for set off in the successive year.	2.97
5	M/s Indian Rare Earth Ltd. Mumbai City-I	2001-02	-do-	MAT credit of Rs.2.74 crore was incorrectly allowed though there was no tax credit available for set off.	2.74
6	M/s Export Credit Corporation Ltd. Mumbai City-III	2001-02	-do-	MAT credit under the special provisions was first set off against the total tax of the year and interest liability was charged on the balance tax.	2.73

Sl No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
7	M/s Tamil Nadu Industrial Investment Corporation Ltd. Chennai-I	1997-98	-do-	Though the tax under the normal provisions was less than 30 per cent of book profit the assessing officer had not considered to tax the company under the special provisions.	2.72
8	M/s Ranbaxy Laboratories Ltd. Delhi-V	2002-03	-do-	Incorrect allowance of deduction of Rs.95.16 crore instead of Rs.62.78 crore under section 80 HHC resulted in incorrect set off of MAT credit.	2.48
9	M/s Frigorifico Allana Ltd. Mumbai City-I	2001-02	-do-	Set off of MAT credit of Rs.2.94 crore was allowed before charging interest for default in payment of advance tax and deferment of advance tax.	1.53
10	M/s SRF Ltd. Delhi-III	2000-01	-do-	Under normal provisions deduction under section 80HHC was disallowed but in the assessment under special provisions the deduction was allowed resulting in underassessment of book profit.	1.44
11	M/s Balmer Lawrie & Co. Ltd. Kolkata-III	2001-02	-do-	MAT credit was treated at par with other pre-paid taxes for purpose of calculation of interest for default in filing of return, payment of advance tax and deferment of advance tax.	1.11
12	M/s SRF Ltd. Delhi-III	2001-02	-do-	While completing assessment under normal provisions of the Act, deduction under section 80 HHC was not allowed being 'nil' income but in the assessment under special provisions the deduction was allowed, which was incorrect.	1.02

Appendix 14
(Referred to in para 3.21, 3.22 & 3.23)

(Rs. in crore)

IRREGULARITIES IN PAYMENT OF REFUND, INTEREST PAID ON REFUNDS AND INTEREST LEVIABLE ON EXCESS REFUNDS					
Sl No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6
Para.3.21					
1	M/s. Western Coal Field Ltd., Mumbai City-I	2001-02	Scrutiny	Refund of Rs.28.77 crore was adjusted against the tax demand as against the correct amount of refund of Rs.32.22 crore.	3.45
Para 3.22					
2	M/s ITC Ltd., Kolkata-III	1998-99 1999-00	-do-	Interest aggregating Rs.8.91 crore was allowed on refunds aggregating Rs. 25.28 crore, which was less than ten percent of the tax demand aggregating Rs.545.89 crore.	8.91
3	M/s Ashok Leyland Finance Ltd., Chennai-I	1998-99	-do-	Interest amounting to Rs.3.33 crore was allowed on refunds as against the correct amount of Rs.2.05 crore.	1.28
4	M/s Hindalco Industries Ltd., Mumbai City-VI	1997-98	-do-	Effect to appellate orders of June 2001, received in July 2001, was given in February 2002 resulting in excess payment of interest on refunds.	1.26
Para 3.23					
5	M/s Tata Sons Ltd., Mumbai City-II	2001-02	-do-	Interest on excess refund amounting to Rs.3.85 crore was levied for 10 months only as against the correct amount of Rs.9.26 crore for 22 months.	5.41

Appendix 15
(Referred to in para 3.24)

(Rs. in crore)

NON LEVY/ SHORT LEVY OF INTEREST

Sl. No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6
Para 3.24					
1	M/s. Bharat Petroleum Corporation Ltd., Mumbai City-II	2001-02	Scrutiny	Incorrect levy of interest of Rs.48.83 crore instead of Rs.57.38 crore.	8.55
2	M/s. Videsh Sanchar Nigam Ltd., Mumbai City-I	1999-2000	-do-	Interest was levied for nine months instead of 11 months	3.81
3	M/s A & G Projects and Technologies Ltd., Chennai-I	1999-2000	-do-	Interest of Rs.69.44 lakh was levied instead of correct amount of Rs.299.13 lakh.	2.30
4	M/s Airport Authority of India, Delhi-I	2001-02	-do-	Though the demand of Rs.211.94 crore was not paid within the specified period, interest for belated payment was not levied.	2.12
5	M/s.Pan Am Sat International System Inc, Director (International Taxation)	2000-01	-do-	Incorrect levy of interest of Rs.3.81 crore as against the correct amount of Rs.5.93 crore	2.12
6	M/s.Prime Agricultural Commodities Pvt. Ltd., Mumbai City-I	1998-99	-do-	Incorrect levy of interest of Rs.56.08 lakh instead of Rs.2.42 crore.	1.86
7	M/s Bay West Power & Energy Pvt. Ltd., Chennai-I	1999-2000 2000-2001	-do-	Non levy of interest for the period May 2002 to March 2004 for non filing of return.	1.53
8	M/s.Sumac International Ltd., Delhi-III	1992-93	-do-	Non levy of interest of Rs.111.44 lakh for default in payment of tax demand.	1.11
9	M/s. Modern Malleable Ltd., Kolkata Central-II	1996-97	-do-	Non levy of interest from June 2001 to September 2001 for delay in payment of tax demand.	1.06

Appendix 16
(Referred to in para 3.26)

(Rs. in crore)

CASES OF OVER ASSESSMENT/OVER CHARGE					
Sl. No.	Assessee company/ CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
1	2	3	4	5	6
1	M/s..State Bank of Indore, Indore-II	2001-02	Scrutiny	Interest for default in payment of advance tax was charged at Rs.23.42 crore instead of correct amount of Rs.17.42 crore.	6.00
2	M/s. Kanodia Sugar & General Manufacturing Co. Ltd., Jaipur-I	2001-02	-do-	Unabsorbed business loss and depreciation aggregating Rs.14.11 crore was allowed to be carried forward instead of the correct amount of Rs.27.17 crore.	5.17 (P)
3	M/s.National Insurance Co. Ltd., Kolkata-II	1999-2000	-do-	An amount of Rs.5.91 crore on account of provision for tax and interest tax liability was added to the income as against the correct amount of Rs.2.59 crore.	1.16

Appendix 17

Chapter IV: Income Tax

(Referred to in para 4.6)

(Rs. in lakh)

ADOPTION OF INCORRECT FIGURES, MISTAKES IN COMPUTATION 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.Satyanarayana Bajaj (Individual)	Cuttack	2001-02	Scrutiny	The assessing officer adopted the receipts as Rs.5.02 crore instead of Rs.5.26 crore.	10.70
2.	Shri H.L.Taneja (Individual)	Bhopal	2001-02	Scrutiny	The refund of Rs.4.32 lakh authorized to the assessee while processing the return in summary was ignored at the time of making assessment in scrutiny	4.32
3.	Shri Naushad son of Shri Kamaruddin (Individual)	Indore I	1997-98	Scrutiny	While calculating tax the assessed income was taken at Rs.1.72 lakh as against the correct income of Rs.5.56 lakh	4.13
4.	Shri Prabhu Nath Singh (Individual)	Patna Central	1998-99	Best Judgement	The assessing officer in the assessment order observed that the money utilized by the assessee for the payment of tax under VDIS-1997 was out of undisclosed sources and should be included in the taxable income which was not done.	3.47

Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
5.	M/s Pushpa Gujral Science City Society (A.O.P)	Jalandhar II	2001-02	Scrutiny	Surcharge and interest was wrongly calculated.	2.22

Appendix-18

(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.	M/s H.P.State Cooperative Bank Ltd. (Cooperative Society)	Shimla	2001-02	Scrutiny	Surcharge was levied at 10% as against the admissible rate of 12 %.	55.19
2	Sri B.Rama Raju (Individual)	Hyderabad Central	2001-02	Scrutiny	Surcharge was not levied.	4.76
3	Shri Saurabh Sharad Shah (Individual)	Ahmedabad V	2001-02	Scrutiny	Surcharge was not levied.	4.02
4.	M/s Sona and sons (A.O.P)	Bangalore IV	2001-02	Scrutiny	Surcharge was levied at 12 percent as against the applicable rate of 17 percent.	2.89

Appendix-19

(Referred to in para 4.13, 4.17 to 4.19)

(Rs. in lakh)

INCORRECT COMPUTATION OF BUSINESS INCOME, , INCOME NOT ASSESSED, CARRY FORWARD AND SET-OFF OF LOSSES AND INCORRECT ALLOWANCE OF DEDUCTION IN RESPECT OF CO-OPERATIVE SOCIETY

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 4.13						
1.	M/s V.Arjoon (Firm)	Mumbai City XIII	1997-98	Scrutiny	The CIT(A) had disallowed the assessee's claim and as such the rectification order passed u/s 154 to allow the claim of Rs.20.47 lakh was not in order.	14.04
2	M/s Sabarkantha Distt. Central Co.op. Bank (Co-operative Society)	Ahmedabad II	2001-02	Scrutiny	Provision allowed was not for accrued or known liability and as such should have been disallowed.	10.40
3.	Shri Darshan Lal (Individual)	Delhi XII	1998-99	Scrutiny	The total purchases debited to profit and loss account were Rs.3.85 crore as against the actual purchases of Rs.3.69 crore.	7.69
4.	Shri Prem Kumar Kohli (Individual)	Kanpur	2002-03	Scrutiny	Mobilisation advance granted to the assessee should not have been treated as business expenditure and deduction allowed.	6.75

Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
5.	M/s Girnar Packaging Company (Firm)	Mumbai XVII	1997-98	Scrutiny	Proportionate interest of Rs.9.96 lakh on interest free advance of Rs.43.04 lakh should have been disallowed being non business expenditure.	6.47
6.	M/s Swarnkanta Mehta (Individual)	Delhi Central	1999-2000	Scrutiny	Sales worth Rs.20 lakhs had been suppressed by the assessee and as such should have been added to the income which was not done.	6.00
7.	Shri Hamukh T Seth (Individual)	Ahmedabad I	2000-01	Scrutiny	While calculating the profit from the sale of shares the purchase value of each share was taken at Rs.15.15 per share as against the actual cost of Rs.2.55 per share.	5.77
Para 4.17						
8.	Shri Pankaj C Halwasiya (Individual)	Mumbai City XIV	1998-99	Scrutiny	Interest receipts on loans was neither offered for taxation by the assessee nor brought to tax by the department.	15.39

Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
9.	M/s Patel Chandulal Chotalal (Firm)	Ahmedabad IV	2001-2002	Scrutiny	The transport receipts of the assessee worked out to Rs.86.01 lakh against which receipts of Rs.71.13 lakh only were shown in the profit and loss account.	8.38
10.	M/s Presstime Information Service (P) Ltd.	Central Ludhiana	2001-02	Scrutiny	The value of shares and debentures owned by the assessee as per statement enclosed with the assessment records was Rs.40.20 lakh as against Rs.26.33 lakh shown in the balance sheet.	7.96
11.	Shri G.S. Revankar (Individual)	Mumbai XIX	2001-02	Scrutiny	The assessing officer took no cognizance of the revised return with the result that the amount of Rs.13.55 lakh being the difference in the amount of original return and revised return escaped assessment.	6.86
12.	M/s Chitkara Mathematics Course	Chandigarh I	2001-02	Scrutiny	The assessee had offered to tax only Rs.8.23 lakh of fees against the total fees of Rs.20.16 lakh received during the year.	6.51

Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
Para 4.18						
13	Shri Radhey Shyam Tulsian (Individual)	Central III Kolkata	2001-02	Scrutiny.	Since speculation loss can only be set off against speculation profit, adjustment of speculation loss with the normal business income was not correct.	69.46
Para 4.19						
14	M/s Raipur Dugadh Sangh (Sahakari) Maryadit (AOP)	Raipur	1996-97	Scrutiny	The society was not supplying its product to federal co-operative societies, the government, local authority, govt. company or a corporation and as such the conditions of Section 80(P)(2)(b) were not fulfilled and hence the deduction granted was irregular.	17.70

Appendix-20

(Referred to in para 4.20)

(Rs. in lakh)

INCORRECT ALLOWANCE OF DEDUCTION IN RESPECT OF EXPORT PROFITS						
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.	Shree Krishna Export (Firm)	Jaipur III	2001-02	Scrutiny	Deduction u/s 80HHC was not admissible in respect of sale proceeds exported out of India which were received after expiry of six months period and for which no extension of time was allowed by RBI.	40.43
2.	M/s Suyash Chemicals (Firm)	Mumbai XXI	2000-01 2001-02	Scrutiny	The deduction allowed u/s 80IA had not been reduced from the profits of the export business while computing deduction u/s 80HHC. Further the total turnover adopted in computation of deduction on export profits did not include receipts on account of sales tax and excise duty.	37.02

Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
3.	M/s Rashid Exports Industries (Firm)	Moradabad	2001-02	Scrutiny	The amount of deduction granted u/s 80IB was not reduced from the gross total income while calculating the deduction u/s 80HHC.	24.58
4.	M/s Silk Fab Exports (Firm)	Kozhikode (Kerala)	1996-97	Scrutiny	The assessee was an exporter of trading goods and was not engaged in any manufacturing activities and as such the admissible deduction worked out to Rs.8.90 lakh as against Rs.28.15 lakh allowed in the assessment.	22.95
5.	M/s Advance Technology Service (Firm)	Mumbai City XX	1996-97	Scrutiny	90 percent of other income was not reduced from the profits of business while computing the deduction under section 80 HHC.	21.17
6.	M/s A.A.Salam (Individual)	Thiruvananthapuram	1999-2000	Scrutiny	In computing the eligible amount of deduction u/s 80 HHC an amount of Rs.2.29 crore being the sale value of raw cashew nuts at high seas and profit of Rs.3.76 lakh there from were not taken into account.	21.05

Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
7.	M/s Samurai Exports (Firm)	Jaipur-I	2001-02	Scrutiny	While calculating deduction u/s 80HHC the assessing officer reduced amount of deduction granted under section 80IB by the amount of Rs.9.73 lakh instead of the correct amount of Rs.38.93 lakh.	16.98
8.	M/s Hero Exports (Firm)	Ludhiana Central	2001-02	Scrutiny	While calculating the deduction u/s 80 HHC assessing officer incorrectly adopted export turnover of Rs.91.06 crore against the actual amount of Rs.88.52 crore. Further the assessing officer also allowed deduction on foreign convertible exchange worth Rs.2.54 crore which was not realized within stipulated period of six months.	16.55

Appendix 21

(Referred to in para 4.21 and 4.22)

(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 AND FOR DELAY IN PAYMENT OF TAX DEMAND						
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 4.21						
1.	M/s Raja Ram Rajendra Kumar & Party (AOP)	Jaipur-II	2001-02	Scrutiny	Interest on excess refund made in summary assessment of Rs.93.38 lakh for the period March 2002 to February 2004 was not charged while processing the return in scrutiny.	14.38
Para 4.22						
2.	Tamilnadu Urban Development Fund (AOP)	Chennai IV	1997-98 and 2001-02	Scrutiny	Interest for short payment of advance tax was levied at Rs.1.97 crore instead of the correct amount of Rs.2.52 crore.	54.78
3.	Hemendra L Shah (Individual)	Ahmedabad Central I	1997-98	Scrutiny	Interest of Rs.369.19 lakh was levied for late filing of return, default in payment of advance tax and belated payment of tax demand though the amount actually worked out to Rs.418.11 lakh.	48.92

Sl. No.	Name of the assessee (status)	CIT charge	Assessment year	Type of assessment	Nature of mistake	Tax effect
4.	Shri Jivraj Desai (Individual)	Ahmedabad Central	1991-92 to 2001-02	Scrutiny	Interest for non filing of return was charged at the rate of one and one half percent as against the admissible rate of two percent.	29.74
5	Shri Shiv Chand M Gupta (Individual)	Ahmedabad-VI	1994-95 1995-96	Scrutiny	Interest for short payment of advance tax was incorrectly levied at Rs.10.72 lakh instead of the correct amount of Rs.40.27 lakh.	29.55
6.	Shri Rakesh M Barai (Individual)	Jamnagar	2000-01	Scrutiny	Interest for default in payment of advance tax actually worked out to Rs.38.57 lakh as against Rs.18.90 lakh levied by the department.	19.67
7	M/s Hill View Sahakari Grih Nirman Samiti Co-operative Society)	Patna Central	1993-94	Scrutiny	Interest for non furnishing of return and for non payment of advance tax was erroneously levied at Rs.1.26 lakh instead of the correct amount of Rs.14.15 lakh.	12.90
8	Shri Ganesh Dubey (Individual)	Patna Central	1995-96	Best Judgement	Interest for non filing of return was levied for the period from April 2002 to March 2003 only instead of the correct period from September 1995 to March 2003.	10.42

Appendix 22

(Referred to in para 4.23)

(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.	Shri Ashok Kumar Karola (Individual)	Alwar	1987-88	Scrutiny	Interest was incorrectly worked out at Rs.56.55 lakh as against Rs 23.56 lakh for delay in furnishing the return and for default in payment of advance tax.	32.99
2.	Shri Vijay Kumar Saraf (Individual)	Kolkata XIII	1993-94	Scrutiny	While calculating the interest leviable the department took the period from April 1993 to March 2003 instead of April 1993 to February 1995.	27.38
3.	Shri Dev Krupa Ship Breaking (Firm)	Rajkot	1997-98	Scrutiny	Interest of Rs.29.44 lakh was levied against the correct amount of Rs.12.93 lakh for short payment of advance tax.	17.03

Appendix 23

Chapter V: Other Direct Taxes

(Rs. in lakh)

Mistakes in valuation of assets/Wealth escaping assessment/Non correlation of assessment records/Mistake in levy of interest

Sl. No.	Name of assessee/ Status	CIT Charge	Assessment Year	Nature of mistake	Value of the property	Tax effect
Para 5.5						
1	M/s Cadbury India Ltd. (Company)	Mumbai-V	1999-2000	Assessing Officer adopted the value returned by the assessee in respect of immovable property ignoring the higher value determined by the appropriate authority.	667	6.67
Para 5.6						
2	Ms. Nucent Finance Ltd. (Company)	Kolkata -II	1997-98 and 1998-99	Addition to office building and motor cars valuing Rs.6.42 crore was liable to wealth tax but not taxed.	642	11.42
Para 5.7						
3	Shri Tejendra K Kohli (Individual)	Mumbai-XX	2000 -01	By applying the rent capitalization method on specified assets in the form of buildings and flats the assessee was liable to wealth tax but this was not charged and no return was filed.	929	13.52
4	Ms. Nation General Agencies Pvt. Ltd (Company)	Mumbai-IX	2001-02	Assessee earned rental income by leasing property. This property was revalued at Rs.11.30 crore and addition to assets shown in the books but wealth tax was not paid on this addition.	1130	11.30

Sl. No.	Name of assessee/ Status	CIT Charge	Assessment Year	Nature of mistake	Value of the property	Tax effect
5	M/s Milky White Apartments (P) Ltd. (Company)	Coimbatore-I	1997-98 and 1998-99.	Assessee had rental income of Rs.27.10 lakh and Rs.27.60 lakh .The value of the let out property as per schedule III of the wealth tax Act after deducting liability worked out to Rs.2.44 crore and Rs.2.61 crore but was not offered for wealth tax.	505.27	8.47
6	M/s. Associated Industries (P) Ltd. (Company)	Thiruvananthapuram-I	1996-97 to 2001-02	Company was in possession of taxable wealth in the form of urban land which was not taxed.	93	5.21
Para 5.8						
7	M/s Banwari Lal and Sons (Company)	Delhi-I	1996-97 1997-98	Short levy of interest for late filing of return charged at Rs.3.77 lakh as against leviable Rs.40.94 lakh.	-	37.17
8	Motor General Finance (Company)	Delhi-I	1997-98	Department charged interest for 41 months and 29 months instead of the correct period of 52 months and 40 months.	-	8.03
9	Ms. Naina Rana (Individual)	Patna Central	1995-96 to 1997-98	Short levy of interest for default in furnishing of return.	-	5.89.

Appendix 24

(Rs. in lakh)

Mistake in assessment of chargeable interest/Incorrect application of rate of tax/Non correlation of records/Mistake in levy of interest/Avoidable payment of interest on a time barred assessment					
Sl. No.	Name of assessed/Status	CIT Charge	Assessment Year	Nature of mistake	Tax Effect
Para 5.17					
1	M/s Apeejay Finance Group Ltd. (Company)	Kolkata Central	2000-01	Hire purchase Finance Charges of Rs.10.49 crore were not considered for interest tax assessment.	36.09
2	M/s Pilani Investment and Industries Ltd. (Company)	Kolkata I	1999-2000	Interest on Debentures on Rs.7.94 crore not included in chargeable interest.	27.59
3	M/s Bank of America (Company)	DIT International Taxation Mumbai	1999-2000	Interest tax Rs.10.69 crore recovered from customers not offered for tax.	21.38
4	M/s IDBI Bank Ltd. (Company)	Mumbai City II	1999-2000	Interest tax Rs.2.42 crore recovered from customers not offered for tax and Rs.10.37 lakh paid as interest on delayed payment of refund.	15.28
5	M/s Tamil Nadu Power Finance Corporation Ltd. (Company)	Chennai I	1999-2000 and 2000-01	Interest tax Rs.5.69 crore recovered from customers not offered for tax.	11.38
Para 5.18					
6	Ms. Tamil Nadu Industrial Development Corporation Ltd. (Company)	Chennai I	1997-98	Interest tax charged at two percent instead of three percent.	41.66
Para 5.19					
7	M/s Morgon Securities and Credit Ltd. (Company)	Delhi II	2000-01	Interest income of Rs.10.44 crore not offered for tax.	41.78
8	M/s. Telco Dadajee Dhackjee (Company)	Mumbai City II	1999-2000	Bill discounting, financing and leasing income Rs.2.27 crore not offered for tax.	8.69
9	M.K.Shah Export Ltd. (Company)	Central II Kolkata	2000-01	Interest income of Rs.1.12 crore not offered for tax.	5.94
Para 5.20					
10	M/s. Upasana Finance Company	Chennai -I	1999-2000 2000-01	Interest for short payment of advance tax was not charged.	10.08