



# Report of the Comptroller and Auditor General of India



## Payment of tax by certain companies under special provisions of section 115JB

Union Government  
Department of Revenue – Direct Taxes  
Report No. 30 of 2017

**Report of the  
Comptroller and Auditor General of India  
for the year ended March 2017**

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under special provisions of section 115JB**

**Union Government  
Department of Revenue – Direct Taxes  
Report No. 30 of 2017  
(Performance Audit)**

Laid on the table of Lok Sabha/Rajya Sabha on \_\_\_\_\_



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## PREFACE

This Report for the year ended March 2017 has been prepared for submission to the President under Article 151 of the Constitution of India.

The Report contains significant results of the performance audit of “Payment of tax by certain companies under special provisions of section 115JB” of the Department of Revenue – Direct Taxes of the Union Government in 2012-13 to 2015-16.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2012-13 to 2015-16 conducted during the period July 2016 to November 2016.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Audit wishes to acknowledge the cooperation received from the Department of Revenue - Central Board of Direct Taxes at each stage of the audit process.





## EXECUTIVE SUMMARY

Several companies that were having large profit from business and distributing substantial portion of the income to their shareholders as dividend, were reducing their tax liability by availing various deductions and exemptions available in the Act. Such companies referred to as “Zero Tax Companies”, were attempted to be brought into tax net by introduction of section 115J by Finance Act 1987. This provision was withdrawn by Finance Act 1990. It was re-introduced as section 115JA by Finance Act, 1996. Section 115JA was further revised from 1 April 2001 by introducing a new section 115JB whereby companies had to pay tax on their book profit/deemed income at a rate prescribed by the Government from time to time. Section 115JAA provided for allowance of credit of tax paid by the companies under section 115JA/115JB in subsequent years.

We conducted performance audit of ‘Payment of tax by certain companies under special provision of section 115JB’ also referred to as Minimum Alternate Tax (MAT) with the objectives of examining whether:

- (i) there are any systemic issues including any ambiguity or lacuna in the special provisions resulting in nullifying/reducing the tax liability;
- (ii) Income Tax Department (ITD) was complying with the provisions relating to MAT and, if not, determining the underassessment/loss of revenue and other irregularities due to mistakes in assessment;
- (iii) ITD has taken adequate steps to identify the companies not filing tax returns and bring them into tax net;
- (iv) the objective of introduction of special provision to bring zero tax-paying companies into tax net have been achieved.

The performance audit covered cases of scrutiny assessments, appeal and rectification completed during the financial years 2012-13 to 2015-16. We also checked summary assessment records in respect of the selected cases where scrutiny assessment was not completed till the date of audit.

Audit requisitioned 15,677 records in 877 assessment units in 150 selected CIT charges, out of which ITD produced 11,293 records only which were audited for this performance audit.

While conducting performance audit, we identified 195 assessment cases where systemic issues including ambiguities/lacunae in provisions of section

115JB of the Act were noticed. Some of them are indicated in subsequent paragraphs: **[Para 2.2]**

ITD did not consider incomes in 22 assessment cases for tax under MAT though the same were considered for tax under normal provision. Omission resulted in tax effect of ₹ 74.10 crore. **[Para 2.4.1]**

In 16 assessment cases, ITD did not consider the extraordinary/exceptional items\* for computation of book profit. Omission resulted in underassessment of income aggregating ₹ 126.57 crore involving tax effect of ₹ 23.13 crore. **[Para 2.4.2]**

In three assessment cases though ITD adjusted the profit/loss against the General Reserve as per the directions prescribed in the approved scheme of amalgamation, their treatment for the purpose of MAT varied according to the convenience of the assessee. Omission resulted in short computation of book profit of ₹ 99.39 crore involving tax effect of ₹ 15.36 crore. **[Para 2.4.3]**

ITD allowed in eight assessment cases deduction in respect of Debenture Redemption Reserve/Loan Redemption Reserve charged to the 'Appropriation Account' as claimed by assessee in computation of book profit under MAT involving tax effect of ₹ 331.14 crore. **[Para 2.5]**

ITD on one hand reduced excess depreciation pertaining to earlier years due to change in method of depreciation credited to the profit and loss account in computation of book profit in eight assessment cases. On the other hand in six assessment cases, ITD did not add shortfall in depreciation due to change in method of accounting. This involved tax effect of ₹ 5.16 crore. **[Para 2.6]**

Amount of loss brought forward or unabsorbed depreciation, whichever is less, as per books of account is reduced from the net profit in computation of book profit. During this performance audit, Audit came across certain irregularities in computation of brought forward loss and unabsorbed depreciation as below:

- (i) Apportioning the profit as per profit and loss account in the ratio of brought forward loss and unabsorbed depreciation

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\* Extraordinary items included receipts/payments which are not derived through normal course of business of the companies. They are accounted under a separate head to show the companies earnings before and after such items.

- (ii) Previous year's brought forward loss/unabsorbed depreciation considered for reduction instead of their cumulative position as on date
- (iii) Same amount of business loss/unabsorbed depreciation as per books was claimed in successive years including current year

**[Para 2.7]**

ITD allowed bad debts actually written off as deduction in computation of income under normal provisions in six assessment cases. However, while computing book profit under section 115JB, bad debts actually written off was not reduced.

**[Para 2.8.1]**

ITD made disallowances on account of bogus purchases/undisclosed income/unaccounted income under normal provisions in 18 assessment cases, and not under special provisions of MAT, there being no provision for addition of such items under special provisions.

**[Para 2.8.2]**

ITD made transfer pricing adjustments with respect to items which had direct bearing on the profit as per profit and loss account in 36 assessment cases during computation of income under normal provisions but were not considered for computation of book profit under MAT. This involved tax effect of ₹ 93.05 crore.

**[Para 2.8.3]**

ITD disallowed statutory dues in the form of taxes in 39 assessment cases during computation of income under normal provisions but were not considered under MAT. Allowance of statutory dues in computation of MAT involved tax effect of ₹ 75.89 crore.

**[Para 2.8.4]**

ITD did not add back corporate social responsibility (CSR) expenses under MAT in 12 assessment cases though the same were debited to the profit and loss account involving tax effect of ₹ 15.49 crore.

**[Para 2.8.5]**

ITD allowed MAT credit of amalgamating company in spite of discontinuance of the business of amalgamating unit after amalgamation in one assessment case.

**[Para 2.8.6]**

Audit came across several issues/instances of non-compliance to the provisions of Act/Rules in 589 assessment cases. Some of them are indicated in subsequent paragraphs:

**[Para 3.1]**

ITD disallowed income tax paid under normal provision in 28 assessment cases but did not consider the same for computing book profit. This involved tax effect of ₹ 13.28 crore. **[Para 3.2.1]**

ITD did not add back expenses relatable to income not forming part of total income to book profit in 84 assessment cases which involved tax effect of ₹ 102.03 crore. **[Para 3.2.2]**

ITD did not add back the amount set aside as provision for diminution in value of asset in 47 assessment cases while computing book profit. This involved tax effect of ₹ 1827.86 crore. **[Para 3.2.3]**

ITD did not consider provision for unascertained liability in computation of book profit in 22 assessment cases. Omission resulted in tax effect of ₹ 50.02 crore. **[Para 3.2.4]**

ITD reduced book profit by the deductions which are not prescribed in the Act in 28 assessment cases which involved tax effect of ₹ 48.60 crore. **[Para 3.3]**

ITD allowed incorrect set off/carry forward/non set off of MAT credit of ₹ 1,559.21 crore without verifying the updated status of the claims of assessee made in the ITR with reference to the assessment records in 277 assessment cases. **[Para 3.4]**

ITD did not correctly reduce brought forward loss or unabsorbed depreciation as per the books of account in computing book profit in 37 assessment cases which involved tax effect of ₹ 22.97 crore. **[Para 3.5]**

Different type of mistakes in computation of book profit in 43 assessment cases resulted in short levy of tax of ₹ 88.91 crore. **[Para 3.9]**

The difference between the number of working companies registered with Registrar of companies (ROC) and those reported by DGIT (Logistics, Research & Statistics) ranged from 2.94 lakh (33.3 *per cent*) to 3.94 lakh (36.4 *per cent*) during FYs 2012-13 to 2015-16 which indicated the extent of non filing/stop filing of the return of income by the companies. About one third of the companies registered with the ROC were not in the database of the ITD. **[Para 4.2]**

Out of 12,750 non filers identified through Non filers Monitoring System (NMS), ITD issued notices in 9013 (70.69 per cent) cases only. Of them, only 29.73 per cent of the corporate non filers identified by the ITD had filed their income tax return in response to the notices issued by the ITD whereas no returns has been filed in remaining 6,208 cases. **[Para 4.2.1]**

In 34 assessment cases ITD levied tax under normal provisions of the Act though tax was leviable under special provisions. Omission resulted in short levy of tax of ₹ 127.86 crore. **[Para 5.3]**

## Summary of Recommendations

### Systemic issues including ambiguities/lacunae in the special provisions

- (a) CBDT may like to insert enabling provisions under Explanation (1) to sub section (2) of section 115JB clarifying the treatment of following items in computation of book profit:
- (i) Interest accrued on Inter Corporate Deposit (ICD) and fixed deposit made out of advances received from Government etc. which were considered for taxation under normal provisions
  - (ii) Grant in aid etc., directly taken to balance sheet and not routed through profit and loss account
  - (iii) Profit/loss on sale of long term investment of the amalgamating company
  - (iv) Debenture Redemption Reserve/Loan Redemption Reserve considering its complexity involving element of reserve as well as ascertained liability
  - (v) Excess/short depreciation due to change in method of depreciation **(Para 2.4.1 to 2.4.3, 2.5 and 2.6)**
- (b) CBDT may like to clarify the manner of setting off brought forward business loss/unabsorbed depreciation in computation of book profit. **(Para 2.7.1 to 2.7.3)**
- (c) CBDT may like to prescribe an adjustment for reduction of the bad debts actually written off in the books of accounts in computation of book profit, as the same is considered for reduction under normal provisions. **(Para 2.8.1)**
- (d) CBDT may like to prescribe an adjustment for additions of the following items in computation of book profit, which were considered for addition under normal provision:
- (i) Bogus purchases/undisclosed income/unaccounted income
  - (ii) Transfer pricing adjustments on items having direct bearing on the profit and loss account
  - (iii) Statutory dues not paid within due date of filing of return of income
  - (iv) Expenditure on Corporate Social Responsibility (CSR) **(Para 2.8.2. to 2.8.5)**

- (e) CBDT may like to introduce a provision in the Act for disallowance of MAT credit of the amalgamating company on discontinuance of their business by the amalgamated company after amalgamation.

**(Para 2.8.6)**

*The CBDT during exit conference agreed to examine all the issues above and stated that feasibility of issuing a circular/clarification if required will be explored.*

#### **Extent of non-compliance of MAT provisions**

CBDT may like to append a schedule or an annexure showing year wise bifurcated details of business loss and unabsorbed depreciation as per the Companies Act as well to Form 29B/Tax Audit Report/ITR 6 so that their updated status is considered at the time of assessment. **(Para 3.5)**

*The CBDT during exit conference stated that it may be difficult to have a separate annexure/schedule but agreed to have a view in the Assessment Information System (AST) where the details of brought forward business loss and unabsorbed depreciation as per the Companies Act will also be visible.*

#### **Bringing Zero Tax Companies into the tax base**

- (a) The ITD may devise a framework for accountability where AOs may be made accountable for the effective use of Non-filers Monitoring System for identification of both corporate and non corporate non filers separately so that they effectively pursue the non filers to bring them into tax net.

**(Para 4.2.1)**

*The CBDT during exit conference agreed to have a suitable framework in this regard.*

- (b) ITD may pursue the cases where ITRs were not filed so as to bring them into tax net. **(Para 4.2.1)**

*The CBDT during exit conference agreed to look into the matter.*

## Chapter 1 : Introduction

**1.1** Several companies that were having large profit from business and distributing substantial portion of the income to their shareholders as dividend, were reducing their tax liability by availing various deductions and exemptions etc. available in the Act. Such companies referred to as “Zero Tax Companies” were attempted to be brought into tax net by introduction of section 115J by Finance Act 1987, which was withdrawn by Finance Act 1990. It was re-introduced by introducing section 115JA by Finance Act, 1996 with effect from 1 April 1997, which was further revised from 1 April 2001 by introducing a new section 115JB whereby the companies had to pay tax on their book profit/deemed income at a rate prescribed by the Government from time to time. The provision of credit of tax paid by the companies under section 115JA/115JB was also made for set off in subsequent years as per provisions of section 115JAA.

The special provisions commonly referred to as Minimum Alternate Tax (MAT) have been amended from time to time for increasing the tax base considering economic growth in different sectors viz. banking, insurance and finance etc. The latest amendment was done by Finance Act 2016 which is effective from 1 April 2017 by which the units located in an international financial services centre and deriving income solely in convertible foreign exchange were also brought within the ambit of MAT.

### **1.2 Why we chose the topic**

The corporate assesseees, irrespective of their income level are required compulsorily to file their income tax returns annually. However, total number of corporate assesseees filing returns with the ITD<sup>1</sup> was much less as compared to the number of working companies registered with Registrar of Companies. The ITD’s efforts to bring such assesseees into the tax net needed to be examined in audit.

Certain ambiguities in the interpretation of legislative provisions/ adjustments to net profit or loss as per profit and loss account for the computation of book profit have been observed in audit for which ITD’s directions to resolve the ambiguities and implementation of directions required to be verified.

Earlier we had conducted a performance audit on this topic and results/findings thereof were featured in Chapter I of C&AG’s Report No. 13

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<sup>1</sup> Income Tax Department



of 2004. There was a need to ascertain whether deficiencies pointed out earlier, have been addressed appropriately by the CBDT.

### **1.3 Audit Objectives**

The performance audit was conducted with the objectives of examining whether:

- (i) there are any systemic issues including any ambiguity or lacuna in the special provisions resulting in nullifying/reducing the tax liability;
- (ii) ITD was complying with the provisions relating to MAT and, if not, determining the underassessment/loss of revenue and other irregularities due to mistakes in assessment;
- (iii) ITD has taken adequate steps to identify the companies not filing tax returns and bring them into tax net;
- (iv) the objective of introduction of special provision to bring zero tax-paying companies into tax net have been achieved.

### **1.4 Legal Framework**

The scheme of taxation under MAT is covered under section 115JB of the Income Tax Act, 1961 whereas the provisions relating to carry forward and set off of MAT credit are enumerated in section 115JAA of the Act. A brief of relevant provisions is given in **Appendix 1**.

### **1.5 Audit Scope and Sample Size**

The performance audit covered cases of scrutiny assessments, appeal and rectification completed during the financial years 2012-13 to 2015-16. We also checked summary assessment records in respect of the selected cases where scrutiny assessment was not completed till the date of audit. We selected top 12 CIT charges in terms of assessed income for each of the category A States<sup>2</sup> and top 5 CIT charges for each of the category B States<sup>3</sup> from the Assessing Officer (AO) wise aggregated data provided by the Director General of Income Tax (DGIT) (Systems), New Delhi for the performance audit. In the selected CIT charges, 100 *per cent* DCIT/ACIT charges and 20 *per cent* of the ITO charges were selected for audit. Finally we selected 877 assessment units for audit in the 150 selected CIT charges (**Appendix 2**).

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<sup>2</sup> Andhra Pradesh, Delhi, Gujarat, Karnataka, Maharashtra, Tamil Nadu, West Bengal and Uttar Pradesh

<sup>3</sup> Assam, Bihar, Chhattisgarh, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Kerala, Odisha, Punjab, Rajasthan, Uttarakhand and UT Chandigarh

## 1.6 Audit Methodology

An entry conference with CBDT was held on 9 August 2016 wherein we explained the audit objectives, scope of audit and the main focus areas of the performance audit.

We sought the details relating to corporate assesseees from DGIT (Systems). ITD initially supplied summary data aggregated at CIT level (July 2016). Later on the same data was provided aggregated at assessing officer level (September 2016) which helped us in sample selection of the assessment units but did not serve the purpose of identifying the individual cases pertaining to MAT within the selected assessment units. We, therefore, compiled the data from Demand and Collections Registers available in assessment units selected for the performance audit. We examined the assessment records of corporate assesseees in these selected assessment units.

We also approached the regional Registrar of Companies (ROCs)/ Ministry of Corporate Affairs, New Delhi (November 2016) to obtain the details of companies registered with them and details of active companies along with the details of profit declared for comparison of the data from the two sources. Results of the audit examination were conveyed to the concerned AOs for their comments.

We issued draft performance audit report to the CBDT on 10 April 2017 for their comments. An Exit Conference was held on 1 June 2017 where the recommendations made by the Audit and the CBDT's response thereon were discussed. The conclusions/decisions based on the discussion in the Exit Conference have been appropriately incorporated in the Report.

## 1.7 Non production of records

We approached the ITD to provide the details of companies filing return of income, companies being assessed under MAT during the selected financial years under various charges, non-filers identified and action taken thereupon and the details of companies paying nil taxes under normal as well as MAT provisions.

ITD supplied the summary data<sup>4</sup> and not the granular data, as a result of which, we had to compulsorily select the cases manually for audit from the Demand and Collection Registers in each assessing charge for each of the

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<sup>4</sup> "Proforma B\_Tax115JB\_GE\_GTL\_AO\_1433\_1"; "Proforma B\_Tax115JB\_LT\_GTL\_AO\_1433\_1"; "Proforma B\_Tax115JB\_GE\_GTL\_AO\_1" and "Proforma B\_Tax115JB\_LT\_GTL\_AO\_1".

selected financial years. This was time consuming and acted as a constraint in conducting the audit.

Audit requisitioned 15,677 records, out of which ITD produced 11,293 records only. Non-production of records worked out to 27.96 percent. In Gujarat, Karnataka and Goa, Delhi, Maharashtra and Himachal Pradesh, non-production of records ranged from 27.93 *per cent* to 62 *per cent*. Further, ITD did not produce any records in four assessment charges each in Mumbai<sup>5</sup> and in Delhi<sup>6</sup> despite repeated follow-up. **Appendix 3** depicts the details of non-production of records.

In January 2017, DGIT (System) provided data relating to 60,227 companies which despite having profit as per profit and loss account for the period FY 2012-13 to 2015-16<sup>7</sup> were paying nil taxes under normal provisions as well as under MAT. Providing this data so late served very limited purpose as the field work for the performance audit had already been completed by then.

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<sup>5</sup> DCIT4(1)(1), DCIT4(1)(2), ITO 10(1)(1) and ITO 10(1)(2)

<sup>6</sup> Circle 25(1), Circle 25(2), Circle 5(1) and Ward 25(3)

<sup>7</sup> E-mail dated 17-01-2017 from AD(S), office of the ADG (System)-3, New Delhi to DGACR, New Delhi

## Chapter 2 : Systemic issues including ambiguities/lacunae in the special provisions

**2.1** The chapter deals with the systemic issues including ambiguities or lacunae in the special provisions of the Income Tax Act, relevant Income Tax Rules.

### 2.2 Nature of ambiguities/lacunae

While conducting performance audit, we identified 195 assessment cases where systemic issues including ambiguities/lacunae in provisions of section 115JB of the Act were noticed. A summary of these cases is given in the table below:

<b>Table 2.1: Nature of ambiguities/lacunae</b>			
<b>Para No.</b>	<b>Nature of ambiguity/lacuna</b>	<b>No. of assessment cases</b>	<b>Tax effect (₹ in crore)</b>
2.4	Incomes not considered for computation of book profit due to lack of specific provisions regarding their treatment in accounts	41	112.59
2.5	Treatment of items having element of both "Reserve" and "Provision for ascertained liability"	8	331.14
2.6	Effect of change in method of depreciation treated differently for the purpose of book profit	14	5.16
2.7	Treatment of brought forward business loss/unabsorbed depreciation as per books in computation of book profit under special provisions	10	28.14
2.8.1	Absence of provision to reduce bad debts actually written off in computation of book profit	9	0
2.8.2	Additions made on account of bogus purchases/undisclosed income/unaccounted income for taxation under normal provision not considered for computation of book profit	19	41.34
2.8.3	Non consideration of transfer pricing adjustments on items having direct bearing on the profit and loss account under MAT	36	93.05
2.8.4	Statutory dues not paid within due date of filing of return of income not considered for disallowance under MAT	39	75.89
2.8.5	Expenditure on Corporate Social Responsibility (CSR) not considered for disallowance under MAT	12	15.49
2.8.6	Need for disallowance of MAT credit of the amalgamating company on discontinuance of their business by the amalgamated company after amalgamation.	1	0
2.9	Uniform stand not adopted by ITD in set off of MAT credit in summary cases	6	0
	<b>Total</b>	<b>195</b>	<b>702.8</b>

The audit observations on above issues are given in subsequent paragraphs.

### 2.3 Ambiguities in provisions of the Act

The Supreme Court has restricted the powers of assessing officer holding<sup>8</sup> that the assessing officer had no power to recast the book profit beyond the adjustments prescribed under the special provisions of section 115JA of the Act. Consequently assesseees started treating certain items in such a way that they are not routed through profit and loss account and as such they escape their adjustment in computation of book profit under special provisions. In the earlier Performance Audit Report, it was recommended in audit<sup>9</sup> to incorporate a suitable provision in the Act enabling the assessing officer to rectify mistakes in computation of net profit for the purpose of special provision of section 115JB. However, no such enabling provision has been brought in the Act so far. As a result thereof, the disputes and litigations pertaining to special provisions of section 115JB are still going on due to manipulation of various accounting treatments by the assesseees.

### 2.4 Incomes not considered for computation of book profit due to lack of specific provisions regarding their treatment in accounts

Interest on advances/Inter Corporate Deposit(ICD)/Fixed Deposit (FD) and excess interest written back, grants-in-aid received, post amalgamation profit of the amalgamating company, profit on the long terms investments, duty drawback refund pertaining to capital assets neither offered as income nor reduced from the cost of asset in the books, waiver of royalty, sales tax, electricity charges etc. already claimed in the accounts of earlier years, surplus income due to change in method of cash system of accounting to mercantile system of accounting are the incomes, which were not considered for tax under MAT due to lack of specific provisions regarding their treatment in accounts.

#### 2.4.1 Incomes offered for tax under normal provision but not under MAT

We noticed in 22 assessment cases in nine states<sup>10</sup> that the ITD did not consider incomes aggregating ₹ 337.86 crore for tax under MAT though the same were considered for tax under normal provision. Omission resulted in tax effect of ₹ 74.10 crore (**Appendix 4**).

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<sup>8</sup> CIT Vs Apollo Tyres Limited(SC) [2002] 255 ITR 273

<sup>9</sup> Para 1.5.3 of C&AG Performance Audit Report No.13 of 2004

<sup>10</sup> Andhra Pradesh and Telangana(2), Assam(3), Gujarat(1), Haryana(2), Karnataka(3), Madhya Pradesh(1), Maharashtra(7) and West Bengal(3)

**Box 2.1 Illustrative cases on income offered for tax under normal provision but not under MAT**

**(a) Charge: Pr. CIT-Central, Bangalore**  
**Assessee: M/s Rajesh Exports Ltd**  
**Assessment Years: 2013-14 and 2014-15**  
**PAN: AAACR8642N**

The AO made additions of ₹ 43.72 crore and ₹ 45.02 crore on account of accrued interest on ICD<sup>11</sup> during two AYs respectively under normal provision, which was not considered during computation of book profit under MAT. Omission resulted in short computation of book profit of ₹ 88.74 crore involving tax effect of ₹ 18.16 crore. Reply from ITD was awaited.

**(b) Charge: Pr. CIT-2 Hyderabad**  
**Assessee: M/s Transmission Corporation of Andhra Pradesh Ltd.**  
**Assessment Years: 2010-11 and 2011-12**  
**PAN: AABCT0088P**

The AO made additions of ₹ 46.31 crore and ₹ 38.66 crore on account of accrued interest on fixed deposit made out of advances received from Government of Andhra Pradesh towards lift irrigation scheme works and investment made out of contingency reserve during two years respectively under normal provision, which were not considered during computation of book profit under MAT. Omission resulted in short computation of book profit of ₹ 84.97 crore involving tax effect of ₹ 21.39 crore. ITD did not accept (November 2016) the observation stating that section 115JB did not provide for such adjustment. The reply was not tenable in view of a judicial decision<sup>12</sup> holding that where the books of accounts have not been prepared in accordance with Part II and Part III of Schedule VI of Companies Act read with mandatory accounting standards then the AO was competent to re-cast the profit and loss account and re-compute the book profit for the purpose of section 115JB of the Act.

**(c) Charge: CIT-2, Mumbai**  
**Assessee: M/s Tata Realty and Infrastructure Ltd.**  
**Assessment Year: 2012-13 & 2013-14**  
**PAN: AACCT6242L**

AO accepted the computation of income as returned by the assessee. The assessee offered ₹ 12.80 crore and ₹ 12.73 crore for two years respectively being interest on advance given to International Amusement Ltd, which was

<sup>11</sup> Inter Corporate Deposit

<sup>12</sup> M/s Veekaylal Investment Co. (Pvt) Ltd Vs CIT (249 ITR 597 Bombay HC-2001),  
M/s Vishwanath Fin Cap Vs CIT (2007-TIOL-241-ITAT-Delhi)

neither accounted for in the books of account nor considered for computation of book profit under MAT by the AO. Omission resulted in short computation of book profit of ₹ 25.53 crore involving tax effect of ₹ 4.53 crore. Reply from ITD was awaited.

Incomes such as interest accrued on ICD and fixed deposit made out of advances received from Government etc. as discussed in above cases were considered for taxation under normal provisions but not considered for computation of book profit by the AO.

#### 2.4.2 Extraordinary/exceptional items not offered for tax under MAT

The Companies Act, 1956 provides for routing of all extraordinary/exceptional items<sup>13</sup> through profit and loss account, which are treated in books of accounts in following manner:

- (i) Most of the companies route it through profit and loss account and consider the same during computation of book profit under MAT. However, some companies adopt the 'net profit as per profit and loss account before the extraordinary items' for the computation of book profit under MAT and hence exclude such items from the levy of tax under MAT.
- (ii) Some companies take the items of extraordinary/exceptional items directly to balance sheet without routing the same through profit and loss account escaping the levy of MAT.

We noticed in 16 assessment cases in eight states<sup>14</sup> that AO did not consider the extraordinary/exceptional items for computation of book profit. Omission resulted in underassessment of income aggregating ₹ 126.57 crore involving tax effect of ₹ 23.13 crore (**Appendix 5**). However, in four other assessment cases<sup>15</sup> in Maharashtra, the extraordinary/exceptional items were included in the computation of book profit.

<sup>13</sup> Extraordinary items included receipts/payments which are not derived through normal course of business of the companies. They are accounted under a separate head to show the companies earnings before and after such items.

<sup>14</sup> Andhra Pradesh and Telangana(5), Chhattisgarh(1), Gujarat(3), Kerala(1), Maharashtra(2), Tamil Nadu(3) and Uttar Pradesh(1)

<sup>15</sup> M/s Tata Sons Ltd (AY 2011-12), M/s HPCL (AY 2012-13 and 2013-14) and M/s Godrej & Boyce Mfg. Co. Ltd. (AY 2012-13)

**Box 2.2 : Illustrative cases on extraordinary/exceptional item not offered for MAT**

- (a) Charge: Pr. CIT-3, Baroda**  
**Assessee: M/s Narmada Clean Tech Ltd.**  
**Assessment Year: 2013-14**  
**PAN: AABCB4070D**

AO allowed the assessee to take ₹ 18.12 crore received as grant in aid during the year directly to the balance sheet under the head 'Reserves and Surplus'. The receipt constitutes an extraordinary item; the same should have been routed through the profit and loss account, which was not done. Omission resulted in underassessment of book profit of ₹ 17.65 crore involving tax effect of ₹ 3.53 crore. Reply from ITD was awaited.

- (b) Charge: CIT-I, Coimbatore**  
**Assessee: M/s Sima Textile Processing Centre Ltd.**  
**Assessment Year: 2013-14**  
**PAN: AAJCS5062N**

AO allowed the assessee to take ₹ 12 crore received as grant in aid during the year under the Scheme Integrated Textile Parks, directly to the balance sheet under the head 'Reserves and Surplus'. The receipt constitutes an extraordinary item; the same should have been routed through the profit and loss account, which was not done. Omission resulted in short computation of book profit of ₹ 12 crore involving tax effect of ₹ 3.22 crore. Reply from ITD was awaited.

In the absence of specific provisions regarding treatment of the income such as grant in aid etc. in books of accounts, these were directly taken to balance sheet and not routed through profit and loss account, thus escaping their adjustment in computation of book profit.

**2.4.3 Treatment of profit/loss on sale of long term investment of amalgamating company**

Profit/loss on sale of assets (investments in amalgamating company) on amalgamation is adjusted under the head, "General Reserve" in Balance sheet as per the scheme of amalgamation approved by the respective High Court. AS 14<sup>16</sup> also confirms this stand whereas as per AS 13<sup>17</sup> such profit/loss should have been routed through profit and loss account in normal course.

<sup>16</sup> Direction given for the treatment to be given to profit/loss on sale of investment relating to amalgamating companies on amalgamation in the scheme of amalgamation has to be followed.

<sup>17</sup> On disposal of an investment, the difference between the carrying amount and the net disposal proceeds should be charged or credited to profit and loss account



Suitable disclosure regarding the violation of accounting treatment as per AS 13 is given in the notes to annual account. Assessing Officers find it difficult to arrive at a decision regarding the treatment of such income/loss in computation of book profit under MAT in absence of any specific provision in the Act.

We noticed in three assessment cases in three states<sup>18</sup> that though the profit/loss was adjusted against the General Reserve as per the directions prescribed in the approved scheme of amalgamation, their treatment for the purpose of MAT varied according to the convenience of the assessee. While computing book profit, the assessees did not consider the income/ profit, whereas they considered the loss from such transactions though the same was not debited to the profit and loss account. Omission resulted in short computation of book profit of ₹ 99.39 crore involving tax effect of ₹ 15.36 crore (**Appendix 6**).

**Box 2.3: Illustrative cases on treatment of profit/loss on sale of long term investment of amalgamating company**

**Charge: Pr. CIT-3, Mumbai**

**Assessee: M/s Daljita Financial & Technical Services Pvt. Ltd.**

**Assessment Year: 2013-14**

**PAN: AABCD1297L**

AO accepted the computation of income as returned by the assessee. The assessee credited the profit on sale of long term investment of the amalgamating company to capital reserve, which was not considered for tax under MAT by the AO. Omission resulted in short computation of book profit of ₹ 31.73 crore involving tax effect of ₹ 5.21 crore. ITD did not accept the observation (January 2017) stating that (i) such transaction due to amalgamation was not a transfer as per section 47(vi) of the Act, and as such there arose no capital gains on such transactions, (ii). AO had no power to make any adjustment beyond prescribed adjustments in view of apex court decision in the case of M/s Apollo Tyres Ltd and (iii) AS 13 was not attracted in this case and transfer due to amalgamation was well covered by AS14. The reply was not tenable in view of a judicial decision<sup>19</sup> that a scheme sanctioned under sections 391 and 394 of Companies Act, 1956 did not have any over-riding effect or dispense with provisions of any other law including Companies Act. The effect of any accounting made on the basis of scheme of compromise/arrangement under Companies Act, 1956 will have to be independently judged in accordance with provisions of

<sup>18</sup> Andhra Pradesh and Telangana(1) and Maharashtra(2)

<sup>19</sup> M/s J K Lakshmi Cement Vs ACIT -ITAT Kolkata (ITA Nos. 1275,1417 and 1470 of 2009 dated 30.08.2011)

the Income Tax Act in assessment and subsequent proceedings. The primary duty of AO while computing book profit was to see whether the accounts have been maintained in accordance with the requirements of Companies Act, which he failed to perform despite the auditors' opinion. Non applicability of the decision of apex court in the case of M/s Apollo Tyres was also discussed within the judicial decision above.

Further, on the contrary, in another case of **M/s Gati Ltd. (AY 2013-14, PAN-AABCG3709Q) assessed at PCIT-2, Hyderabad charge, ITD allowed claim of the assessee towards** the loss of ₹ 64 crore on sale of shares relating to M/s Gati Ship Ltd. (amalgamating company) which was not debited to the profit and loss account, in computation of book profit under MAT relying on the decision of M/s. J. K. Lakshmi Cement Ltd Vs ACIT.

ITD took contradictory stand in the cases illustrated above. In the first case, the profit on sale of long term investment of the amalgamating company credited to capital reserve which was not routed through the profit and loss account, was not considered for MAT, whereas in the second case the loss on sale of shares of amalgamating company was also adjusted against "capital reserve, which although not debited to the profit and loss account, was claimed and also allowed the same in computation of book profit under MAT. Contradictory/ inconsistent but convenient implementation/ treatment of the provisions by the ITD resulted in undue advantage to the assesseees and loss of revenue to the Government. Reply from ITD was awaited.

## **2.5 Treatment of items having element of both "Reserve" and "Provision for ascertained liability"**

As per section 115JB(2)(b) of the Act, "any amount carried to reserve by whatever name called" has to be disallowed during computation of book profit whereas section 115JB(2)(c) provides for disallowance of the amounts or amounts set aside to provisions made for meeting unascertained liabilities.

Debenture Redemption Reserve (DRR) is one of such reserves<sup>20</sup> which is charged to profit and loss account. The Apex court and Bombay High Court held<sup>21</sup> that DRR is a 'provision for ascertained liability' and hence allowable under section 115JB(2)(c) of the Act. Delhi High court had different view<sup>22</sup> holding that DRR if charged to appropriation account shall be treated as

<sup>20</sup> Guidance Note on revised Schedule VI to Companies Act, 1956 issued by ICAI classifies 'reserves and surplus' as (a) capital reserve; (b) capital redemption reserve; (c) securities premium reserve; (d) debenture redemption reserve; (e) revaluation reserve or other reserve.

<sup>21</sup> CIT Vs National Rayon Corporation (SC)[1997] 227 ITR 764 and CIT Vs Raymond Ltd. (Bom HC) [2012] 21 Taxmann.com 60

<sup>22</sup> Addl CIT Vs SREI Infrastructure (Delhi HC) [2015] Civil Appeal No. 371 of 2012

reserve instead of treating it as provision for ascertained liability and the same will be disallowed under section 115JB(2)(b).

Provision for Debenture Redemption/Loan Redemption Reserve etc. debited to profit and loss account though ascertained liability has the element of capital as well as revenue portion of the loan (interest). The reserve is created for the redemption of both capital as well as interest. It will have no impact in computation of income under normal provisions as provision for ascertained as well as for unascertained liability is disallowed. Allowance of such reserve in the computation of book profit under MAT will tantamount to allowance of capital expenditure.

We noticed in eight assessment cases in two states<sup>23</sup> that AO allowed deduction of ₹ 2,163.47 crore charged as Debenture Redemption Reserve/Loan Redemption Reserve to the 'Appropriation Account' as claimed by assessee in computation of book profit under MAT involving tax effect of ₹ 331.14 crore (**Appendix 7**). We further noticed in another three assessment cases<sup>24</sup> in Maharashtra that the assessee had charged the same to appropriation account but had offered the same for tax under MAT.

**Box 2.4: Illustrative cases on treatment of items having element of both "Reserve" and "Provision for ascertained liability"**

**(a) Charge: Pr. CIT(Central)-3, Mumbai  
Assessee: M/s Housing Development & Infrastructure Limited  
Assessment Year: 2008-09 to 2010-11 and 2012-13  
PAN: AAACH5443F**

AO allowed deduction aggregating ₹ 1,917.12 crore towards DRR from AYs 2008-09 to 2010-11 and AY 2012-13 in the computation of book profit as claimed although the same was charged to appropriation account. The net profit for computation of book profit under MAT was taken as per profit and loss account before appropriation. This resulted in short computation of book profit of ₹ 1,917.12 crore involving tax effect of ₹ 285.63 crore. Reply from ITD was awaited.

**(b) Charge: Pr. CIT-2, Kolkata  
Assessee: M/s Keshoram Industries Ltd  
Assessment Year: 2010-11  
PAN: AABCK2417P**

While computing book profit under MAT, AO did not add back ₹ 101.25 crore debited to profit and loss account as transfer to debenture redemption reserve. Debenture redemption reserve was created<sup>25</sup> out of

<sup>23</sup> Maharashtra(6) and West Bengal(2)

<sup>24</sup> Reliance Industries Ltd, Tata Sons Ltd. and Tata Power Ltd.

<sup>25</sup> Note 19.3 to Schedule 17 of profit and loss account

the profit of the company. Thus, it being an appropriation of profits was required to be treated as reserve and not provision for ascertained liability. Omission resulted in short computation of book profit of ₹ 101.25 crore involving tax effect of ₹ 17.21 crore. Reply from ITD was awaited.

The Debenture Redemption Reserve/Loan Redemption Reserve, a “reserve” created for meeting an “ascertained liability” made its treatment more complex for the purpose of book profit computation as section 115JB(2)(c) provided for addition of any reserve created irrespective of its nomenclature, whereas as per section 115JB(2)(b) any provision for an ‘unascertained liability’ shall be added in computation of book profit. Lack of clarity on the issue may lead to litigations.

In the exit conference, Audit pointed out that on the issue of DRR/LRR, there are two conflicting High Court decisions for which the CBDT agreed to examine and take suitable action.

## **2.6 Effect of change in method of depreciation treated differently for the purpose of book profit**

In the event of a change in the method of depreciation<sup>26</sup>, a company shall calculate depreciation from the year of inception of asset under new method adopted and the shortfall/excess shall be debited/ credited to the profit and loss account and given effect in computation of book profit accordingly<sup>27</sup>.

We noticed that in eight assessment cases<sup>28</sup> in Karnataka and Maharashtra out of 14 assessment cases in five states<sup>29</sup>, excess depreciation of ₹ 38.50 crore pertaining to earlier years due to change in method of depreciation was credited to the profit and loss account and reduced in computation of book profit. In remaining six assessment cases<sup>30</sup>, shortfall in depreciation of ₹ 124.31 crore due to change in method was charged to profit and loss account but not added in computation of book profit which was allowed by the ITD. Reduction of excess allowance of depreciation from computation of book profit, credited to profit and loss account due to change in method of depreciation involved tax effect of ₹ 5.16 crore (**Appendix 8**).

<sup>26</sup> From straight line method to written down value method and vice-versa as per Para 21 of AS 6 issued by Institute of Chartered Accountant of India

<sup>27</sup> Para 15 of AS 6

<sup>28</sup> Fair Export India Pvt. Ltd. AY 2011-12, Ridham Synthetics P.Ltd. AY 2013-14, Zenith Industrial Rubber Products P.Ltd. AY 2013-14, Mind Tree Wireless P.Ltd. AY 2010-11, Cognizant Global Services P.Ltd. AY 2008-09, 2009-10, Mukhtar Minerals P. Ltd. AY 2012-13 and Citrix R&D India P.Ltd. AY 2011-12,

<sup>29</sup> Karnataka (5), Kerala(1), Maharashtra(5), Madhya Pradesh (2) and Tamil Nadu (1)

<sup>30</sup> Laxmi Mills Co.Ltd. AY 2013-14, Petronet CCK Ltd. AY 2013-14, AVI Agri Business P. Ltd. AY 2011-12, HD Wires P. Ltd. AY 2011-12, Saurashtra Containers Pvt. Ltd. AY2012-13 and The West Coast Paper Mills Ltd. AY 2010-11

**Box 2.5: Illustrative cases on effect of change in method of depreciation treated differently for the purpose of book profit**

**(a) Charge: Pr. CIT-14, Mumbai**  
**Assessee: M/s Fair Export India Pvt. Ltd.**  
**Assessment Year: 2011-12**  
**PAN: AAACF3799A**

AO allowed the assessee to credit ₹ 8.86 crore towards excess depreciation pertaining to earlier years due to change in method of depreciation to the profit and loss account under the head, "extra ordinary and prior period items" below the net profit but did not consider it for inclusion in the book profit under special provisions. Omission resulted in short computation of book profit of ₹ 8.82 crore involving tax effect of ₹ 1.76 crore. Reply from ITD was awaited.

**(b) Charge: Pr. CIT-1, Mumbai**  
**Assessee: M/s Zenith Industrial Rubber Products Pvt Ltd.**  
**Assessment Year: 2013-14**  
**PAN: AAACA3874D**

AO allowed the assessee to credit ₹ 7.20 crore to profit and loss account towards excess depreciation pertaining to earlier years due to change in the method of depreciation which was reduced in computation of book profit under MAT. Omission resulted in short computation of book profit of ₹ 7.20 crore involving tax effect of ₹ 1.11 crore. Reply from ITD was awaited.

**(c) Charge: Pr. CIT-1, Kochi**  
**Assessee: M/s Petronet CCK Ltd.**  
**Assessment Year: 2013-14**  
**PAN: AABCP9197R**

AO allowed the assessee to debit ₹ 61.40 crore to profit and loss account towards shortfall in depreciation pertaining to earlier years due to change in the method of depreciation but did not add back the same in computation of book profit under MAT. Reply from ITD was awaited.

Thus, different treatment has been given to excess depreciation and shortfall in depreciation caused due to change in method of depreciation to the benefit of the assessee in computation of book profit under MAT resulting either in short or excess allowance of depreciation.

## 2.7 Treatment of brought forward business loss/unabsorbed depreciation as per books in computation of book profit under special provisions

Amount of loss brought forward or unabsorbed depreciation, whichever is less, as per books of account is reduced from the net profit in computation of book profit<sup>31</sup>. During this performance audit, we came across certain irregularities in computation of brought forward loss and unabsorbed depreciation as discussed in the following sub paragraphs:

### 2.7.1 Apportioning the profit as per profit and loss account in the ratio of brought forward loss and unabsorbed depreciation

We noticed in three assessment cases in Maharashtra that for arriving at figure of brought forward loss or unabsorbed depreciation for the purpose of book profit, the AO allowed the assessee to bifurcate its profit as per profit and loss account in the ratio of its brought forward loss and unabsorbed depreciation and then adjusted the apportioned amount of profit against the brought forward losses respectively instead of adjusting the profit against the brought forward loss or unabsorbed depreciation whichever was less, for computation of book profit under the special provisions. Omission resulted in short computation of book profit of ₹ 101.33 crore involving tax effect of ₹ 8.15 crore (**Appendix 9**).

#### **Box 2.6: Illustrative case of apportioning the profit as per profit and loss account in the ratio of brought forward loss and unabsorbed depreciation**

**Charge: Pr. CIT-8, Mumbai**  
**Assessee: M/s Vodafone Ltd.**  
**Assessment Year: 2004-05 and 2005-06**  
**PAN: AAACH5332B**

While giving effect to an appellate order<sup>32</sup> (February 2013), AO levied tax under MAT on the book profit of ₹ 185.88 crore and ₹ 348.54 crore for the two AYs respectively which was worked out by the assessee after reducing ₹ 59.66 crore and ₹ 39.20 crore towards business loss/unabsorbed depreciation pertaining to AYs 1996-97 to 2000-01. The assessee had bifurcated its profit as per profit and loss account in the ratio of its brought forward loss and unabsorbed depreciation and then adjusted the apportioned amount of profit against the brought forward losses/depreciation respectively instead of adjusting the profit against the

<sup>31</sup> Explanation (I)(iii) to section 115JB(2) of the Act

<sup>32</sup> Passed by Punjab and Haryana High Court under section 260A

brought forward loss or unabsorbed depreciation whichever was less, in computation of book profit under the special provisions.. The incorrect approach allowed by the AO resulted in excess set off unabsorbed business loss/depreciation of ₹ 59.66 crore and ₹ 39.23 crore<sup>33</sup> involving tax effect of ₹ 4.59 crore and ₹ 3.08 crore respectively. Reply from ITD was awaited.

### **2.7.2 Previous year's brought forward loss/unabsorbed depreciation considered for reduction instead of their cumulative position as on date**

We noticed in five assessment cases in two states<sup>34</sup> that while computing book profit, the AO allowed the assessee to reduce the lesser of brought forward loss or unabsorbed depreciation pertaining to the immediately preceding year instead of considering lesser of the updated figures of brought forward loss or unabsorbed depreciation as on date. Omission resulted in irregular set off of unabsorbed loss/depreciation of ₹ 22.25 crore involving tax effect of ₹ 4.43 crore (**Appendix 10**).

#### **Box 2.7: Illustrative cases on previous year's brought forward loss/unabsorbed depreciation considered for reduction instead of their cumulative position as on date**

**(a) Charge: Pr. CIT-10, Mumbai**  
**Assessee: M/s Jeson Industries**  
**Assessment Year: 2010-11**  
**PAN: AAACJ7659P**

AO accepted the reduction of ₹ 2.18 crore pertaining to AY 2009-10 as unabsorbed depreciation (being less), made by the assessee in computation of book profit for AY 2010-11, ignoring the accumulated profit of ₹ 17.36 crore of earlier years. As a matter of fact, no loss or depreciation was available for AY 2010-11. Irregular reduction of unabsorbed depreciation resulted in short computation of book profit of ₹ 2.18 crore involving tax effect of ₹ 37.06 lakh. Reply from ITD was awaited.

**(b) Charge: Pr. CIT-2, Chennai**  
**Assessee: M/s EIH Associates Hotels Ltd.**  
**Assessment Year: 2012-13**  
**PAN: AAACE2125M**

While computing book profit, AO reduced unabsorbed depreciation of ₹ 18.29 crore pertaining to the amalgamating company as claimed. Further, assessee adjusted the loss of amalgamating company of ₹ 50.53

<sup>33</sup> AO mistakenly reduced depreciation of ₹ 3.92 lakh again in computing book profit for AY 2005-06

<sup>34</sup> Maharashtra (2) and Tamil Nadu (3)

crore against its profit of ₹ 69.87 crore available in the General Reserves and Surplus and as such no loss was available. Irregular allowance of unabsorbed depreciation of the amalgamating company by the AO resulted in short computation of book profit of ₹ 18.29 crore involving tax effect of ₹ 3.66 crore. ITD did not accept the audit observation (May 2015) stating that the accumulated General Reserve has no bearing on the actual losses as per books of account to be carried forward and set off. The reply was not tenable as the assessee itself had set off loss of the amalgamating company against its accumulated surplus. Further, the unabsorbed depreciation or loss, whichever was less, should have been reduced on accumulated basis up to the previous financial year.

### **2.7.3 Same amount of brought forward business loss/unabsorbed depreciation as per books was claimed in successive years including current year**

We noticed in two assessment cases in Maharashtra that while arriving at the amount of brought forward loss/unabsorbed depreciation, whichever is less as per books, the same amount of deduction was claimed and allowed during computation of book profit for three consecutive assessment years by adjusting the profit from higher of the brought forward loss/unabsorbed depreciation instead of the lower of the two (**Appendix 11**).

#### **Box 2.8 : Illustrative cases on incorrect allowance of brought forward business loss/unabsorbed depreciation as per books of account**

**Charge: Pr. CIT-2, Mumbai**

**Assessee: M/s DCB Bank Ltd**

**Assessment Year: 2012-13 and 2013-14**

**PAN: AAACD1461F**

While computing book profit at nil, AO reduced same amount of ₹ 50.99 crore towards unabsorbed depreciation in both the AYs restricting the same to the extent of profit of ₹ 45.93 crore and ₹ 40.86 crore, which the assessee was claiming for the last three years by adjusting the profit with the higher of the accumulated business loss keeping the amount of unabsorbed depreciation intact. Unabsorbed depreciation available for set off in AYs 2012-13 and 2013-14 was ₹ 9 crore and 'nil' respectively. Excess set off of unabsorbed depreciation resulted in short computation of book profit aggregating ₹ 77.79 crore involving tax effect of ₹ 15.56 crore for the two years.



ITD did not accept the observation (October 2015) for AY 2012-13 stating that the business loss and unabsorbed depreciation as per book has to be bifurcated for each assessment year and the claim has to be allowed accordingly even if the lower of the two is already allowed in the previous year. The reply was not tenable on the ground that only the lower of the carried forward business loss and unabsorbed depreciation has to be reduced in computation of book profit. Hence if the same amount of unabsorbed depreciation treating it as lower of the two is claimed fully in any year, it cannot be claimed as lower of the two in subsequent year. Ruling by Authority of Advance Rulings in the case of M/s Rashtriya Ispat Nigam Ltd. Vs CIT (AAR No. 652 of 2004) is relevant here. If the ITD's view is upheld then there will be a situation where the assessee will never have a "nil" amount of lower of business loss/unabsorbed depreciation as per books.

There was lack of clarity in the provision of the Act to deal with the manner of treatment of brought forward loss/unabsorbed depreciation in computation of book profit as discussed in para 2.7.1 to 2.7.3 above.

## **2.8 Lacunae in the provisions of the Act**

We came across cases where AOs have made additions for certain items under normal provisions which had bearing on the net profit. However, these items could not be considered for the computation of book profit for want of enabling prescribed adjustments under special provisions. Such additions are discussed in succeeding paragraphs.

### **2.8.1 Absence of provision to reduce bad debts actually written off in computation of book profit**

The bad debts actually written off but not separately charged to profit and loss account can be allowed under normal provision as per section 36(1)(vii), which in the case of Scheduled/Non-Scheduled Banks, Public/State Financial Institutions and State Industrial Investment Corporation will not apply<sup>35</sup> unless the assessee has debited such debt or part of the debt to the provisions for bad and doubtful debt account for the purpose of deduction under section 36(1)(viii) at the prescribed *per cent*<sup>36</sup>. However, there is no such corresponding provision under section 115JB to allow such bad debts written off and if not separately charged to profit and loss account, as a result

<sup>35</sup> Section 36(2)(v) of the Act

<sup>36</sup> (a) 7.5 *per cent* of total income before allowing deduction under section 36(1)(viii) and chapter VIA; and (b) 10 *per cent* of the aggregate average advances made by the rural branches of such bank.

of which its treatment by different AOs was not uniform in computation of book profit.

We test checked nine assessment cases in four states<sup>37</sup> where bad debts actually written off were allowed as deduction in normal computation of income as per provisions of section 36(1)(vii). However, while computing book profit under section 115JB, bad debts actually written off was reduced from book profit in three assessment cases but was not considered at all in six assessment cases (**Appendix12**).

**Box 2.9 : Illustrative case on absence of provision to allow bad debts actually written off in computation of book profit**

**(a) Charge: Pr. CIT-2, Mumbai**

**Assessee: M/s Bank of India**

**Assessment Year: 2007-08 and 2014-15**

**PAN: AAACB0472C**

AO, inter alia, allowed ₹ 5,23.53 crore and ₹ 3,836.25 crore towards bad debts actually written off under normal provisions as claimed which were not considered at all in computation of book profit as there was no provision therefor under special provision. Reply from ITD was awaited.

**(b) Charge: CIT-7, New Delhi**

**Assessee: M/s Oriental Bank of Commerce**

**Assessment Year: 2013-14 and 2014-15**

**PAN: AAACO0191M**

AO, inter alia, allowed ₹ 1393.20 crore and ₹ 1231.56 crore towards bad debts actually written off under normal provisions as claimed which were not considered at all in computation of book profit as there was no provision therefor under special provision. Reply from ITD was awaited.

**(c) Charge: Pr. CIT-2, Mumbai**

**Assessee: M/s DCB Bank Ltd**

**Assessment Year: 2012-13 and 2013-14**

**PAN: AAACD1461F**

AO, inter alia, allowed bad debts of ₹ 36.29 crore and ₹ 85.26 crore actually written off under normal provisions as claimed, which was also reduced in computation of book profit though there was no such provision therefor under special provision. Reply from ITD was awaited.

There being no adjustment prescribed under special provisions to reduce the bad debts actually written off from the book profit, its treatment in computation of book profit is not uniform by different AOs.

<sup>37</sup> Andhra Pradesh and Telangana(2), Delhi (3), Maharashtra (4)

### **2.8.2 Additions made on account of bogus purchases/undisclosed income/unaccounted income for taxation under normal provision not considered for computation of book profit**

We test checked 19 assessment cases in six states<sup>38</sup> and found that in 18 assessment cases, disallowances were made on account of bogus purchases/undisclosed income/unaccounted income under normal provisions only and not under special provisions of MAT, there being no provision for addition of such items under special provisions. However, in one case, ITD itself disallowed the same for computation of book profit. The tax effect worked out to ₹ 41.34 crore (**Appendix 13**).

**Box 2.10: Illustrative case on additions made on account of bogus purchases/undisclosed income/unaccounted income for taxation under normal provision not considered for computation of book profit**

**(a) Charge: Pr. CIT-LTU, Mumbai**  
**Assessee: M/s Lupin Ltd**  
**Assessment Year: 2009-10 to 2012-13**  
**PAN: AAACL1069K**

AO made additions aggregating ₹ 77.89 crore towards bogus commission expenses debited to profit and loss account but the same were not considered for computation of book profit under MAT provisions in the absence of any specific provision thereof under prescribed adjustment, which might have increased the book profit to the extent of additions made involving tax effect of ₹ 13.66 crore. Reply from ITD was awaited.

**(b) Charge: Pr. CIT-3 Hyderabad**  
**Assessee: M/s Soma Enterprises Ltd.**  
**Assessment Years: 2011-12 and 2012-13**  
**PAN: AACCS8242F**

AO made additions of ₹ 51.28 crore and ₹ 46.96 crore during the two AYs respectively towards bogus payments made to sub contractors and vendors debited to profit and loss account but the same were not considered for computation of book profit under special provisions in the absence of any specific provision therefor under prescribed adjustment, which might have increased the book profit to the extent of additions made involving tax effect of ₹ 20.05 crore. ITD did not accept the audit observation

<sup>38</sup> Andhra Pradesh and Telangana (2), Bihar (6), Gujarat (1), Maharashtra(9) and Tamil Nadu (1)

(October 2016) in view of Apex court decision in the case of M/s Apollo Tyres Ltd stating that there is no such adjustment prescribed under section 115JB. The reply is not tenable as non applicability of the decision of apex court in the case of M/s. Apollo Tyres has already been considered in another decision<sup>39</sup> delivered, based on which in another case of M/s. Gati Ltd<sup>40</sup> ITD allowed claim of the assessee towards the loss on sale of shares, not debited to the profit and loss account although not covered under prescribed adjustments under MAT, in computation of book profit. Similarly, in the instant case, the expenses related to the alleged payments to sub-contractors, already booked in the profit and loss account, and added back in computation of income under normal provisions although not covered under prescribed adjustments under MAT, should have been added in computation of book profit.

There being no adjustment prescribed under special provisions with respect to treatment of bogus purchases/ undisclosed income/ unaccounted income in computation of book profits, its treatment was not uniform by the AOs leading to short computation of book profit.

### **2.8.3 Non consideration of transfer pricing adjustments on items having direct bearing on the profit and loss account under MAT**

As per section 92CA of the Act, transfer pricing adjustments are made to the income under normal provision on items of receipts and expenditure credited/debited to profit and loss account which has been entered by the assessee with its associated enterprise. This exercise is done to bring the transaction amount to the arms length price<sup>41</sup> so that the excess expense/under reporting of receipts related to the transactions with associated enterprise can be curbed and the revenue loss/profit shifting under the garb of various accounting practices is protected.

We noticed in 36 assessment cases in six states<sup>42</sup> that transfer pricing adjustments were made during computation of income under normal provisions with respect to items which had direct bearing on the profit as per profit and loss account, but were not considered for computation of book profit under MAT. There being no provision in the Act to consider the same for computation of book profit under MAT, led the assessee effectively escaping the liability of tax of ₹ 93.05 crore on such disallowances **(Appendix 14)**.

<sup>39</sup> M/s J K Lakshmi Cement Vs ACIT -ITAT Kolkata (ITA Nos. 1275,1417 and 1470 of 2009 dated 30.08.2011)

<sup>40</sup> (AY 2013-14, PAN-AABCG3709Q) assessed at PCIT-2, Hyderabad charge

<sup>41</sup> Price at which transaction is entered with unrelated party

<sup>42</sup> Andhra Pradesh and Telangana(2), Karnataka (10), Kerala(1), Maharashtra (12) and West Bengal (11)

#### **2.8.4 Statutory dues not paid within due date of filing of return of income not considered for addition under MAT**

Any tax, duty, cess or fee (among other things) are disallowed<sup>43</sup> during computation of income under normal provisions if such amount is not paid within the due date of filing of return of income. This provision has been brought into effect to promote timely payment of statutory dues. If the assessee was liable to pay tax under MAT during any year, it could intentionally delay the payment as there was no corresponding provision/adjustment prescribed for disallowance of the same in the computation of book profit.

We noticed in 39 assessment cases in 11 states<sup>44</sup> that the statutory dues in the form of taxes were disallowed during computation of income under normal provisions but were not considered under MAT. Had such disallowances been considered under MAT also, there would have been a revenue impact of ₹ 75.89 crore (**Appendix 15**).

#### **2.8.5 Expenditure on Corporate Social Responsibility (CSR) not considered for disallowance under MAT**

Every company, based on certain parameters, shall set apart at least two *per cent* of the average profits of immediately preceding three financial years for the purpose of CSR in the books of accounts<sup>45</sup>. Such provision has been brought to share the burden of the Government in providing social services<sup>46</sup> and hence such expense shall not be allowed as benefit under Income Tax Act. The provision for disallowance of expenditure on CSR under normal provision has been introduced<sup>47</sup> from 1 April 2015. However, no corresponding provision for disallowance of such expenses for computation of book profit is prescribed under special provisions.

We noticed in 12 assessment cases in eight states<sup>48</sup> that CSR expenses were debited to the profit and loss account but not considered for disallowance under MAT. Had such disallowances been considered for MAT also, there would have been a revenue impact of ₹ 15.49 crore (**Appendix 16**).

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<sup>43</sup> As per section 43B (a) of the Act,

<sup>44</sup> Andhra Pradesh and Telangana (2), Assam (1), Gujarat (7), Haryana (2), Karnataka (2), Maharashtra (19), Punjab (3), Rajasthan (1), Uttar Pradesh (1) and West Bengal (1)

<sup>45</sup> Section 135 of New Companies (Amendment) Act, 2013

<sup>46</sup> Circular 1 of 2015 issued by CBDT issued on 21 January 2015

<sup>47</sup> Finance Act 2014 w.e.f. AY 2015-16

<sup>48</sup> Andhra Pradesh and Telangana (1), Chhattisgarh (5), Delhi (1) Himachal Pradesh (1), Karnataka (1), Maharashtra (2) and Rajasthan (1)

**Box 2.11: Illustrative case on expenditure on CSR not considered for disallowance under MAT**

(a) **Charge: Pr. CIT, Bilaspur**  
**Assessee: M/s Jindal Power Ltd.**  
**Assessment Year: 2010-11 to 2012-13**  
**PAN: AABCJ4683J**

AO disallowed CSR expense of ₹ 5.40 crore, ₹ 6.50 crore and ₹ 5.83 crore pertaining to three AYs respectively under normal provisions but did not consider the same for disallowance for computation of book profit under MAT. Had such disallowances been considered for MAT also, there would have been a revenue impact of ₹ 3.38 crore. ITD did not accept the audit observation stating that the AO has no jurisdiction to go behind the net profit shown in profit and loss account except to the extent provided in Explanation to section 115JB. Further this provision is applicable from FY 2014-15 (October 2016). The reply was not tenable as Finance Act 2014 has expressly brought an amendment to disallow such expenses during the computation of income under normal provision. Further vide Circular 1 of 2015 dated 21.01.2015, CBDT clarified that CSR expenses were in the nature of application of income with the objective to share burden of the Government in providing social services. If such expenses are allowed as tax deduction, this would result in subsidizing such expenses by the Government by way of tax expenditure. Hence, on the same logic such expenses should also be considered for disallowance during computation of book profit under MAT.

**2.8.6 Need for disallowance of MAT credit of the amalgamating company on discontinuance of their business by the amalgamated company after amalgamation.**

Certain conditions have to be fulfilled for availing the benefit of carry forward and set off of brought forward losses of amalgamating companies which *inter-alia* provide<sup>49</sup> that the amalgamated company should continue business of the amalgamating companies for a minimum period of five years from the date of amalgamation. This provision was introduced to discourage the unnecessary amalgamation of companies having huge losses with profit making companies for the sole purpose of reducing tax liability. However, there was no such provision u/s 115JAA to prohibit the claim of set off of MAT credit of amalgamating company in case of discontinuation of business of the amalgamating company by the amalgamated company after amalgamation.

<sup>49</sup> Section 72A(2) of the Income Tax Act

In one assessment case in Maharashtra, we noticed that MAT credit of amalgamating company was claimed in spite of discontinuing the business of amalgamating unit after amalgamation (**Appendix 17**).

**Box 2.12: Illustrative case on need for disallowance of MAT credit of the amalgamating company on discontinuance of their business by the amalgamated company after amalgamation.**

**Charge: Pr. CIT-10, Mumbai**

**Assessee: M/s Parle Agro Pvt. Ltd.**

**Assessment Year: 2010-11**

**PAN: AABCP8416G**

AO allowed carry forward of MAT credit of ₹ 1.58 crore of the amalgamating company, M/s Parle Pet Pvt. Ltd., though the main business of the amalgamating company was discontinued within the first year post amalgamation, which did not appear to be in order. Like section 72A(2), there was no provision under section 115JAA to prohibit the claim of set off of MAT credit of amalgamating company by the assessee company as it did not continue the business of the amalgamating company for a minimum period of five years after amalgamation. The CBDT during exit conference admitted that it was a mistake on part of the assessing officer.

There was no provision under section 115JAA to prohibit the claim of set off of MAT credit of amalgamating company by the assessee company in case of discontinuance of the business of the amalgamating company before five years after amalgamation.

## **2.9 Uniform stand not adopted by ITD in set off of MAT credit in summary cases**

From the AY 2012-13, ITR 6 has been modified to compute MAT credit set off inclusive of surcharge and education cess.

We noticed in six assessment cases in Andhra Pradesh and Telangana, pertaining to AYs 2010-11 and 2012-13 to 2015-16 processed in summary manner that ITD allowed set off of MAT credit without surcharge and education cess thereon in five assessment cases whereas in one case it was allowed inclusive of surcharge and education cess (**Appendix 18**).

## **2.10 Conclusion**

There were no specific provisions for treatment of the income in computation of book profit in respect of following items:

- (i) Interest accrued on ICD and fixed deposit made out of advances received from Government etc. which were considered for taxation under normal provisions
- (ii) Grant in aid etc., directly taken to balance sheet and not routed through profit and loss account
- (iii) Profit/loss on sale of long term investment of the amalgamating company
- (iv) Debenture Redemption Reserve/Loan Redemption Reserve considering its complexity involving element of reserve as well as ascertained liability
- (v) Excess/short depreciation due to change in method of depreciation

There was lack of clarity in the provision of the Act to deal with the manner of treatment of brought forward loss/unabsorbed depreciation in computation of book profit.

There being no adjustment prescribed under special provisions to reduce the bad debts actually written off from the book profit, its treatment in computation of book profit is not uniform by different AOs.

There being no adjustment prescribed under section 115JB in respect of the following items for additions in computation of book profit, though they were considered for addition under normal provision:

- (i) bogus purchases/undisclosed income/unaccounted income
- (ii) transfer pricing adjustments on items having direct bearing on the profit and loss account
- (iii) Statutory dues not paid within due date of filing of return of income
- (iv) Expenditure on Corporate Social Responsibility (CSR)

There is no provision under section 115JAA to prohibit the claim of set off of MAT credit of amalgamating company by the assessee company in case of discontinuance of the business of the amalgamating company before five years after amalgamation.

## **2.11 Recommendations**

- (a) CBDT may like to insert enabling provisions under Explanation (1) to sub section (2) of section 115JB clarifying the treatment of following items in computation of book profit:



- (i) Interest accrued on ICD and fixed deposit made out of advances received from Government etc. which were considered for taxation under normal provisions
  - (ii) Grant in aid etc., directly taken to balance sheet and not routed through profit and loss account
  - (iii) Profit/loss on sale of long term investment of the amalgamating company
  - (iv) Debenture Redemption Reserve/Loan Redemption Reserve considering its complexity involving element of reserve as well as ascertained liability
  - (v) Excess/short depreciation due to change in method of depreciation  
**(Para 2.4.1 to 2.4.3, 2.5 and 2.6)**
- (b)** CBDT may like to clarify the manner of setting off brought forward business loss/unabsorbed depreciation in computation of book profit.  
**(Para 2.7.1 to 2.7.3)**
- (c)** CBDT may like to prescribe an adjustment for reduction of the bad debts actually written off in the books of accounts in computation of book profit, as the same is considered for reduction under normal provisions.  
**(Para 2.8.1)**
- (d)** CBDT may like to prescribe an adjustment for additions of the following items in computation of book profit, which were considered for addition under normal provision:
- (i) Bogus purchases/undisclosed income/unaccounted income
  - (ii) Transfer pricing adjustments on items having direct bearing on the profit and loss account
  - (iii) Statutory dues not paid within due date of filing of return of income
  - (iv) Expenditure on Corporate Social Responsibility (CSR)  
**(Para 2.8.2. to 2.8.5)**
- (e)** CBDT may like to introduce a provision in the Act for disallowance of MAT credit of the amalgamating company on discontinuance of their business by the amalgamated company after amalgamation.  
**(Para 2.8.6)**

*The CBDT during exit conference agreed to examine all the issues above and stated that feasibility of issuing a circular/clarification if required will be explored.*

### Chapter 3 : Extent of non-compliance of MAT provisions

**3.1** This chapter addresses the issues relating to the compliance of the special provisions; whether there was compliance to the provisions relating to payment of taxes under special provisions and whether the tax credit allowed to the assesseees was as per special provisions of the Act.

During audit, we came across several issues/instances where non-compliance to the provisions of Act/Rules were noticed. Broad category wise details of mistakes noticed during the performance audit shown in the Table below are discussed in ensuing paragraphs:

<b>Table 3.1: Extent of non-compliance of MAT provisions</b>			
<b>Para No.</b>	<b>Nature of Mistakes</b>	<b>Assessment cases</b>	<b>Tax effect (₹ in crore)</b>
3.2	Items not added to net profit in computation of book profit	181	1993.19
3.3	Incorrect deduction from net profit in computation of book profit	28	48.60
3.4	Irregular allowance of MAT credit	277	1559.21
3.5	Incorrect allowance of brought forward business loss/ unabsorbed depreciation as per books of account	37	22.97
3.6	Incorrect reduction of the amount withdrawn from the reserve	13	15.08
3.7	Non-observance of procedure laid down for allowing exemption to sick industrial companies from computation of book profit	9	0
3.8	Non selection of case for scrutiny	1	75.51
3.9	Other instances of non compliance of special provisions of MAT	43	88.91
	<b>Total</b>	<b>589</b>	<b>3803.47</b>

#### **3.2 Items not added to net profit in computation of book profit**

We noticed 181 assessment cases where the book profit was not increased by prescribed adjustments involving short levy of tax of ₹ 1993.19 crore.

##### **3.2.1 Income tax paid or payable and provision thereof not considered for book profit**

For computing book profit, the net profit as shown in the profit and loss account for the relevant previous year shall be increased<sup>50</sup> by the amount of income tax paid or payable and the provision thereof where amount of the 'income tax' shall include any tax on distributed profits/ distributed income<sup>51</sup>, any interest charged under this Act, surcharge, education cess and secondary

<sup>50</sup> Clause (a) to Explanation 1 of section 115JB(2)

<sup>51</sup> Section 115-O and section 115R

and higher education cess on income tax, if any, levied by the Act from time to time. Further, it has been judicially held<sup>52</sup> that the 'income tax' paid in foreign countries has to be added for computation of book profit.

We noticed 28 assessment cases in 12 states<sup>53</sup> where income tax paid to the extent of ₹ 64.98 crore were considered for disallowance under normal provision but not considered for computing book profit involving tax effect of ₹ 13.28 crore (**Appendix 19**).

**Box 3.1: Illustrative cases on income tax paid or payable and provision thereof not considered for book profit**

**(a) Charge: Pr. CIT 1 Mumbai**  
**Assessee: M/s Hindustan Petroleum Corporation Ltd.**  
**Assessment Year: 2010-11 to 2013-14**  
**PAN: AAACH1118B**

Assessee had added back ₹ 4.84 crore, ₹ 5.76 crore, ₹ 4.97 crore and ₹ 5.40 crore debited towards tax paid on non monetary perquisites of employees in computation of income under normal provisions for the above AYs respectively which were accepted by the ITD. However, AO did not consider the same for computation of book profit under MAT. Omission resulted in short computation of book profit of ₹ 20.97 crore involving tax effect of ₹ 4.05 crore including excess set off of MAT credit of ₹ 99.43 lakh for AY 2012-13. Reply of the ITD was awaited.

**(b) Charge: Pr. CIT-LTU, Mumbai**  
**Assessee: M/s Nuclear Power Corporation of India Ltd.**  
**Assessment Year: 2011-12 and 2012-13**  
**PAN: AAACN3154F**

Assessee had added back ₹ 4.34 crore and ₹ 8.75 crore debited towards tax paid<sup>54</sup> on non monetary perquisites of employees in computation of income under normal provisions for the two AYs respectively which were accepted by the ITD. However, AO did not consider the same for computation of book profit under MAT. Omission resulted in short computation of book profit of ₹ 13.09 crore involving tax effect of ₹ 2.62 crore. ITD did not accept the observation stating that the book profit are different from taxable income under normal provisions and merely because some additions are made under the normal provision does not follow that

<sup>52</sup> Authority of Advance Rulings in the case of Bank of India (AAR No. 732 of 2006)

<sup>53</sup> Andhra Pradesh and Telangana (3), Chhattisgarh (1), Haryana (1), Karnataka (2), Madhya Pradesh (1), Maharashtra (13), Odisha (2), Rajasthan (1), Tamilnadu (2), Uttar Pradesh (1) and West Bengal (1)

<sup>54</sup> Section 40(a)(v) read with section 10(10CC)

the same additions are also to be made under MAT provisions. Further, the tax referred to in section 40(a)(v) was not an income tax for the assessee company and hence could not be added back under MAT computation in absence of any specific provision (February 2017). Reply was not tenable as the ITD had not disputed the fact that the tax paid on behalf of employees was 'income tax'. The only dispute is that such income tax is not related to the assessee company but on behalf of employees. Explanation 1(a) below section 115JB(2) of the Act does not specify whether income tax paid by the assessee on its own income only is to be added back while computing book profit.

### 3.2.2 Expenditure relatable to any exempt income not considered for book profit

For computing book profit, the net profit as shown in the profit and loss account for the relevant previous year shall be increased<sup>55</sup> by the amount or amounts of expenditure relatable to any income under section 10 to 12. Further from AY 2008-09 onward, the computation of expenses relatable to income not forming part of total income<sup>56</sup> shall be computed as per Rule 8D of Income Tax Rules.

We noticed 84 assessment cases in 15 states<sup>57</sup> where expenses relatable to income not forming part of total income was not added back to book profit which involved tax effect of ₹ 102.03 crore (**Appendix 20**).

#### Box 3.2: Illustrative cases on expenditure relatable to any exempt income not considered for book profit

(a) **Charge: Pr. CIT-2, Mumbai**  
**Assessee: M/s Bank of India**  
**Assessment Year: 2014-15**  
**PAN: AAACB0472C**

AO restricted the disallowance under section 14A at ₹ 65.48 lakh being one percent of the exempt income relying on decision<sup>58</sup> of AY 2001-02 delivered in assessee's own case whereas expenses relatable to income not forming part of total income for the year worked out to ₹ 166.02 crore as per Rule 8D and should have disallowed accordingly. Omission resulted in short computation of book profit of ₹ 165.37 crore involving tax effect of ₹ 34.66 crore. Reply of the ITD was awaited.

<sup>55</sup> Clause (f) to Explanation 1 to section 115JB(2)

<sup>56</sup> Section 14A

<sup>57</sup> Andhra Pradesh and Telangana (6), Assam (1), Chhattisgarh (5), Delhi (4), Gujarat (5), Haryana (6), Karnataka (22), Kerala (1), Madhya Pradesh (7), Maharashtra (12), Rajasthan (2), Tamilnadu (9), Uttar Pradesh (1) and West Bengal (3)

<sup>58</sup> ITA No. 1498/M/2011

**(b) Charge: CIT Gandhinagar**  
**Assessee: M/s Gujarat Power Corp. Ltd.**  
**Assessment Year: 2013-14**  
**PAN: AAACG5596J**

AO, while computing income under normal provisions, disallowed expenses of ₹ 5.25 crore relating to exempt income under section 14A. However, the same was not considered for computation of book profit under section 115JB by the AO. Omission resulted in short computation of book profit of ₹ 5.25 crore involving tax effect of ₹ 1.42 crore. Reply of the ITD was awaited.

### **3.2.3 Amount set aside as provision for diminution in the value of any asset not considered for computation of book profit**

One of the specified adjustments<sup>59</sup> to be made to book profits is towards the 'Provision for Diminution in the value of any Asset' debited to the profit and loss account which needs to be added for computation of the book profit. This amendment to section 115JB by the Finance Act 2009 was made effective retrospectively from 1 April, 2001.

We noticed 47 assessment cases in 12 states<sup>60</sup> where amount set aside as provision for diminution in value of asset was not added while computing book profit involving tax effect of ₹ 1827.86 crore (**Appendix 21**).

#### **Box 3.3: Illustrative cases on amount set aside as provision for diminution in value of asset not considered for computation of book profit**

**(a) Charge: Pr. CIT-2, Mumbai**  
**Assessee: M/s Bank of India**  
**Assessment Year: 2014-15**  
**PAN: AAACB0472C**

While computing book profit, AO did not add the provisions of ₹ 4461.54 crore for diminution in value of asset (NPA) as well as various other provisions. Besides, profit of ₹ 813.47 crore pertaining to foreign branches was also reduced, which was not an allowable adjustment under special provisions. Omission resulted in short computation of book profit of ₹ 5275.01 crore involving tax effect of ₹ 1105.67 crore. Reply from the ITD was awaited.

<sup>59</sup> Clause (i) to Explanation 1 to section 115JB(2)

<sup>60</sup> Andhra Pradesh and Telangana (7), Bihar (3), Delhi (8), Gujarat (3), Haryana (7), Karnataka (5), Kerala (1), Maharashtra (6), Odisha (1), Tamil Nadu (3) and Uttar Pradesh (3)

**(b) Charge: CIT-7, New Delhi**  
**Assessee: M/s Oriental Bank of Commerce**  
**Assessment Year: 2011-12, 2013-14 and 2014-15**  
**PAN: AAACO0191M**

While computing book profit, AO, inter alia, did not add the provisions of ₹ 1866.58 crore for diminution in value of assets for the above three AYs. Omission resulted in short computation of ₹ 1866.58 crore involving tax effect of ₹ 293.90 crore. Reply from the ITD was awaited.

**(c) Charge: Pr. CIT-1, Bhubaneswar**  
**Assessee: M/s Grid Corporation of Orissa Ltd.**  
**Assessment Year: 2014-15**  
**PAN: AABCG5398P**

While computing book profit, AO did not add provision of ₹ 210 crore for bad and doubtful debts debited to profit and loss account. Omission resulted in short computation of book profit of ₹ 210 crore involving tax effect of ₹ 56.07 crore. Reply from the ITD was awaited.

**(d) Charge: Pr. CIT-5, Hyderabad**  
**Assessee: M/s Dr. Reddy's Laboratories Ltd**  
**Assessment Year: 2011-12**  
**PAN: AAACD7999Q**

While computing book profit, AO did not add ₹ 73.10 crore as provision for inventory obsolescence debited under the head material cost<sup>61</sup> as this being a provision for diminution in the value of asset. Omission resulted in short computation of book profit of ₹ 73.10 crore involving tax effect of ₹ 20.31 crore. Reply from ITD was awaited.

**(e) Charge: Pr. CIT-1, Patna**  
**Assessee: M/s Alkem Laboratories Ltd.**  
**Assessment Year: 2010-11 to 2012-13**  
**PAN: AABCA9521E**

While computing book profit, AO did not add the provision for bad and doubtful debts of ₹ 6.43 crore, ₹ 19.34 lakh and ₹ 76.28 lakh for the above AYs respectively. Besides, disallowance of ₹ 44.21 lakh under section 14A was also not considered for computation of book profit for AY 2012-13. Omission resulted in short computation aggregating ₹ 7.82 crore involving tax effect of ₹ 1.73 crore. Reply from ITD was awaited.

<sup>61</sup> Notes to schedule 14 of the profit and loss account

### 3.2.4 Amount set aside as provision for unascertained liability not added back

Any amount set aside to provisions made for meeting liabilities, other than ascertained liabilities has to be added<sup>62</sup> during computation of book profit if the same is debited to profit and loss account.

We noticed in 22 assessment cases in 11 states<sup>63</sup> that an aggregate of ₹ 301.02 crore was debited as provision for unascertained liability but was not considered for computation of book profit. Omission resulted in tax effect of ₹ 50.02 crore (**Appendix 22**).

#### Box 3.4: Illustrative cases on amount set aside as provision for unascertained liability not added back

(a) **Charge: CIT 1, Guwahati**  
**Assessee: M/s Assam Power Generation Corp. Ltd.**  
**Assessment Year: 2010-11**  
**PAN:AAFCA4891F**

AO disallowed ₹ 11.49 crore on account of provision of revision of pay considering it unascertained liability under normal provisions. However, the same was not added to net profit in the computation of book profit under special provisions of the Act. Omission resulted in short computation of book profit of ₹ 11.49 crore involving tax effect of ₹ 1.95 crore. Reply from ITD was awaited.

(b) **Charge: Pr. CIT-IV, Hyderabad**  
**Assessee: M/s Lanco Solar Ltd.**  
**Assessment Year: 2012-13**  
**PAN: AABCL4930G**

AO disallowed ₹ 6.05 crore debited to profit and loss account towards 'provision for warranty' treating 'provision for unascertained liability' under normal provisions. However, the same was not added to net profit in the computation of book profit under special provisions of the Act. Omission resulted in short computation of book profit of ₹ 6.05 crore involving tax effect of ₹ 1.87 crore including interest u/s 234B. Reply from ITD was awaited.

<sup>62</sup> Clause (c) of Explanation 1 below section 115JB(2)

<sup>63</sup> Andhra Pradesh and Telangana (3), Assam (3), Bihar (2), Chhattisgarh (1), Delhi (4), Gujarat (1), Karnataka (4), Maharashtra (1), Odisha (1) and Uttar Pradesh (2)

### 3.3 Incorrect deduction from net profit in computation of book profit

As per Explanation 1 below section 115JB(2) of the Act, specific deductions are prescribed under sub-clause (i) to (viii) for computation of book profit under MAT.

We noticed 28 assessment cases where book profits were reduced by deductions which are not prescribed in the Act which involved tax effect of ₹ 48.60 crore as given below:

#### 3.3.1 Exempt income or income no longer exempt due to subsequent amendment reduced incorrectly

The net profit as shown in the profit and loss account for the relevant previous year shall be reduced<sup>64</sup> by the amount of income to which any of the provisions of Section 10<sup>65</sup> to 12 apply, if such amount is credited to the profit and loss account.

We noticed in 18 assessment cases in 11 states<sup>66</sup> that exempt income were not correctly reduced from book profit which resulted in short computation of book profit of ₹ 376.44 crore involving tax effect of ₹ 35.87 crore (Appendix 23).

#### Box 3.5: Illustrative cases on exempt income/income no longer exempt due to subsequent amendment reduced incorrectly

(a) **Charge: Pr. CIT 14, Mumbai**  
**Assessee: M/s Hindustan Construction Company Ltd.**  
**Assessment Year: 2011-12**  
**PAN: AAACH0968B**

While computing book profit, AO did not add back "Share of loss in Partnership Firm" of ₹ 8.42 crore which was debited to profit and loss account. The loss from firm being exempt under Section 10(2A) is not an allowable deduction under special provisions of the Act. Omission resulted in short computation of book profit of ₹ 8.42 crore involving tax effect of ₹ 1.68 crore. Reply from ITD was awaited.

<sup>64</sup> Clause (ii) of Explanation 1 to Section 115JB(2)

<sup>65</sup> Other than the provisions contained in clause (38) thereof

<sup>66</sup> Andhra Pradesh and Telangana (1), Bihar (1), Jharkhand (1), Karnataka (2), Kerala (1), Maharashtra (2), Rajasthan (1), Tamilnadu (5), Uttar Pradesh (2) and West Bengal (2)



**(b) Charge: Pr. CIT, Goa**  
**Assessee: M/s Dempo Brothers (P) Ltd.**  
**Assessment Year: 2010-11**  
**PAN: AAACD2588D**

AO allowed deduction of ₹ 5.91 crore under Section 10 on account of “profit on sale of Goa Carbon shares” for computing book profit under special provisions of the Act as claimed. However, the profit on sale of shares is not an allowable deduction under special provisions of the Act. Omission resulted in short computation of book profit of ₹ 5.91 crore involving tax effect of ₹ 1.06 crore. Reply from ITD was awaited.

### **3.3.2 Incorrect claim of deduction of amounts credited to profit and loss account**

As per Finance Act 2015, w.e.f. AY 2016-17, a clause was introduced under section 115JB to reduce the net profit by the amount of share of profit from AOP (Association of Persons) or BOI (Body of Individuals) if credited to profit and loss account on which no income tax is payable under section 86 of the Act.

Though above provision was not applicable prior to AY 2016-17, we noticed in 10 assessment cases in five states<sup>67</sup> where income received from AOP was incorrectly reduced from book profit which resulted in short computation of book profit of ₹ 80.12 crore involving tax effect of ₹ 12.73 crore (Appendix 24).

#### **Box 3.6: Illustrative cases on allowance of profit from AOP during computation of book profit**

**(a) Charge: Pr. CIT(Central)-1, Chennai**  
**Assessee: M/s S.A.S Hotel and Enterprises Ltd.**  
**Assessment Year: 2012-13**  
**PAN: AA ECS1194C**

AO levied tax of ₹ 10.91 crore on the assessed income of ₹ 39.99 crore, arrived at after reduction of profit from AOP of ₹ 33.46 crore under normal provision. The return of income revealed that the assessee computed book profit of ₹ 41.05 crore after claiming deduction of ₹ 36.07 crore including profit of ₹ 33.46 crore from AOP. As the deduction in respect of profit from AOP was not allowable as per the Act, tax leviable under special provisions was more than the tax levied under normal provisions. Omission resulted in short computation of book profit of ₹ 33.46 crore involving tax effect of ₹ 5.47 crore. Reply from ITD was awaited.

<sup>67</sup> Andhra Pradesh and Telangana (3), Maharashtra (1), Rajasthan (4) and Tamilnadu (2)

**(b) Charge: Pr. CIT-3, Hyderabad**  
**Assessee : M/s Soma Enterprises Ltd.**  
**Assessment Year : 2010-11 to 2012-13**  
**PAN: AACCS8242F**

AO, while computing book profit, allowed deduction of ₹ 10.53 crore, ₹ 3.43 crore and ₹ 2.03 crore for the above AYs respectively towards 'share of incomes from joint ventures exempt under proviso (a) to section 86', which was not an allowable deduction for computation of book profit as per the Act. Omission resulted in short computation of book profit of ₹ 15.99 crore involving tax effect of ₹ 2.88 crore. ITD did not accept the observation (June 2015) stating that the deduction under section 86 was admissible in view of the provisions of section 115JB(5), as clarified by CBDT<sup>68</sup> that except for substitution of tax payable under the provision and the manner of computation of book profits, all other provisions of the Act including the provisions relating to charge, definitions, recoveries, etc, would apply in respect of the provisions of section 115JB. ITD further stated that amendment to section 115JB vide Finance Act, 2015 by inserting clause (fa) to Explanation 1 to section 115JB(2), effective from 1 April 2016, permitting deduction of AOP profits from computation of book profits, was intended to rationalize the provision which prior to amendment did not permit the deduction in respect of AOP profits from the computation of book profit, and hence the amendment was to be treated as 'retrospective' in nature, as was held in the case of CIT Vs. Alum Extrusions Ltd. 319 ITR 306. The reply was not acceptable as the book profit has to be computed strictly in accordance with the Explanation 1 to the Section 115JB. The amendment brought out by Finance Act 2015 was enacted expressly to be effective from 1 April 2016.

### 3.4 Irregular allowance of MAT credit

Difference of tax paid under MAT and that would have been payable under normal provisions (if the tax is actually paid under MAT) is carried forward for set off from taxes in subsequent years (maximum 10 years<sup>69</sup>) if the taxes in the subsequent years are paid under normal provisions<sup>70</sup>. Actual set off during the subsequent years shall be restricted to the difference between the tax paid under normal provisions and that would have been payable under MAT during that year<sup>71</sup>. Further, from AY 2012-13, schedule MATC to ITR-6,

<sup>68</sup> Para 2 of circular No.13, of 2001 dt.9.11.2001

<sup>69</sup> Raised to 15 years with effect from 1.4.2017 by Finance Act 2017

<sup>70</sup> Section 115JAA(2) of the Act

<sup>71</sup> Section 115JAA(5) of the Act

applicable to companies, which provided year wise details of availability and set off of MAT credit as per the records of the assessee was introduced.

We noticed in 277 assessment cases in 21 states<sup>72</sup> that incorrect set off/carry forward/non set off of MAT credit of ₹ 1,559.21 crore was allowed without verifying the updated status of the claims of assessee made in the ITR with reference to the assessment records.

### 3.4.1 Incorrect carry forward of MAT credit

As per section 115 JAA(2A) of the Act, the tax credit to be allowed under sub-section (1A) shall be the difference of the tax paid for any assessment year under sub-section (1) of section 115JB and the amount of tax payable by the assessee on his total income computed in accordance with the other provisions of the Act.

We noticed in 88 assessment cases in 15 states<sup>73</sup> where tax credit in respect of tax paid on book profit was irregularly allowed to be carried forward for set off in subsequent years involving tax effect of ₹ 868.21 crore (Appendix 25).

#### Box 3.7: Illustrative case of incorrect carried forward of MAT credit

(a) **Charge: Pr. CIT-2, Mumbai**  
**Assessee: M/s Bank of India**  
**Assessment Year: 2014-15**  
**PAN: AAACB0472C**

AO, while finalising the assessment, allowed bad debts written off of ₹ 3834.29 crore under section 36(1)(vii), which was not adjusted against the opening credit balance of provision of ₹ 2039.28 crore available u/s 36(1)(viia) as per AY 2013-14. Omission resulted in underassessment of income of ₹ 1819.68 crore under normal provisions involving tax effect of ₹ 618.51 crore thereby there was excess carry forward of MAT credit of ₹ 214.04 crore. Reply from the ITD was awaited.

(b) **Charge: Pr. CIT-LTU, Mumbai**  
**Assessee: M/s Reliance Industries Ltd.**  
**Assessment Year: 2009-10 and 2010-11**  
**PAN: AAACR5055K**

AO, while finalising the assessment, allowed ₹ 43.78 crore and

<sup>72</sup> Andhra Pradesh and Telangana (23), Assam (5), Bihar (9), Chhattisgarh (1), Delhi (12), Gujarat (30+7), Haryana (11), Himachal Pradesh (2), Jharkhand (2), Karnataka (41), Kerala (14), Madhya Pradesh (17), Maharashtra (46), Odisha (4), Punjab (1), Rajasthan (11), Tamilnadu (17), Uttar Pradesh (3), Uttarakhand (4) and West Bengal (19)

<sup>73</sup> Andhra Pradesh and Telangana (3), Assam (3), Bihar (3), Delhi (7), Gujarat (15), Haryana (10), Himachal Pradesh (2), Kerala (1), Madhya Pradesh (5), Maharashtra (23), Tamilnadu (2), Uttar Pradesh (2), Uttarakhand (4) and West Bengal (8)

₹ 35.32 crore pertaining to reversal of notional loss of AYs 2008-09 and 2009-10 respectively, which was already allowed to the assessee while giving effect to order of CIT(Appeal) in the respective assessment years. Double allowance of relief resulted in underassessment of income of ₹ 43.78 crore and ₹ 35.32 crore for AYs 2009-10 and 2010-11 respectively involving excess carry forward of MAT credit aggregating ₹ 26.89 crore. Reply from ITD was awaited.

**(c) Charge: Pr. CIT-6, New Delhi**  
**Assessee: M/s Modi Rubber Ltd.**  
**Assessment Year: 2012-13**  
**PAN: AAACM2062R**

AO, while finalising the assessment, allowed brought forward losses of ₹ 33.44 crore instead of correct amount of ₹ 10.34 crore. Omission resulted in underassessment of income of ₹ 23.10 crore involving excess carry forward of MAT credit of ₹ 5 crore. Reply from ITD was awaited.

**(d) Charge: Pr. CIT Central-2, Kolkata**  
**Assessee: M/s MSP Steel and Power Ltd.**  
**Assessment Year: 2007-08**  
**PAN: AACCA2756N**

AO while finalising the assessment, determined income of ₹ 1.38 crore after allowing deduction of ₹ 21.16 crore under section 80IA. The deduction was allowed on the income including income of ₹ 12.85 crore from other sources. As the income from other source was not allowable deduction u/s 80IA, the entire amount of ₹ 12.85 crore should have been disallowed. Omission resulted in underassessment of income of ₹ 11.47 crore involving tax effect of ₹ 3.85 crore including excess MAT credit of ₹ 2.13 crore. Reply from ITD was awaited.

### 3.4.2 Irregular set off of MAT credit

As per section 115 JAA(5) of the Act, set off in respect of brought forward tax credit shall be allowed for any assessment year to the extent of the difference between the tax on his total income under normal provisions and the tax which would have been payable under the provisions of sub-section (1) of section 115JA or section 115JB, as the case may be, for that assessment year.

We noticed 182 assessment cases in 19 states<sup>74</sup> where irregular set off of MAT credit was allowed involving tax effect of ₹ 650.07 crore (**Appendix 26**).

**Box 3.8: Illustrative cases on irregular/non set off of MAT credit**

(a) **Charge: Pr. CIT-1, Kolkata**  
**Assessee: M/s Bengal Energy Ltd.**  
**Assessment Year: 2011-12**  
**PAN: AADCB1581F**

AO, while computing tax liability, allowed set off of tax credit of ₹ 4.45 crore instead of correct amount of ₹ 2.97 crore. Omission resulted in tax effect of ₹ 1.66 crore including interest under section 234B.

(b) **Charge: Pr. CIT, Noida**  
**Assessee: M/s Elcomponics Sales Pvt. Ltd.**  
**Assessment Year: 2013-14**  
**PAN: AABCE6120F**

AO, while computing tax liability, allowed set off of MAT credit of ₹ 2.54 crore with carry forward of the remaining MAT credit of ₹ 3.45 crore pertaining to AY 2012-13. As the tax was levied under normal provisions for the assessment year 2012-13, no credit under section 115JAA was available for AY 2012-13. Instead, credit of ₹ 40.69 lakh pertaining to AY 2011-12 was available for set off only to the assessee. The mistake resulted in incorrect allowance of MAT credit of ₹ 5.58 crore. Reply from ITD was awaited.

Besides, in seven assessment cases in Gujarat, set off of MAT credit of ₹ 40.93 crore was not allowed to the assessee though the assessee were eligible therefor (**Appendix 26.1**).

Irregular claims regarding carry forward and set off of MAT credit were allowed without due verification from the relevant records.

**3.5 Incorrect allowance of brought forward business loss/unabsorbed depreciation as per books of account**

As per section 115JB(2) of the Act, the amount of loss brought forward or unabsorbed depreciation, whichever is less as per books of account, is to be allowed as deduction during computation of book profit.

We noticed in 37 assessment cases in 15 states<sup>75</sup> that brought forward loss or unabsorbed depreciation as per the books of account were not correctly

<sup>74</sup> Andhra Pradesh and Telangana (20), Assam (1), Bihar (6), Chhattisgarh (1), Delhi (5), Gujarat (14), Haryana (1), Jharkhand (2), Karnataka (41), Kerala (13), Madhya Pradesh (12), Maharashtra (23), Odisha (4), Punjab (1), Rajasthan (11), Tamilnadu (15), Uttar Pradesh (1), West Bengal (11),

reduced in computing book profit, which resulted in short computation of book profit involving tax effect of ₹ 22.97 crore (**Appendix 27**).

**Box 3.9 : Illustrative cases on incorrect allowance of brought forward business loss/unabsorbed depreciation as per books of account**

**Charge: CIT Udaipur**

**Assessee: M/s American International Health Management Ltd**

**Assessment Year: 2012-13 and 2013-14**

**PAN: AADCA5692C**

While computing book profit at nil, AO reduced ₹ 1.14 crore to the extent of profit for AY 2012-13 towards unabsorbed depreciation, whereas the assessee had brought forward loss of ₹ 14.59 lakh and unabsorbed depreciation of ₹ 18.25 crore for AY 2012-13. Thus, the assessee was entitled to a deduction of ₹ 14.59 lakh only as per special provisions of the Act. Similarly, the assessee incorrectly claimed deduction of ₹ 4.10 crore to the extent of profit in AYs 2013-14 as against 'nil' brought forward loss/unabsorbed depreciation. Excess allowance resulted in short computation of book profit aggregating ₹ 5.10 crore involving tax effect of ₹ 1.17 crore. Reply from ITD was awaited.

AOs did not have correct and updated status of unabsorbed depreciation/brought forward business loss as per the Companies Act at the time of assessment as it was not verifiable either from the ITR or Form 29B<sup>76</sup> or Form of 3CB/3CD in the above 37 assessment cases leading to incorrect computation of book profit.

### 3.6 Incorrect reduction of the amount withdrawn from the reserve

Deduction for any amount withdrawn from any reserve and credited to profit and loss account is allowed if such amount has been considered during the computation of book profit in the year of creation of reserve<sup>77</sup>.

We noticed in 13 assessment cases in four states<sup>78</sup> that while computing book profit, AO incorrectly reduced the amount withdrawn and credited to profit and loss account involving tax effect of ₹ 15.08 crore (**Appendix 28**).

<sup>75</sup> Andhra Pradesh and Telangana (1), Assam (1), Bihar (2), Delhi (1), Gujarat (1), Haryana (1), Himachal Pradesh (1), Karnataka (13), Kerala (2), Maharashtra (5), Rajasthan (3), Tamilnadu (3), Uttar Pradesh (2) and West Bengal (1)

<sup>76</sup> Certificate by Chartered Accountant of computation of book profit under MAT has to be submitted in Form 29B.

<sup>77</sup> Section 115JB(2)(i) of the Act

<sup>78</sup> Haryana (1), Karnatka (6), Maharashtra (3) and Tamilnadu (3)

**Box 3.10 : Illustrative case of claim of items withdrawn from reserve or provision and credited to profit and loss account not verified**

- (a) Charge: CIT-LTU, Bangalore**  
**Assessee: M/s Schneider Electric IT Business India (P) Ltd.**  
**Assessment Year: 2011-12**  
**PAN: AACCA6398Q**

While computing book profit, AO allowed deduction of ₹ 11.12 crore as amount withdrawn from reserve or provisions on account of bad and doubtful debts, bad debt written off and devaluation of inventory as against ₹ 4.53 crore credited to the profit and loss account towards provision written back. Omission resulted in short computation of book profit of ₹ 6.59 crore involving tax effect of ₹ 1.54 crore. Reply from ITD was awaited.

- (b) Charge: Pr. CIT-1, Madurai**  
**Assessee: M/s Golden Weaving Mills Pvt. Ltd.**  
**Assessment Year: 2012-13**  
**PAN: AAACG6671L**

AO computed book profit at loss of ₹ 91.35 lakh under special provisions after allowing deduction of ₹ 4.72 crore on account of waiver of interest under One time settlement (OTS) as claimed. The claim under OTS was disallowed under normal provisions which, however, was not considered under MAT provision. Omission resulted in short computation of book profit of ₹ 3.81 crore involving tax effect of ₹ 1.03 crore. Reply from ITD was awaited.

- (c) Charge: Pr. CIT-3, Mumbai**  
**Assessee: M/s Jabil Circuit Pvt. Ltd.**  
**Assessment Year: 2011-12**  
**PAN: AACCP7114K**

AO, while computing book profit, allowed deduction of ₹ 4.28 crore towards an amount which was withdrawn from a reserve but not credited to the profit and loss account in the year in which such reserve was created. Omission resulted in short computation of book profit of ₹ 4.28 crore involving tax effect of ₹ 85.67 lakh. Reply from ITD was awaited.

There was no proper mechanism to check whether the amount withdrawn from a reserve was actually added during the computation of book profit in the year in which such reserve was created.

### 3.7 Non-observance of procedure laid down for allowing exemption to sick industrial companies from computation of book profit

Sick Industrial Companies have been allowed exemption from computation of book profit<sup>79</sup> till its net worth becomes equal to or exceeds the accumulated book losses. For this purpose, DGIT (Administration) has been assigned the responsibility<sup>80</sup> to represent the CBDT before BIFR<sup>81</sup> and AAIFR<sup>82</sup> in every case in which Income Tax reliefs is sought under the Draft Rehabilitation Scheme or in the Sanctioned Scheme circulated by BIFR/AAIFR under the Sick Industrial Companies (SICA) Act, 1985 for getting the approval of CBDT and communicating the same to BIFR and the concerned assessing officer. The assessing officer shall give the Income Tax reliefs to sick companies only after obtaining such approval.

We noticed in nine assessment cases in Maharashtra that the AO did not apply the special provisions for computation of book profit stating that the assessee had fulfilled the criteria laid down under section 115JB for having been declared a sick company as per the hearing of the BIFR. There was nothing on record to ensure whether the procedure prescribed for getting the approval of CBDT through DGIT (Administration) for excluding the assessee from application of MAT provisions was followed though the certificate of BIFR for declaring the company sick under section 17(1) of the SICA Act, 1985 was available (**Appendix 29**).

### 3.8 Non selection of case for scrutiny

As per Instruction issued from No. F. No. 225/93/2009/ITA.II on 8 September 2010 by the CBDT on procedure and criteria for compulsory manual selection of scrutiny cases during 2011-12, one of the criteria was that “cases involving addition in an earlier assessment year in excess of ₹ 10 lakh on a substantial and recurring question of law or fact which is confirmed in appeal or is pending before an appellate authority.”

We noticed in the case of M/s. Interglobe Aviation Ltd in Delhi that the assessee company fulfilled the criteria for being selected for scrutiny assessment but was not selected (**Appendix 30**).

<sup>79</sup> Item (vii) of Explanation (1) below section 115JB(2) of the Act

<sup>80</sup> CBDT Circular No. 5/2009, Dated 2-7-2009

<sup>81</sup> Board for Industrial and Financial Reconstruction

<sup>82</sup> Appellate Authority for Industrial and Financial Reconstruction



**Box 3.11 : Illustrative case on non-selection of case for scrutiny**

**Charge: CIT-4, New Delhi**  
**Assessee: M/s Interglobe Aviation Ltd.**  
**Assessment Year: 2011-12**  
**PAN: AABCI2726B**

The assessee filed return of 'nil' income under normal provisions and offered tax under MAT for AY 2011-12, which was processed in summary manner. The assessee received ₹ 227.39 crore from International Aero Engine (IAE) which was not offered for tax. Such receipt was assessed as income by AO in AYs 2010-11 and 2012-13 in the assessment completed after scrutiny. However, the return for AY 2011-12 was not selected for scrutiny though it was a fit case for scrutiny selection as per CBDT's instructions. Escapement of income of ₹ 227.39 crore from tax under normal provision resulted in excess carry forward of MAT credit of ₹ 75.51 crore. Further, the MAT credit of ₹ 225.10 crore including ₹ 134.55 crore pertaining to AY 2011-12 was claimed as carry forward in AY 2012-13. Out of this, ITD allowed set off of ₹ 136.27 crore during scrutiny proceedings in subsequent years. Reply from ITD was awaited.

**3.9 Other instances of non-compliance of special provisions of MAT**

Section 143(3) of the Act provides that AOs have to determine and assess the income correctly. CBDT has also issued instructions from time to time in this regard.

We noticed in 43 assessment cases in 13 states<sup>83</sup> where the mistakes in computation of book profit resulted in short levy of tax of ₹ 88.91 crore (**Appendix 31**).

**Box 3.12 : Illustrative cases on other mistakes**

(a) **Charge: Pr. CIT-LTU, Mumbai**  
**Assessee: M/s Lupin Ltd.**  
**Assessment Year: 2010-11 and 2011-12**  
**PAN: AAACL1069K**

AO, while computing book profit, did not add back ₹ 27.86 crore and ₹ 48.28 crore for above AYs respectively pertaining to pre-commencement revenue expenses incurred for SEZ Unit. Omission resulted in short computation of book profit aggregating ₹ 76.14 crore involving tax effect of ₹ 14.36 crore. Reply from the ITD was awaited.

<sup>83</sup> Andhra Pradesh and Telangana (8), Assam (2), Haryana (1), Delhi (3), Gujarat (3), Karnataka (3), Kerala (2), Maharashtra (13), Rajasthan (2), Tamilnadu (2), Uttar Pradesh (2) and West Bengal (2)

**(b) Charge: Pr. CIT-LTU, Mumbai**  
**Assessee: M/s The Shipping Corporation of India Ltd.**  
**Assessment Year: 2011-12**  
**PAN: AAAC1524F**

Assessee, while computing book profit, reduced ₹ 29.75 crore on account of 'Prior period adjustment', which was accepted by AO though the same was not an item covered under prescribed adjustments. As a result, the tax was levied under normal provisions of the Act. The mistake resulted in short computation of book profit of ₹ 29.75 crore involving tax effect of ₹ 2.25 crore. Reply from ITD was awaited.

**(c) Charge: Pr. CIT-6, Chennai**  
**Assessee: M/s Star Health & Allied Insurance Co. Ltd.**  
**Assessment Year: 2010-11**  
**PAN: AAJCS4517L**

AO, while computing book profit, started computation with book profit of ₹ 3.92 crore instead of correct figure of ₹ 9.20 crore. Incorrect adoption of figure resulted in short computation of book profit of ₹ 5.28 crore involving tax effect of ₹ 1.22 crore. Reply from ITD was awaited.

### 3.10 Conclusion

Mistakes in computation of book profit/allowance of MAT credit were noticed in 589 assessment cases, involving tax effect of ₹ 3803.47 crore.

AOs did not have correct and updated status of unabsorbed depreciation/brought forward business loss as per the Companies Act at the time of assessment. It was not verifiable either from the ITR or Form 29B<sup>84</sup> or Form of 3CB/3CD in 37 assessment cases leading to incorrect computation of book profit.

### 3.11 Recommendations

CBDT may like to append a schedule or an annexure showing year wise bifurcated details of business loss and unabsorbed depreciation as per the Companies Act as well to Form 29B/ Tax Audit Report/ITR 6 so that their updated status is considered at the time of assessment. **(Para 3.5)**

<sup>84</sup> Certificate by Chartered Accountant of computation of book profit under MAT has to be submitted in Form 29B.

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*The CBDT during exit conference stated that it may be difficult to have a separate annexure /schedule but agreed to have a view in the assessment information system (AST) where the details of brought forward business loss and unabsorbed depreciation as per the Companies Act will also be visible.*

## Chapter 4 : Bringing Zero Tax Companies into the tax base

**4.1** This chapter addresses the question whether all the companies are filing returns of their income and whether the ITD has taken adequate steps to identify them to bring into tax net.

### 4.2 Status of filing return of the income by the corporate assessees

All the corporate assessees are compulsorily required to file their returns of income with ITD irrespective of income or losses.

With a view to ascertaining the status of filing of return by corporate assessees, we compared the data obtained from different sources viz. Ministry of Corporate Affairs, DGIT (Systems) and DGIT (Logistics, Research & Statistics)<sup>85</sup> as shown in the table below:

(Figures. in lakh)

Financial Year	Working companies as per ROC on 31 <sup>st</sup> March	Corporate assessees as per DGIT (Logistics, Research & Statistics) Wing, New Delhi	difference between the working companies registered with ROC and the companies reported by DGIT (Logistics, Research & Statistics)
2012-13	8.84	5.90	2.94 (33.3%)
2013-14	9.52	6.36	3.16 (33.2%)
2014-15	10.16	6.75	3.41 (33.6%)
2015-16	10.82	6.88	3.94 (36.4%)

The difference between the working companies registered with ROC and the number of companies reported by DGIT (Logistics, Research & Statistics) ranged from 2.94 lakh (33.3%) to 3.94 lakh (36.4%) which indicates the extent of non filing/stop filing of the return of income by the companies. About one third of the companies registered with the ROC were not in the database of the ITD.

Further, due to non furnishing of list of the companies by the ITD, audit could not compare the list of assessees from that available with the ROC and hence could not comment on specific non filers/stop filers assessees.

#### 4.2.1 Action taken by ITD on corporate non filers

CBDT introduced<sup>86</sup> a Non filers Monitoring System (NMS) as a pilot project to prioritize action on non-filers with potential tax liabilities through the use of the system. The system is followed by Standard Operating Procedure (SOP) as below:

<sup>85</sup> CAG Report No. 3 of 2016 and 2 of 2017

<sup>86</sup> Instruction 14 of 2013 dated 23.09.2013 has issued a standard operating procedure for cases under NMS

- (i) A letter is to be issued to the assessee within 15 days of the case being assigned in NMS. On delivery of the letter, the AO should capture the delivery date in the NMS module. If the letter is not delivered, the AO should issue letter to the alternate address. In case the AO is not able to serve the letter and identify the taxpayer, he should mark "Assessee not traceable" in NMS.
- (ii) On receipt of the return from the non filer, the AO should capture the details in Assessment Information System (AST) within 15 days of filing of return. If the assessee informs that paper return has already been filed which was not captured in AST, the details of return should be entered in AST module. If no return is required to be filed in a case, the AO should mark accordingly in NMS;
- (iii) If return is not filed by identified assessee within 30 days of the time given, the AO should consider initiation of proceedings u/s 142(1)/148 in AST. Such cases will be processed every week by Directorate of System and will be marked as closed in NMS if (a) details of return are available in AST (b) Notice u/s 142(1) or 148 has been issued (c) "No return is required" is marked by the assessing officer.

Audit attempted to verify the action taken by ITD in respect of non filers. We sought from DGIT (Systems) <sup>87</sup> data, in respect of non filers which was not furnished. Individual CCsIT/CsIT was also asked to furnish the data/details in respect of non filers. We received information relating to non-filers from 42 Pr. CIT charges in Andhra Pradesh and Telangana, Delhi, Jharkhand, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Tamil Nadu and Uttar Pradesh charges only as shown in the Table below:

Sl. No	Commissionerate	Corporate non-filers identified	Cases where letters/notices issued	Cases where ITR was filed in response to letters/notices issued	Cases where ITRs were not filed
1.	PCIT-II, Hyderabad	865	845	263	582
2.	PCIT-V, Hyderabad	475	535	167	368
3.	PCIT (Central), Hyderabad	53	53	20	33
4.	PCIT-I, Visakhapatnam	22	18	5	13
5.	PCIT-II, Visakhapatnam	441	49	44	5
6.	PCIT, Rajahmundry	605	0	0	0
7.	PCIT-Ranchi	225	225	38	187
8.	PCIT-Jamshedpur	30	30	0	30
9.	PCIT-Dhanbad	56	56	0	56
10.	PCIT-Hazaribag	11	11	0	11
11.	PCIT-Central-Patna	7	7	0	7

<sup>87</sup> DGA, CR , New Delhi letter no. RAIT/PA-115JB/2016-17/2193 dated 15.11.2016

12.	PCIT-1, Bengaluru	150	124	28	96
13.	PCIT-2, Bengaluru	211	173	41	132
14.	PCIT-3, Bengaluru	121	38	15	23
15.	PCIT-4, Bengaluru	178	106	31	75
16.	PCIT-5, Bengaluru	196	149	30	119
17.	PCIT-6, Bengaluru	369	366	71	295
18.	PCIT-7, Bengaluru	322	289	67	222
19.	PCIT-1, Chennai	905	905	160	745
20.	PCIT-2, Chennai	453	453	48	405
21.	PCIT-3, Chennai	274	274	37	237
22.	PCIT-4, Chennai	231	231	22	209
23.	PCIT-5, Chennai	493	493	130	363
24.	PCIT-6, Chennai	34	34	8	26
25.	PCIT-1, Kochi	866	866	405	461
26.	PCIT, Kottayam	16	16	3	13
27.	PCIT, Kozhikode	421	421	180	241
28.	PCIT, Thiruvananthapuram	376	376	148	228
29.	PCIT, Thrissur	197	197	142	55
30.	CIT LTU, Mumbai	0	0	0	0
31.	JCIT 14(2), Mumbai	268	268	124	144
32.	Central Range-6, Mumbai	9	9	2	7
33.	Addl. CIT 14(1), Mumbai	293	267	267	26
34.	PCIT Gwalior	28	27	0	28
35.	PCIT-I Indore	32	31	0	32
36.	PCIT 7 Delhi	251	251	96	155
37.	Bareilly	2452	10	2	8
38.	Ghaziabad	104	104	0	104
39.	I-Lucknow	317	313	41	272
40.	II-Lucknow	190	190	34	156
41.	Meerut	55	55	11	39
42.	Noida	148	148	NA	NA
<b>Total</b>		<b>12750</b>	<b>9013</b> <b>(70.69%)</b>	<b>2680</b> <b>(29.73%)</b>	<b>6208</b>
<b>Note:</b> Data pertaining to PCIT 7, Delhi may include both corporate and non corporate non filers					

It is seen from the Table above that out of 12,750 identified non filers, ITD issued notices in 9013 (70.69 *per cent*) cases only. Of them, only 29.73 *per cent* of the corporate non filers identified by the ITD had filed their income tax return in response to the notices issued by the ITD whereas no return has been filed in remaining 6,208 cases so far.

Audit further wanted to analyse the non filers list to see if any pattern or insight regarding the nature of the non filers emerge. However, this could not be done as the list/details of non filers were not furnished.

ITD was asked to produce the files of those corporate assesees who filed returns in response of the notices issued by the ITD for examination in audit but no such file was produced to audit.

There was a need to examine as to why the notices were not issued in all the cases identified as non filers by the ITD as a corrective measure and what action is being taken by ITD in respect of the cases where no return has been filed by the assessee despite issue of notice by the ITD.

#### **4.3 Mismatch in the details of scrutiny disposal**

We verified the data furnished by DGIT (System) with those at the assessing officer level in Demand and Collection Registers and noticed wide variation in the numbers of scrutiny disposal during FY 2015-16. The mismatches regarding disposal of scrutiny cases randomly noticed during audit have been shown in **Appendix 32**.

Actual disposal of scrutiny cases as per Demand and Collection Register in Andhra Pradesh and Telangana, Gujarat, Jharkhand, Kerala and Rajasthan was less than those indicated in the data provided by DGIT (Systems) whereas the reverse was true in Bihar, Karnataka, Maharashtra, North East Region, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal. The difference needs to be reconciled.

#### **4.4 Conclusion**

During FYs 2012-13 to 2015-16, about one third of the companies registered with the ROC were not in the database of the ITD. Only 19.57 per cent of the corporate non filers identified by the ITD had filed their returns in response to the notices issued by the ITD.

There was variation in the numbers of scrutiny disposal during FY 2015-16 between data furnished by DGIT (System) and that available at the assessing officer level in Demand and Collection Registers.

#### **4.5 Recommendations**

(a) The ITD may devise a framework for accountability where AOs may be made accountable for the effective use of Non-filers Monitoring System for identification of both corporate and non corporate non filers separately so that they effectively pursue the non filers to bring them into tax net.

**(Para 4.2.1)**

*The CBDT during exit conference agreed to have a suitable framework in this regard.*

(b) ITD may pursue the cases where ITRs were not filed so as to bring them into tax net.

**(Para 4.2.1)**

*The CBDT during exit conference agreed to look into the matter.*

## Chapter 5 : Impact of MAT

**5.1** We attempted to ascertain whether the ITD has in place a mechanism to assess impact of MAT as well as that of MAT credit in respect of bringing zero tax companies into tax net and whether the companies with nil tax under normal provisions are paying any tax under MAT or not.

### 5.2 Identification of zero tax companies

**5.2.1** We sought information from CBDT (TPL) in October 2016 whether the ITD had any mechanism in place to assess the impact of MAT in respect of bringing the zero tax paying companies into tax net. Besides, we also called for a list of companies paying nil tax under normal provisions as well as under special provisions together with details of total tax collected under section 115JB and MAT credit availed by the respective corporate assessee pertaining to the period from 2012-13 to 2015-16. The reply to the above queries were not furnished.

We took up the matter with Additional Secretary (Revenue)/ Chairman, CBDT in November 2016. DGIT (Systems) made available the details of 60,227 companies paying nil tax under normal provisions as well as under special provisions in January 2017.

### 5.2.2 Examination of the companies paying nil tax under provisions relating to MAT

We test checked 441 returns out of list of 60,227 cases supplied by DGIT (Systems) of companies that had paid nil tax under special provision. Audit noted in 24 of the 441 cases, the corporate assessee had paid tax under MAT provisions. In the remaining 417 cases, the main reasons for the corporate assessee tax liabilities becoming nil under special provisions of MAT are given below:

Sl. No.	Items which led to nil tax liability under MAT provisions	No. of cases	Percentage in terms of cases	Amount of deduction (₹ in crore)	Percentage in terms of incentives
1	Reduction of profit of a sick industrial unit	63	15.1	24780.77	63.4
2	Set off of unabsorbed depreciation or brought forward losses	140	33.6	6004.62	15.4
3	Residual unadjusted items and Deferred tax credited to P&L A/c	11	2.6	2709.85	6.9



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4	Income being exempt under section 10A, 10B, 10AA, 10(26B), 10(38) etc	101	24.2	2526.41	6.4
5	Deduction of exempt dividend income	39	9.4	867.03	2.2
6	Share of profit from partnership firm being exempt	4	1.0	689.27	1.8
7	Reduction of amount withdrawn from reserve/provision	12	2.9	312.12	0.8
8	Profits exempt, the assessee being engaged in life insurance business	4	1.0	248.63	0.6
9	Provision written back	4	1.0	211.96	0.5
10	Any other amount allowable as deduction	7	1.7	198.52	0.5
11	Reduction of profit on sale of agriculture land /agriculture income being exempt	24	5.8	179.35	0.5
12	Deduction of gratuity/Power and fuel expenses not debited to P&L Account	2	0.5	159.61	0.4
13	Income exempt by virtue of Sec 90(2)	2	0.5	113.07	0.3
14	Reduction of provisions for Diminution in value of investment	3	0.7	55.26	0.1
15	Investment written off adjusted against provision	1	0.2	41.02	0.1
	<b>Total</b>	<b>417</b>		<b>39097.49</b>	

In terms of number of returns/cases, set off of unabsorbed depreciation and/or brought forward losses (33.6 *per cent*), income being exempt under section 10A, 10B, 10AA, 10(26B), 10(38) etc. (24.2 *per cent*), reduction of profit of a sick industrial unit (15.1 *per cent*), deduction of exempt dividend income (9.4 *per cent*) and reduction of profit on sale of agriculture land /agriculture income being exempt (5.8 *per cent*) are the top five incentives/exemptions/ deductions accounting for 88.1 *per cent* of number of sample cases which are nullifying the tax liability under MAT provisions.

In terms of amount of exemptions/deductions, reduction of profit of a sick industrial unit (63.4 *per cent*) followed by set off of unabsorbed depreciation and brought forward losses (15.4 *per cent*), residual unadjusted items and Deferred tax credited to P&L A/c (6.9 *per cent*), income being exempt under section 10A, 10B, 10AA, 10(26B), 10(38) (6.4 *per cent*) and deduction of exempt dividend income (2.2 *per cent*) are the top five incentives/exemptions/deductions accounting for 94.3 *per cent* of total amount of the sample cases, which are nullifying the tax liability under MAT provisions.

### 5.3 Companies liable to pay tax under MAT escaping levy of MAT

The Act provides that, where in the case of an assessee being company, the income-tax payable on the total income as computed under normal provisions of the Act is less than percentage of its book profit prescribed from time to time, then such book profit shall be deemed to be the total income of the assessee. Further Explanation 1 below sub section 2 of section 115JB prescribed certain adjustment to be carried out for computing book profit.

We noticed in 34 assessment cases in 14 states<sup>88</sup> where although tax was leviable under special provisions, it was levied under normal provisions of the Act which resulted in short levy of tax of ₹ 127.86 crore (**Appendix 33**).

#### Box 5.1 : Illustrative cases on non-levy of tax under MAT

**(a) Charge: Pr. CIT, Thrissur**  
**Assessee: The Catholic Syrian Bank Ltd.**  
**Assessment Year: 2011-12**  
**PAN: AABCT0024D**

AO, while passing rectification order (2014), determined 'nil' income under normal provision and no tax was levied. However, the assessee had a book profit of ₹ 29.29 crore and was liable to pay tax under special provisions. Omission resulted in non assessment of book profit of ₹ 29.29 crore involving tax effect of ₹ 5.84 crore. Reply from ITD was awaited.

**(b) Charge: Pr. CIT-2, Chandigarh**  
**Assessee: M/s Venus Remedies Ltd.**  
**Assessment Year: 2013-14**  
**PAN: AAACV6524H**

AO, while computing tax liability of the assessee, did not compute book profit and levied tax under normal provisions. The assessee while computing book profit claimed deduction of ₹ 43.25 crore for depreciation as per Income Tax Act in addition to book depreciation and ₹ 1.55 crore for scientific research under section 10 of the Act and offered tax under normal provision being higher of the two. As the above deductions were not an allowable adjustments under special provisions of the Act, considering the above additions the assessee was liable to pay tax under special provisions. Omission resulted in non computation of book profit of ₹ 62.67 crore involving tax effect of ₹ 12.17 crore (difference of tax to be levied under special provisions and tax levied under normal provisions). ITD did not accept the observation stating that depreciation was an allowable deduction during computation of book profit. Further, on the issue of deduction for scientific research, ITD accepted the observation but

<sup>88</sup> Andhra Pradesh & Telangana (6), Assam (1), Bihar (2), Delhi (1), Himachal Pradesh (3), Karnataka (4), Kerala (3), Madhya Pradesh (3), Maharashtra (3), Punjab (2), Tamilnadu (3), Uttar Pradesh (1) and West Bengal (2)

stated that even after considering the same for disallowance, the assessee would still be liable to tax under normal provisions (November 2016). The reply was not tenable as the depreciation as per Income Tax Act was not an allowable deduction.

Although the above mentioned companies were liable to pay tax under MAT, special provisions of section 115JB were not applied in these cases.

#### 5.4 The objective of MAT scheme nullified due to provisions of MAT credit

MAT credit under section 115JAA was introduced with effect from 1 April 1997. Subsequent to introduction of new section 115JB from AY 2001-02, the provisions for MAT credit were not applicable up to AY 2005-06 and only set off of the credit available upto AY 2000-01 was allowed which could be availed up to AY 2005-06. From AY 2006-07, the provisions of MAT credit were re-introduced allowing carry forward of MAT credit upto seven years, which was further extended upto 10 years vide Finance Act 2009. Recently, the Finance Bill 2017 has extended the period of set off to 15 years. No justification was given for reintroduction of MAT credit.

In Kerala and Maharashtra, test check of 12 assessment records pertaining to six Pr. CIT charges revealed that the MAT credit aggregating ₹ 380.53 crore brought forward from earlier years was completely availed in subsequent year(s) as shown below.

(₹ in crore)

Sr. No.	Name of the assessee/ PAN	Pr.CIT/ CIT Charge	AYs for which the MAT credit was carried forward	MAT credit carried forward	MAT credit set off	AYs in which adjusted
1.	Peekay Steel castings/ AABCP3517H	Kozhikode	2011-12	0.77	0.77	2012-13
2.	Malabar Institute of Medical Science/ AACCM3480H	Kozhikode	2008-09	0.72	0.72	2011-12
3.	Malabar Institute of Medical Science/ AACCM3480H	Kozhikode	2009-10	1.00	1.00	2011-12 2012-13
4.	Parrisons Foods Pvt. Ltd/AACCP2898J	Kozhikode	2007-08	0.87	0.87	2008-09
5.	Parrisons Foods Pvt. Ltd/AACCP2898J	Kozhikode	2013-14	0.25	0.25	2014-15
6.	Tata Sons/ AA ACT4060A	Pr CIT 2 Mumbai	2007-08 2008-09	354.54	354.54	2009-10, 2010-11, 2011-12
7.	Brinton Carpets Asia Pvt. Ltd./ AAACB7059H	Pr CIT 1 Pune	upto AY 2009-10	0.72	0.72	2010-11, 2011-12

8.	Igate Computer System Ltd./ AAACP6219N	Pr CIT 1 Pune	2011-12	7.68	7.68	2012-13
9.	Neelkanth Mansion and Infrastructure Pvt Ltd./ AAACN1245R	Pr CIT 14 Mumbai	2010-11 2011-12	1.02	1.02	2013-14
10.	Rashtriya Chemicals & Fertilizers Ltd./ AAACR2831H	Pr CIT LTU Mumbai	2012-13	8.75	8.75	2013-14
11.	Bristlecone India Ltd./ AAACM5186E	Pr CIT 2 Mumbai	2006-07, 2007-08 2008-09	0.16	0.16	2010-11, 2011-12 2012-13
12.	Positive Packaging Industries Ltd./ AAACP2836Q	Pr CIT 3 Mumbai	2009-10, 2010-11	4.05	4.05	2012-13
	<b>Total</b>			<b>380.53</b>	<b>380.53</b>	

### 5.5 Conclusion

Excess of tax collected under MAT over tax under the normal provision and allowed to the assessee in the subsequent years as set off of MAT credit nullified to that extent the impact of original objective of introduction of MAT for collection of tax from companies covered under special provisions.

New Delhi  
Dated: 10 July 2017



(SANJAY KUMAR)

Principal Director (Direct Taxes)

Countersigned

New Delhi  
Dated: 10 July 2017



(SHASHI KANT SHARMA)

Comptroller and Auditor General of India



# Appendices

**Appendix 1**  
**(Refer Para 1.4)**  
**Legal framework**

MAT was introduced by the Finance Act, 1987, by inserting section 115J in the Income-tax Act, 1961 effective from assessment year 1987-88, which was withdrawn by Finance Act, 1990 w.e.f. assessment year 1990-91 by making section 115J as non-operative. MAT reintroduced by the Finance Act, 1996 under section 115JA with effect from 1 April 1997, was made non-operative with effect from 1 April 2000. New section 115JB, in its current format, was introduced by Finance Act, 2000 with effect from assessment year 2001-02. Provisions relating to MAT are briefly discussed as under:

Section	Brief of the provisions
115JAA(1A)	Where tax is paid under sub-section 115JB(1) for any assessment year from AY 2006-07 <sup>89</sup> onwards, credit in respect of tax so paid shall be allowed to the assessee without allowing any interest on tax credit
115JAA(2) & (2A)	The tax credit to be allowed under sub-section 115JA(1) and 115JA(1A) shall be the difference of the tax paid for any assessment under sub-section 115JA(1) and 115JB(1) respectively and the amount of tax payable under normal provisions of the Act
115JAA(3A)	The amount of tax credit shall not be allowed to carry forward beyond tenth assessment year immediately succeeding the assessment year in which tax credit becomes allowable
115JAA(4)	The tax credit shall be allowed to set-off in a year when tax is payable under normal provisions of the Act
115JAA(5)	Set off in respect of the brought forward tax credit shall be allowed for any assessment year to the extent of the difference between the tax under normal provisions of the Act in that year and the tax which would have been payable under sub-section 115JA(1) or 115JB(1), as the case may be, in that year
115JAA(6)	If as a result of an order under section 143(3), section 144, section 147, section 154, section 155, section 245D(4), section 250, section 254, section 260, section 262, section 263 or section 264, the amount of tax payable is reduced or increased, as the case may be, the amount of tax credit allowed shall also be increased or reduced accordingly
115JAA(7)	In case of conversion of a private company or unlisted public company into a LLP, the provisions of this section shall not apply to the successor LLP
115JB(1)	If for any assessment year tax payable under normal provisions of the Act is less than the MAT on its book profit, such book profit shall be deemed to be the total income and MAT shall be levied accordingly
115JB(2)	Every company shall prepare its P&L account in accordance with the provisions of Part II of Schedule VI to the Companies Act, 1956(Schedule III of the Companies Act, 2013); Or Companies, to which the proviso to sub-section (2) of section 211 of the Companies Act, 1956 is applicable, shall, prepare its P&L account in accordance with the provisions of the Act governing such company. <b>While preparing annual accounts</b>

<sup>89</sup> MAT credit w.r.t tax paid on book profit under section 115JA will be available for set off upto AY 2005-06

	<p><b>including P&amp;L account for MAT purpose</b>, the accounting policies; the accounting standards adopted for preparing such accounts and the method and rates adopted for calculating the depreciation shall be the same as have been adopted for the purpose of preparing such accounts and laid before the company at its annual general meeting. These requirements apply even where the company adopts a financial year different from the previous year under the Income-tax Act.</p>
Explanation 1 (book profit)	<p>For the purpose of MAT 'book profit' means the net profit as shown in the P&amp;L account prepared under sub-section 115JB(2), as <b>increased</b> by –</p> <ul style="list-style-type: none"> <li>(a) the amount of income tax paid or payable including surcharge, education cess &amp; secondary and higher education cess, the amount of any tax under section 115-O and any interest chargeable under Income tax Act, and the provision therefore; or</li> <li>(b) the amounts carried to any reserves, by whatever name called [other than reserve specified under section 33AC]; or</li> <li>(c) the amounts set aside for meeting unascertained liabilities; or</li> <li>(d) the amount by way of provision for losses of subsidiary companies; or</li> <li>(e) the amount of dividends paid or proposed; or</li> <li>(f) the amounts of expenditure relatable to any income to which section 10 {other than(38) thereof} or section 11 or section 12 apply; or</li> <li>(g) the amount of depreciation on account of revaluation w.e.f 2007-08,</li> <li>(h) the amount of deferred tax and provision therefor,</li> <li>(i) the amounts set aside as provision for diminution in the value of any asset,</li> <li>(j) the amount standing in the revaluation reserve relating to revalued asset on the retirement or disposal of such asset,</li> </ul> <p>if any amount referred to in clause(a) to (i) is debited or amount referred to in clause (j) is not credited to the P&amp;L account,</p>
Explanation 1 (book profit) contd.	<p>For the purpose of MAT 'book profit' means the net profit as shown in the P&amp;L account prepared under sub-section 115JB(2), as <b>reduced</b> by –</p> <ul style="list-style-type: none"> <li>(i) the amount withdrawn from any reserve or provision, if any such amount is credited to the P&amp;L account; or</li> <li>(ii) the amount of income to which any provisions of section 10 {other than(38) thereof} or section 11 or section 12 apply, if any such amount is credited to the P&amp;L account; or</li> <li>(iii) the amount of depreciation debited to P&amp;L account other than on account of revaluation of assets; or</li> <li>(iv) the amount withdrawn from revaluation reserve and credited to the P&amp;L account, other than depreciation on account of revaluation of assets; or</li> <li>(v) the amount of loss brought forward or unabsorbed depreciation, whichever is less as per books of accounts (loss shall not include depreciation);</li> <li>(vi) the amount of profits of sick industrial company till their net worth (which is negative) turns zero or positive;</li> <li>(vii) the amount of deferred tax, if credited to P&amp;L account</li> </ul>
Explanation 3	<p>Assessee has an option, prior to AY 2012-13, to prepare its P&amp;L account either in accordance with the provisions of Part II and Part III of Schedule VI to the Companies Act, 1956 or in accordance with the provisions of the Act governing such company</p>



115JB(4)	Every company to which this section applies, shall furnish a report in Form No. 29B(Rule 40B of IT Rules, 1962) from an accountant certifying that the book profit has been computed in accordance with the provisions of section 115JB
115JB(5A)	The provisions of section 115JB shall not apply to a company engaged in life insurance business referred to in section 115B
115JB(6)	Provisions related to MAT shall not apply to the income accrued or arising from any business carried on, or services rendered, by an entrepreneur or a Developer, in a Unit or Special Economic Zone(applicable till AY 2011-12)
115JB(7) <sup>90</sup>	If assessee is a unit located in an International Financial Services Centre and derives its income solely in convertible foreign exchange, MAT shall be leviable at the rate nine per cent
115VO	Book profit or loss derived from activities of a tonnage tax scheme shall be excluded from book profit for MAT purpose

### Tax rates over the period

Section	Period	Deemed Income	Tax <sup>91</sup>
115 JA	A.Y. 1997-98 to 2000-01	30 percent of book profit	35%
115 JB	A.Y. 2001-02 to 2006-07	Adjusted Book Profit	7.5%
	A.Y. 2007-08 to 2009-10	Adjusted Book Profit	10%
	A.Y. 2010-11	Adjusted Book Profit	15%
	A.Y. 2011-12	Adjusted Book Profit	18%
	A.Y. 2012-13 onward	Adjusted Book Profit	18.5%

### Relevant Judicial Decisions:

Case details	Citation of the decision	Gist
CIT vs. Apollo Tyres Ltd.	255 ITR 273 (SC) [2002]	AO does not have the power to recast the book profits as arrived in the financial statements except under certain conditions as provided in 115J. It means adjustments defined in the Act are exhaustive and AO can't make any adjustment beyond that specified in the Act.
Echjay Forgings Pvt. Ltd. Vs CIT	116 Taxman 322 (Bombay HC)	Provision for gratuity based on actuarial valuation is an ascertained liability and the same is an allowable reduction for computation of book profit for the purpose of MAT
Bharat Earth Movers vs. CIT	112 Taxman 61 (SC)	Provision for leave encashment is an ascertained liability which is an allowable reduction for computation of book profit for the purpose of MAT

<sup>90</sup> w.e.f AY 2017-18

<sup>91</sup> SC, EC & SHEC leviable additionally at prescribed rates on MAT

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ACIT vs. B. Seenaiiah & Co. Projects Ltd. (ITAT Hyderabad)	37 Taxman 241 (2013)	Prior to AY 2016-17 share of profit from AOP or BOI, on which no income tax is payable under section 86 of the Act, shall not be reduced for computation of book profit
CIT vs. Veekaylal Investments Co.(P) Ltd.	249 ITR 597 (Bombay HC)	Capital gains not routed through P&L account should form part of Book Profits for the purposes of MAT
Vishwanath Fin Cap	(2007-TIOL-241-ITAT-DEL), (Delhi ITAT)	If accounts are not prepared in accordance with Part II and III of Schedule VI of Companies Act read with mandatory Accounting Standards 13, the AO was competent to re-cast the P&L account and re-compute the book profit for the purpose of Section 115JB of the Act
Dynamic Orthopaedics (P) Ltd. Vs. CIT	190 Taxman 288 (SC)	The apex court in the case of CIT vs. Malayali Manorama Co. Ltd. [2008] 300 ITR 251 held that there is no restriction imposed by the Act to claim depreciation as per IT Act in the P&L account(in other words consideration of depreciation as per IT Act for book profit). However, the apex court differed from its aforesaid judgment in this case and referred the matter to larger bench.
Rolta India Ltd. [2011]	330 ITR 470 (SC)	In the case of default assessee is liable to pay interest under section 234B on the tax calculated on book profits under section 115JA
SREI Infrastructures vs. Addl. CIT [Appeal no.	371.2012](Delhi HC)	Provision made for Debenture Redemption Reserve (DRR) is not an allowable deduction as it is a provision made out of profits and therefore it is a reserve and not provision for ascertained liability.
Raymond Ltd. Vs. CIT	21 Taxman.com 60 (Bombay HC) (2012)	Provision for Debenture Redemption Reserve (DRR) is an allowable deduction for computation of book profit

**Important CBDT circulars and Instructions**

<b>Circular / Instruction No.</b>	<b>Contents of the Circular / Instruction</b>
496 of 1987 dated 22-09-1987	CBDT in the context of erstwhile section 115J of the Act stated that the consolidated brought forward losses and unabsorbed depreciation upto immediate previous assessment year would be considered on cumulative basis for set off for computation of book profit.
13 of 2001 dated 9-11-2001	CBDT clarified that companies liable to pay Advance Tax under MAT and hence the provisions of interest under section 234B and 234C are also applicable
5 of 2009 dated 2-07-2009	CBDT prescribed the procedure to be followed in each and every case where relief/concessions were to be given to BIFR companies on the basis of SICA Act, 1985
3 of 2012 dated 12-06-2012	CBDT in the supplementary memorandum explained the official amendment moved in Finance Act, 2012 vide clause 48 that MAT was applicable even prior to AY 2013-14 in respect of Companies who do not prepare books of accounts as per Schedule VI of the Companies Act

18/2015 [F.NO.153/12/2015- TPL], DATED 23-12-2015	while completing pending assessments in relation to Foreign Companies, the decision of the Government as reflected in Press Release dated 24-9-2015 shall be given due consideration. The provisions of section 115JB shall not be applicable to a foreign company (including FII/FPI) prior to April 1, 2015
25 of 2015 dated 31-12-2015	CBDT clarified that where additions have been made under normal provisions and the tax liability is under MAT then penalty under section 271(1)(C) shall not be levied on additions made under normal provisions

**Appendix 2**  
**(Refer Para No: 1.5)**  
**Sample size**

Name of the State	Number of CIT charges	Total number. of assessment units	Units selected
Andhra Pradesh & Telangana	12	248	64
Bihar	4	50	22
Chhattisgarh	4	56	20
Delhi	12	179	89
Gujarat	12	236	48
Haryana	5	78	30
Himachal Pradesh	1	21	8
J&K	1	18	6
Jharkhand	5	76	28
Karnataka and Goa	13	133	64
Kerala	6	98	37
Madhya Pradesh	5	77	29
Maharashtra	12	179	89
North East Region	5	76	30
Odisha	4	58	23
Punjab	5	79	31
Rajasthan	5	82	34
Tamil Nadu	13	120	56
Uttar Pradesh	12	186	72
Uttarakhand	2	42	14
West Bengal	12	168	83
<b>Total</b>	<b>150</b>	<b>2260</b>	<b>877</b>

**Appendix 3**  
**(Refer Para No: 1.7)**

**Non production of records**

State	Number of cases requisitioned	Number of cases produced	Number of cases not produced	Percentage of non production
Gujarat	1196	862	334	27.93
Rajasthan	794	755	39	4.91
Karnataka and Goa	1207	726	481	39.85
Tamil Nadu	1178	1176	2	0.00
Kerala	1050	1039	11	1.05
Delhi	1192	453	739	62.00
Chhattisgarh	298	298	0	0.00
Madhya Pradesh	330	328	2	0.60
Andhra Pradesh & Telangana	863	722	141	16.34
Odisha	308	247	61	19.81
West Bengal	550	550	0	0.00
North East region	170	170	0	0.00
Bihar	156	128	28	17.95
Jharkhand	105	105	0	0.00
Uttarakhand	169	169	0	0.00
Uttar Pradesh	394	394	0	0.00
Maharashtra	4336	2032	2304	53.14
Himanchal Pradesh	601	359	242	40.00
Jammu & Kashmir	206	206	0	0.00
Haryana	181	181	0	0.00
Punjab	393	393	0	0.00
<b>Total</b>	<b>15677</b>	<b>11293</b>	<b>4384</b>	<b>27.96</b>

## Appendix 4

(Refer Para No: 2.4.1)

## Income offered for tax under normal provision but not under MAT

Sr. No.	State	CIT Charge	Name of Assessee/PAN/ AYs	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Transmission Corporation of AP Ltd / AABCT0088P / AY 2010-11	1098.51
2	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Transmission Corporation of AP Ltd / AABCT0088P / AY 2011-12	1040.12
3	Assam	CIT 2, Guwahati	Shree Sanyeeji Ispat (P) Ltd / AAEC51798N / AY 2011-12	43.80
4	Assam	CIT Shillong	Hills Cement Co. Ltd / AABCH4787P / AY 2012-13	450.14
5	Assam	CIT 2, Guwahati	Assam Power Generation Corp Ltd. / AAFC44891F / AY 2013-14	526.36
6	Gujarat	CIT Gandhinagar	Gujarat State Land Development Corp. Ltd / AACCG2870P / AY 2012-13	48.03
7	Haryana	CIT Gurgaon	Valco Industries Ltd / AAACV5195J / AY 2011-12 and 2013-14	60.74
8	Karnataka	Pr. CIT (C) Bangalore	Rajesh Exports Ltd / AAACR8642N / AY 2013-14	1189.66
9	Karnataka	Pr. CIT (C) Bangalore	Rajesh Exports Ltd / AAACR8642N / AY 2014-15	626.13
10	Karnataka	Pr. CIT Mangalore	CPC Logistics Ltd, [Formerly Known As CPC (India) Ltd.] / AAAC6579J / AY 2006-07	80.91
11	Madhya Pradesh	Pr. CIT I, Indore	Nimbus Stock Invest Ltd / AADCR4275J / AY 2011-12	41.52
12	Maharashtra	Pr. CIT LTU, Mumbai	Nuclear Power Corporation Of India Ltd / AAACN3154F / AYs 2010-11 to 2013-14	1081.91
13	Maharashtra	Pr. CIT 8, Mumbai	Royal Western India Turf Club Ltd / AABCR8519H / AY 2013-14	87.63
14	Maharashtra	Pr. CIT 2, Mumbai	Tata Realty And Infrastructure Ltd / AACCT6242L / AY 2012-13	198.18
15	Maharashtra	Pr. CIT 2, Mumbai	Tata Realty And Infrastructure Ltd / AACCT6242L / AY 2013-14	254.74
16	West Bengal	Pr. CIT 1 Kolkata	West Bengal State Electricity Distribution Company Ltd./AAACW6953H/AY 2012-13	429.83
17	West Bengal	Pr. CIT 1 Kolkata	W B State Electricity Transmission Company Ltd./AAACW6952G/AY 2010-11	126.81
18	West Bengal	Pr. CIT 2 Kolkata	Laurel Securities (P) Ltd / AAACL4545J / AY 2011-12	24.83
	<b>Total</b>			<b>7409.85</b>

## Appendix 5

(Refer Para No: 2.4.2)

## Extraordinary/exceptional items not offered for tax under MAT

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AY	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Sai Rayalseema Paper Mills Pvt Ltd/ AADCS2203F / AY 2010-11	419.93
2	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Swarna Tollway Pvt Ltd / AAFC5282E / AY 2013-14	114.96
3	Andhra Pradesh & Telangana	Pr. CIT V, Hyderabad	Dharti Dredging & Infrastructure Ltd/ AABCD6612M/AY 2007-08	129.47
4	Andhra Pradesh & Telangana	Pr. CIT (C), Hyderabad	GVK Gautami Power Ltd/ AAACG7612D / AY 2011-12	37.04
5	Andhra Pradesh & Telangana	Pr. CIT (C), Hyderabad	Mumbai Waste Management Ltd/ AADCM0026A / AY 2007-08	70.61
6	Chhattisgarh	Pr. CIT 1, Raipur	Prime Ispat Ltd/ AADCP3179M /AY 2012-13	43.82
7	Gujarat	Pr. CIT 3, Baroda	Narmada Clean Tech Ltd/ AABCB4070D / AY 2013-14	48.24
8	Gujarat	Pr. CIT 3, Vadodara	Narmada Clean Tech Ltd/ AABCB4070D / AY 2013-14	326.48
9	Gujarat	Pr. CIT Gandhinagar	Gujarat State Water Resources Corp/ AAACG5588J/ AY 2013-14	37.39
10	Kerala	Pr. CIT Thiruvananthapuram	Muralaya Properties Pvt Ltd/AAFCM2710H/ AY 2013-14	117.27
11	Maharashtra	Pr. CIT 10, Mumbai	Parle Agro Pvt Ltd/ AABCP8416G / AY 2010-11	56.69
12	Maharashtra	Pr. CIT 7, Mumbai	Grand Founry Ltd/ AAACG2372E / AY 2013-14	188.38
13	Tamilnadu	Pr. CIT 1, Coimbatore	Sima Textile Processing Centre Ltd/ AAJCS5062N /AY 2013-14	322.18
14	Tamilnadu	Pr. CIT 2, Chennai	IT Expressway Ltd/ AABCI2550H /AY 2012-13	124.24
15	Tamilnadu	Pr. CIT 1, Coimbatore	Tulya Alloy Casting Ltd/AAACT7841B/AY 2012-13	86.73
16	Uttar Pradesh	Pr. CIT I, Lucknow	Jai Prakash Associates/ AABCB1562A / Y 2013-14	189.47
		<b>Total</b>		<b>2312.9</b>

**Appendix 6**

(Refer Para No: 2.4.3)

**Treatment of profit/loss on sale of long term investment of amalgamating companies**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/ PAN/ AY	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Gati Ltd/ AABCG3709Q/ AY 2013-14	0
2	Maharashtra	Pr. CIT 2, Mumbai	Cable Corporation Of India Ltd/AAACC2936J/ AY 2009-10	1015.82
3	Maharashtra	Pr. CIT 3, Mumbai	Daljita Financial And Technical Services P Ltd /AABCD1297L/AY 2013-14	520.56
		<b>Total</b>		<b>1536.38</b>

**Appendix 7**

(Refer Para No: 2.5)

**Treatment of items having element of both "Reserve" and "Provision for ascertained liability"**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS	Tax Effect (₹ in lakh)
1	Maharashtra	Pr. CIT 2, Mumbai	Indian Hotels Co Ltd/ AAAC3957G / AY 2011-12	2258.13
2	Maharashtra	Pr. CIT (C) 3 Mumbai	Housing Development & Infrastructure Ltd/ AAACH5443F/ AY 2008-09	7939.25
3	Maharashtra	Pr. CIT (C) 3 Mumbai	Housing Development & Infrastructure Ltd/ AAACH5443F / AY 2009-10	2898.75
4	Maharashtra	Pr. CIT (C) 3 Mumbai	Housing Development & Infrastructure Ltd/ AAACH5443F / AYs 2010-11 & 2012-13	17725.41
5	Maharashtra	Pr. CIT (C) 3 Mumbai	Awas Developers & Construction Pvt Ltd/ AADCA0702D / AY 2010-11	489.46
6	West Bengal	Pr. CIT 2 Kolkata	Keshoram Industries Ltd/ AABCK2417P/AY 2010-11	1720.74
7	West Bengal	Pr. CIT 2 Kolkata	LMJ Logistics Ltd/ AABCP8494K/AY 2012-13	82.23
		<b>Total</b>		<b>33113.97</b>



**Appendix 8**  
**(Refer Para No: 2.6)**

**Effect of change in method of depreciation treated differently for the purpose of book profit**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AY	Tax Effect (₹ in lakh)
1	Karnataka	CIT LTU, Bangalore	Mindtree Wireless (P) Ltd. (Earlier Kyocera Wireless (I)(P) Ltd/AACCK1293L/ AY 2010-11	17.61
2	Karnataka	Pr. CIT 2, Bangalore	Citrix R & D India Pvt. Ltd/ AABCN3639C / AY 2011-12	0.00
3	Karnataka	Pr. CIT 2, Bangalore	Cognizant Global Services Pvt Ltd/AAACD7204L/AY 2008-09	56.08
4	Karnataka	Pr. CIT 2, Bangalore	Cognizant Global Services Pvt Ltd/AAACD7204L/AY 2009-10	31.26
5	Karnataka	Pr. CIT (C), Bangalore	Mukhtar Minerals (P) Ltd/ AAECM0510E / AY 2012-13	87.18
6	Kerala	Pr. CIT I, Kochi	Petronet CCK Ltd/ AABCP9197R / AY 2013-14	0.00
7	Madhya Pradesh	Pr. CIT I, Indore	AVI Agri Business Pvt. Ltd/ AAHCA6168M/ AY 2011-12	0.00
8	Madhya Pradesh	Pr. CIT I, Indore	H. D. Wires Pvt Ltd/ AAACH4288C / AY 2011-12	0.00
9	Maharashtra	Pr. CIT 1, Mumbai	Zenith Industrial Rubber Products Pvt Ltd/ AAACA3874D / AY 2013-14	110.75
12	Maharashtra	Pr. CIT 1, Mumbai	The West Coast Paper Mills Ltd/ AAAC4179N/ AY 2010-11	0.00
11	Maharashtra	Pr. CIT 3, Mumbai	Saurashtra Containers Pvt Ltd / AAJCS0161N / AY 2012-13	0.00
10	Maharashtra	Pr. CIT 8, Mumbai	Ridham Synthetics Pvt Ltd/ AAACR2823H / AY 2013-14	37.33
13	Maharashtra	Pr. CIT 14, Mumbai	Fair Export India Pvt Ltd/ AAACF3799A / AY 2011-12	175.71
14	Tamil Nadu	Pr. CIT-1, Coimbatore	The Lakshmi Mills Co Ltd/ AAAC7564R / AY 2013-14	0.00
		<b>Total</b>		<b>515.92</b>

**Appendix 9**

(Refer Para No: 2.7.1)

**Apportioning the profit as per profit and loss account in the ratio of brought forward loss and unabsorbed depreciation**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS	Tax Effect (₹ in lakh)
1	Maharashtra	Pr. CIT 8, Mumbai	Vodafone India Ltd /AAACH5332B / AYS 2004-05 to 2005-06	766.26
2	Maharashtra	Pr. CIT 1, Pune	Honeywell Turbo Technologies India Pvt Ltd / AABCH5035J / AY 2012-13	48.82
		<b>Total</b>		<b>815.08</b>

**Appendix 10**

(Refer Para No: 2.7.2)

**Previous year's brought forward loss/unabsorbed depreciation considered for reduction instead of their cumulative position as on date**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS	Tax Effect (₹ in lakh)
1	Maharashtra	Pr. CIT 2, Mumbai	Natraj Wood Industries Pvt Ltd / AAACN6876C / AY 2010-11	8.98
2	Maharashtra	Pr. CIT 10, Mumbai	Jesons Industries Ltd / AAACJ7659P / AY 2010-11	37.06
3	Tamilnadu	Pr. CIT 1, Chennai	AKCT Chidambaram Cotton Mills Pvt. Ltd / AAFCA2962B /AY 2013-14	20.43
4	Tamilnadu	Pr. CIT 2, Chennai	EIH Associated Hotels Ltd / AAACE2125M / AY 2012-13	365.87
5	Tamilnadu	Pr. CIT 6, Chennai	Shri Indira Cotton Mills Pvt. Ltd / AAACI0899J / AY 2013-14	10.57
		<b>Total</b>		<b>442.91</b>

## Appendix 11

(Refer Para No: 2.7.3)

Same amount of business loss/unabsorbed depreciation as per books was claimed in successive years including current year

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS	Tax Effect (₹ in lakh)
1	Maharashtra	Pr. CIT 2, Mumbai	DCB Bank Ltd / AAACD1461F / AY 2013-14	817.30
2	Maharashtra	Pr. CIT 2, Mumbai	DCB Bank Ltd / AAACD1461F / AY 2012-13	738.84
		<b>Total</b>		<b>1556.14</b>

## Appendix 12

(Refer Para No: 2.8.1)

Absence of provision to reduce bad debts actually written off in computation of book profit

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AY
1	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Gulf Oil Corporation Ltd / AABCG8433B/ AY 2011-12
2	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Neuland Laboratories Ltd /AAACN9531E/AY 2013-14
3	Delhi	CIT 7, Delhi	Oriental Bank Of Commerce/AAACO0191M/ AY 2011-12
4	Delhi	CIT 7, Delhi	Oriental Bank Of Commerce/AAACO0191M/ AY 2013-14
5	Delhi	CIT 7, Delhi	Oriental Bank Of Commerce/AAACO0191M/ AY 2014-15
6	Maharashtra	Pr. CIT 2, Mumbai	DCB Bank Ltd / AAACD1461F / AY 2012-13
7	Maharashtra	Pr. CIT 2, Mumbai	DCB Bank Ltd / AAACD1461F / AY 2013-14
8	Maharashtra	Pr. CIT 2, Mumbai	Bank Of India / AAACB0472C / AY 2007-08
9	Maharashtra	Pr. CIT 2, Mumbai	Bank Of India / AAACB0472C / AY 2014-15

**Appendix 13**  
**(Refer Para No: 2.8.2)**

**Additions made on account of bogus purchases/undisclosed income/unaccounted income for taxation under normal provision were not considered for computation of book profit**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AY	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Soma Enterprises Ltd / AACCS8242F/ AY 2012-13	1083.23
2	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Soma Enterprises Ltd / AACCS8242F/AY 2011-12	921.86
3	Bihar	Pr. CIT 1, Patna	Galpha Laboratories Ltd / AABCG2175Q / AY 2011-12	4.62
4	Bihar	Pr. CIT 1, Patna	Magadh Industries Pvt Ltd/ AABCM8648L/ AY 2012-13	39.27
5	Bihar	Pr. CIT 1, Patna	Max Enterprises Pvt Ltd /AADCM9054A / AY 2005-06 to 2007-08 & 2009-10	3.04
6	Gujarat	CIT Gandhinagar	GSPC Gas Co Ltd / AABCG1813F / AY 2010-11	426.99
7	Maharashtra	Pr. CIT LTU, Mumbai	Lupin Ltd / AAACL1069K / AYs 2009-10 to 2012-13	1366.01
8	Maharashtra	Pr. CIT LTU, Mumbai	Bharti Shipyard Ltd / AAACB1688E / AY 2010-11	241.05
9	Maharashtra	Pr. CIT 1, Mumbai	RRC International Freight Services Ltd /AACCR3533J/ AY 2010-11	10.12
10	Maharashtra	Pr. CIT 1, Mumbai	Serco BPO Pvt Ltd / AAACI7387P/ AY 2009-10	0.00
11	Maharashtra	Pr. CIT 9, Mumbai	Duflon Industries Pvt Ltd / AAACD1668G/AYs 2010-11 to 2011-12	14.00
12	Tamilnadu	Pr. CIT 1, Coimbatore	Shri Thangam Spinners India Pvt Ltd / AANCS7116H / AY 2012-13	23.54
		<b>Total</b>		<b>4133.73</b>

**Appendix 14**  
**(Refer Para No: 2.8.3)**

**Non consideration of transfer pricing adjustments on items having direct bearing on the profit and loss account under MAT**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AY	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	Bartronics India Pvt Ltd /AAACB8231F/AY 2011-12	1051.71
2	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	Air Liquid Engineering India Pvt Ltd / AABCA7383G/ AY 2011-12	212.74
3	Karnataka	Pr. CIT 1, Bangalore	Altisource Business Solutions Pvt Ltd / AAACO9467A / AY 2010-11	189.03
4	Karnataka	Pr. CIT 1, Bangalore	Axa Group Solutions Pvt Ltd / AAACA2750H/ AY 2011-12	35.46
5	Karnataka	Pr. CIT 1, Bangalore	ASM Technologies Ltd / AABCA4362P / AY 2011-12	34.69
6	Karnataka	Pr. CIT 2, Bangalore	Cognizant Global Services Pvt Ltd / AAACD7204L / AY 2008-09	135.52
7	Karnataka	Pr. CIT 2, Bangalore	Cognizant Global Services Pvt Ltd / AAACD7204L / AY 2009-10	126.74
8	Karnataka	Pr. CIT 3, Bangalore	Fair Issac India Software Pvt Ltd /AAACF7670G/AY 2011-12	152.51
9	Karnataka	Pr. CIT 4, Bangalore	Molex (India) Pvt Ltd / AACCM6091N / AY 2011-12	123.85
10	Karnataka	Pr. CIT 4, Bangalore	Mphasis Ltd / AAACB6820C/ AY 2011-12	2058.44
11	Karnataka	Pr. CIT 4, Bangalore	Moog India Technology Centre Pvt Ltd / AAGCM3566Q / AY 2011-12	68.36
12	Karnataka	Pr. CIT 6, Bangalore	Steer Engineering Pvt Ltd / AABCS8840E / AY 2010-11	8.70
13	Kerala	Pr. CIT Thiruvananthapuram	Suntech Business Solutions / AAICS8020K/ AY 2008-09	9.81
14	Maharashtra	Pr. CIT LTU, Mumbai	Lupin Ltd / AAACL1069K / AYs 2009-10 to 2012-13	196.71
15	Maharashtra	Pr. CIT LTU, Mumbai	Tata Autocomp System Ltd /AAACT1848E/AY 2010-11	55.83
16	Maharashtra	Pr. CIT 1, Pune	Igate Global Solutions Ltd /AABCM4573E/ AY 2010-11	89.77
17	Maharashtra	Pr. CIT 1, Pune	Grupo Antolin Pune Pvt Ltd / AAACA6730G/AYs 2010-11 to 2011-12	165.19
18	Maharashtra	Pr. CIT 10, Mumbai	J P Morgan Services India Pvt Ltd / AABCD0503B / AY 2010-11	342.75
19	Maharashtra	Pr. CIT 14, Mumbai	Godrej Consumer Products Ltd / AABCG3365J/AYs 2010-11 & 2011-12	816.15
20	Maharashtra	Pr. CIT 14, Mumbai	Accenture Services Pvt Ltd /AACCA8997K/AY 2009-10	1430.79
21	West Bengal	Pr. CIT 2, Kolkata	Hindusthan National Glass & Industries Ltd / AAACH7557G / AY 2012-13	120.97
22	West Bengal	Pr. CIT 2, Kolkata	Emami Ltd / AAACH7412G / AY 2011-12	52.49
23	West Bengal	Pr. CIT 2, Kolkata	Emami Ltd /AAACH7412G/AY 2009-10	15.72
24	West Bengal	Pr. CIT 3, Kolkata	Apollo Gleneagles Hospitals Ltd / AAECA5407E / AY 2013-14	154.97

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25	West Bengal	Pr. CIT 4, Kolkata	MCC Pta India Corporation Pvt Ltd / AAACM9169K / AY 2011-12	50.28
26	West Bengal	Pr. CIT 4, Kolkata	Eveready Industries India Ltd / AAACH7412G / AY 2011-12	29.74
27	West Bengal	Pr. CIT 4, Kolkata	Gujrat NRE Coke Pvt Ltd / AABCG6225H / AY 2011-12	661.49
28	West Bengal	Pr. CIT (C) 1, Kolkata	Himadri Chemicals & Industries Ltd / AAACH7475G / AY 2012-13	81.61
29	West Bengal	Pr. CIT (C) 1, Kolkata	Paharpur Cooling Tower Ltd/AABPC8017C/AY 2011-12	46.67
30	West Bengal	Pr. CIT (C) 1, Kolkata	Himadri Chemicals & Industries Ltd / AAACH7475G / AY 2011-12	34.29
31	West Bengal	Pr. CIT (C) 2, Kolkata	Himatsingka Seide Ltd / AAACH3507N / AY 2012-13	752.07
		<b>Total</b>		<b>9305.05</b>

**Appendix 15**  
**(Refer Para No: 2.8.4)**

**Statutory dues not paid within due date of filing of return of income not considered for addition under MAT**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AY	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT Rajmundary	AP Paper Mills Ltd / AAAC8849D/ AY 2011-12	8.71
2	Andhra Pradesh & Telangana	Pr. CIT II, Visakhapattanam	Srisarvarya Sugars Ltd / AAEC6554N / AY 2012-13	7.74
3	Assam	CIT Shillong	Cement Manufacturing Co Ltd / AACCC1465A/ AY 2013-14	169.44
4	Gujarat	CIT 1, Ahmedabad	Cadila Healthcare Ltd/AAACC6253G/ AYS 2010-11, 2011-12 Dhorajia Engg. Co Pvt Ltd/ AAACD5484A / AY 2013-14	328.42
5	Gujarat	CIT 1, Baroda	Jyoti Ltd/ AAACJ4909N/AY 2012-13 Jindal Aluminium /AABCH6867G/AY 2013-14	154.25
6	Gujarat	CIT 1, Rajkot	Jyoti Power Corpn. Pvt Ltd/AABCJ6662R/AY 2013-14	15.32
7	Gujarat	CIT Gandhinagar	Gandhinagar Enterprise / AAACG5611J / AY 2013-14	2.35
8	Haryana	CIT Gurgaon	Ebusinessware India Pvt Ltd/ AABCE6740M / AY 2011-12	16.40
9	Haryana	CIT Karnal	Picaddy Agro Industries Ltd / AABCP7343R / AY 2010-11	2.46
10	Karnataka	Pr. CIT 1, Bangalore	Bangalore International Airport Ltd / AABC88973D/ AY 2012-13	535.79
11	Karnataka	Pr. CIT 7, Bangalore	Wyzmindz Solutions Pvt Ltd / AABCW0126B / AY 2013-14	5.57
12	Maharashtra	Pr. CIT LTU, Mumbai	Reliance Industries Ltd. / AAACR5055K/AYS 2009-10 and 2010-11	3562.23
13	Maharashtra	Pr. CIT LTU, Mumbai	Nuclear Power Corporation of India Ltd./ AAACN3154F/ AYS 2010-11 to 2013-14	351.55
14	Maharashtra	Pr. CIT LTU, Mumbai	Lupin Ltd/AAAC1069K/ AYS 2009-10 to 2012-13	228.54
15	Maharashtra	Pr. CIT 2, Mumbai	Bharat Petroleum Corporation Ltd / AAACB2902M/AY 2012-13	820.23
16	Maharashtra	Pr. CIT 3, Mumbai	M Visvesvaraya Industrial Research And Development Centre / AABCM0996K/ AY 2013-14	106.11
17	Maharashtra	Pr. CIT 10, Mumbai	KLT Automotive Tubular Products Ltd / AAAC3859R / AY 2012-13	74.91
18	Maharashtra	Pr. CIT 10, Mumbai	KLT Automotive Tubular Products Ltd / AAAC3859R / AY 2013-14	188.73
19	Maharashtra	Pr. CIT 14, Mumbai	Godrej And Boyce Mfg Co Ltd / AAACG1395D / AY 2012-13	318.93
20	Maharashtra	Pr. CIT 1, Pune	Grupo Antolin Pune Pvt Ltd / AAACA6730G / AYS 2010-11 to 2011-12	53.29
21	Maharashtra	Pr. CIT 1, Pune	Baramati Agro Ltd / AAACB7067M / AY 2011-12 to 2012-13	73.42
22	Punjab	CIT 1, Chandigarh	A.B.Sugars Ltd / AABCG3045M /AY 2012-13	65.71

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23	Punjab	CIT 1, Chandigarh	Rana Sugar Ltd / AABCR6744C / AY 2010-11	235.79
24	Punjab	CIT (C) Ludhiana	Oasis Distilleries Ltd / AAACO3509R/ AY 2012-13	1.75
25	Rajasthan	CIT 1, Jaipur	Fatehpuria Transformers & Switchgears Pvt Ltd / AAACF3456E / AY 2011-12	1.10
26	Uttar Pradesh	Pr. CIT Bareilly	L.H. Sugar Factory Pvt Ltd / AAACL4597L / AY 2013-14	231.18
27	West Bengal	Pr. CIT 3, Kolkata	Appollo Gleneagles Hospital Ltd / AAECA5407E / AY 2013-14	29.41
		<b>Total</b>		<b>7589.33</b>



## Appendix 16

(Refer Para No: 2.8.5)

## Expenditure on Corporate Social Responsibility (CSR) not considered for disallowance under MAT

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	Andhra Pradesh Industrial Infrastructure Corporation Ltd / AABCA9029K/AY 2013-14	65.06
2	Chhattisgarh	Pr. CIT, Bilaspur	Jindal Power Ltd / AABCJ4683J /AY 2012-13	116.58
3	Chhattisgarh	Pr. CIT, Bilaspur	Jindal Power Ltd / AABCJ4683J/ AY 2011-12	129.60
4	Chhattisgarh	Pr. CIT, Bilaspur	Jindal Power Ltd / AABCJ4683J / AY 2010-11	91.73
5	Chhattisgarh	Pr. CIT 2, Raipur	C.G. State Power Transmission Co Ltd / AADCCS5773E/ AY 2013-14	55.63
6	Chhattisgarh	Pr. CIT 1, Raipur	Hi Tech Power Ans Steel Ltd / AACCM8028R / AY 2013-14	1.77
7	Delhi	CIT LTU, Delhi	Indian Railway Financial Corporation Ltd / AAACI0681C/ AY 2012-13	81.95
8	Himachal Pradesh	CIT Shimla	Satluj Jal Vidyut Nigam Ltd / AAICS1307F / AY 2013-14	320.73
9	Karnataka	Pr. CIT Goa	Goa Shipyard Ltd / AAACG7569F/AY 2013-14	29.41
10	Maharashtra	Pr. CIT LTU, Mumbai	Nuclear Power Corporation Of India Ltd / AAACN3154F / AY 2012-13	434.53
11	Maharashtra	Pr. CIT 1, Mumbai	Hindustan Petroleum Corporation Ltd / AAACH1118B / AY 2013-14	221.63
12	Rajasthan	CIT 2, Jaipur	Compucom Software Ltd /AAACG5818P/AY 2013-14	0.00
<b>Total</b>				<b>1548.62</b>

## Appendix 17

(Refer Para No: 2.8.6)

## Need for disallowance of MAT credit of the amalgamating company on discontinuance of their business by the amalgamated company after amalgamation

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS
1	Maharashtra	Pr. CIT 10, Mumbai	Parle Agro Pvt Ltd / AABCP8416G / AY 2010-11

## Appendix 18

(Refer Para No: 2.9)

Uniform stand not adopted by ITD in set off of MAT credit in summary cases

(₹ in lakh)

Sr. No.	State	Pr. CIT Charge	Name of the assessee/PAN/AY	Difference of tax under normal and special provisions (including SC & Cess)	Difference of tax under normal and special provisions (excluding SC & Cess)	Set off of MAT credit allowed	Whether 'tax' for set off was considered inclusive or exclusive of SC & Cess
1	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Nishita Packages Pvt. Ltd/ AADCN0003G/ AY 2013-14	0.26	0.25	0.25	Exclusive
2	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Shree Malani Chemicals Pvt. Ltd/ AAGCS9411A / AY 2012-13	0.60	0.58	0.58	Exclusive
3	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Shravan Finance and Estates Pvt. Ltd / AAECS5481H / AY 2014-15	7.48	7.26	7.26	Exclusive
4	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Satakarni Estates Pvt. Ltd / AAOCS5904L / AY 2015-16	3.22	2.97	2.97	Exclusive
5	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Shravan Finance and Estates Pvt. Ltd / AAECS5481H / AY 2015-16	6.54	6.35	6.35	Exclusive
6	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Shruti Agro Farms Pvt. Ltd/ AAECS5501P / AY 2010-11	0.30	0.29	0.30	Inclusive

**Appendix 19**  
**(Refer Para No: 3.2.1)**

**Income tax paid or payable and provision thereof not considered for book profit**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT (C), Hyderabad	Krishnapatnam Port Company Ltd/ AAACK8657J / AY 2013-14	47.81
2	Andhra Pradesh & Telangana	Pr. CIT (C), Hyderabad	Megha Engg & Infrastructure Pvt Ltd/ AAECM7627A/AY 2012-13	36.46
3	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Rak Ceramics India Pvt LTD/ AACCR6424N / AY 2010-11	10.67
4	Chhattisgarh	Pr. CIT 1, Raipur	Ishwar Ispat Industries Pvt Ltd/ AABCI4258C / AY 2012-13	4.96
5	Haryana	CIT Faridabad	Biomed Healthcare Products Pvt Ltd/ AABC9214H /AY 2013-14	1.43
6	Karnataka	Pr. CIT Belgaum	Vishwanath Sugar And Steel Industries Ltd/ AABCV1727H / AY 2011-12	15.54
7	Karnataka	Pr. CIT Belgaum	Dnyanyogi Shri Shivkumar Swamiji Sugar Ltd/ AABCD4465E /AY 2012-13	52.86
8	Madhya Pradesh	Pr. CIT Gwalior	Jennex Granite Industries Pvt Ltd/ AABCG5013C /AY 2012-13	2.67
9	Maharashtra	Pr. CIT LTU, Mumbai	Tata Motors Ltd/ AAAC2727Q /AY 2011-12	33.78
10	Maharashtra	Pr. CIT LTU, Mumbai	Nuclear Power Corporation Of India Ltd/ AAACN3154F /Ays 2011-12 to 2012-13	261.61
11	Maharashtra	Pr. CIT 1, Mumbai	Hindustan Petroleum Corporation Ltd/ AAACH1118B /Ays 2010-11 to 2011-12	197.09
12	Maharashtra	Pr. CIT 1, Mumbai	Hindustan Petroleum Corporation Ltd/ AAACH1118B /AY 2012-13	99.43
13	Maharashtra	Pr. CIT 1, Mumbai	Hindustan Petroleum Corporation Ltd/ AAACH1118B /AY 2013-14	108.09
14	Maharashtra	Pr. CIT 1, Mumbai	AMI Industries India Pvt Ltd/ AABCA4593L / AY 2011-12	39.86
15	Maharashtra	Pr. CIT 2, Mumbai	Bharat Petroleum Corporation Ltd/ AACB2902M/AY 2012-13	46.75
16	Maharashtra	Pr. CIT 10, Mumbai	Nagase India Pvt Ltd/ AACCN4051B /AY 2013-14	5.80
17	Maharashtra	Pr. CIT 10, Mumbai	J P Morgan Services India Pvt Ltd/ AABCD0503B /AY 2010-11	34.97
18	Maharashtra	Pr. CIT 1 Pune	HSBC Software Development (I) Pvt Ltd/ AABCH0517M/ AY2012-13	33.65
19	Maharashtra	Pr. CIT LTU, Mumbai	Rashtriya Chemical & Fertilizers Ltd/AAACR2831H/ AY2012-13	238.37
20	Odisha	CIT (C), Visakhapatnam	Pragati Milk Products Pvt Ltd/ AAACP6353J / AY 2013-14	1.19
21	Odisha	CIT (C), Visakhapatnam	Pragati Milk Products Pvt Ltd/ AAACP6353J / AY 2012-13	1.04
22	Rajasthan	CIT 2, Jaipur	Rajasthan Financial Corporation/ AACCR2385J /AY 2012-13	10.09
23	Tamilnadu	Pr. CIT 1, Coimbatore	Martin Builders Pvt Ltd/ AAFCM1331G / AY 2013-14	26.09
24	Tamilnadu	Pr. CIT 1, Coimbatore	Augustan Textile Colours Pvt Ltd/AAECA8870D/AY 2013-14	6.59

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25	Uttar Pradesh	Pr. CIT II, Kanpur	Commercial Engineering & Body Builders Co Ltd/ AAACC5823E / AY 2011-12	5.87
26	West Bengal	Pr. CIT 2, Kolkata	Korp Resources Pvt Ltd/ AABCK3204C / AY 2012-13	5.52
		<b>Total</b>		<b>1328.19</b>

**Appendix 20**  
**(Refer Para No: 3.2.2)**

**Expenditure relatable to any exempt income not considered for book profit**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/ PAN/ AYS	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	Chintalapati Holdings P Ltd/ AABCC5085D / AY 2013-14	35.84
2	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Taj GVK Hotels & Resorts Ltd/ AABCT2223L / AY 2013-14	51.04
3	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	G2 Corporate Services P Ltd/ AABCD2471J / AY 2012-13	43.52
4	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Lycos Internet Ltd/ AAACL5827B / AY 2012-13	115.36
5	Andhra Pradesh & Telangana	Pr. CIT II, Visakhapatnam	Rashtriya Ispat Nigam Ltd/ AABCR0435L / AY 2013-14	42.80
6	Andhra Pradesh & Telangana	Pr. CIT II, Visakhapatnam	SVS Projects P Ltd / AAFCS2704M / AY 2011-12	7.55
7	Assam	CIT 2, Guwahati	Williamson Financial Services Ltd/AAACW4504A/AY2013-14	60.62
8	Chhattisgarh	Pr. CIT 1, Raipur	Avinash Developers Pvt. Ltd/ AADCA4060E /AY 2013-14	16.09
9	Chhattisgarh	Pr. CIT 1, Raipur	S.R. Ingot Pvt.Ltd/AAICS5559D/AY 2013-14	4.8
10	Chhattisgarh	Pr. CIT 1, Raipur	Shree Nakoda Ispat Ltd/ AAHCS2143Q / AY 2012-13	2.65
11	Chhattisgarh	Pr. CIT 1, Raipur	S.R. Ingot Pvt.Ltd/AAICS5559D/ AY 2012-13	1.95
12	Chhattisgarh	Pr. CIT 1, Raipur	Bhagwati Power & Steel Ltd/ AACCB4646A / AY 2013-14	1.75
13	Delhi	CIT 3, Delhi	Delhi Brass And Metal Works Pvt. Ltd/AAACD1002G/ AY 2013-14	0.00
14	Delhi	CIT 3, Delhi	DBH International Pvt. Ltd/ AAACD0085D / AY 2013-14	31.96
15	Delhi	CIT 4, Delhi	Hindustan Urban Infrastructure Ltd/ AAAC2345J / AY 2011-12	19.2
16	Delhi	CIT 8, Delhi	Sara International Ltd/ AAACS1878B / AY 2012-13	31.41
17	Gujarat	CIT Gandhinagar	Gujarat Power Corp. Ltd/ AAACG5596J / AY 2013-14	142.10
18	Gujarat	CIT 1, Ahmedabad	Cadila Pharmaceuticals Ltd/ AAACC6251E / AY 2011-12	45.3
19	Gujarat	CIT 1, Ahmedabad	Cadila Healthcare Ltd/ AAACC6253G / AY 2011-12	125.01
20	Gujarat	CIT 1, Ahmedabad	Amazon Textiles P. Ltd/ AABCB6914E / AY 2013-14	17.76
21	Gujarat	CIT 1, Surat	Mohit Industries Ltd/ AABCM5903E / AY 2012-13	5.07
22	Haryana	CIT Faridabad	Steriplate Private Ltd/ AAACS8953M / AY 2010-11	2.72
23	Haryana	CIT Karnal	Liberty Shoes Ltd/ AAACL3146K / AY 2010-11	14.50
24	Haryana	CIT Karnal	Liberty Shoes Ltd/ AAACL3146K / AY 2013-14	16.66
25	Haryana	CIT Panchkula	Laborate Pharmaceuticals India Ltd/ AAACL2998K / AY 2011-12	1.10

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26	Haryana	CIT (C) Gurgaon	Magppie International Ltd/ AACCM4988Q / AY 2011-12	1.72
27	Haryana	CIT (C) Gurgaon	Magppie International Ltd/ AACCM4988Q / AY 2010-11	1.19
28	Karnataka	CIT LTU, Bangalore	Robert Bosch Engineering And Business Solutions Ltd/ AAACR7108R / AY 2010-11	8.16
29	Karnataka	CIT LTU, Bangalore	Sansera Engineering (P) Ltd/ AAEC2440M / AY 2012-13	26.54
30	Karnataka	CIT LTU, Bangalore	Praxair India (P) Ltd/ AAACP9993J / AY 2011-12	179.91
31	Karnataka	CIT LTU, Bangalore	Tejas Networks Ltd/ AABCT1670M / AY 2011-12	20.70
32	Karnataka	Pr. CIT 1, Bangalore	Axis Aerospace & Technologies Ltd/ AACCB1728K / AY 2012-13	62.00
33	Karnataka	Pr. CIT 1, Bangalore	Bangalore Pharmaceuticals And Research Laboratory (P) Ltd/AAACB5712H/AY 2013-14	9.94
34	Karnataka	Pr. CIT 1, Bangalore	Brigade Enterprises Ltd/ AAACB7459F / AY 2013-14	47.74
35	Karnataka	Pr. CIT 4, Bangalore	J P Distilleries Pvt. Ltd/ AAACJ3609H / AY 2012-13	6.03
36	Karnataka	Pr. CIT 4, Bangalore	Karnataka State Industrial & Infrastructure Development Corporation Ltd/ AAACK5531H / AY 2012-13	11.22
37	Karnataka	Pr. CIT 4, Bangalore	Karnataka State Industrial & Infrastructure Development Corporation Ltd/ AAACK5531H / AY 2013-14	20.37
38	Karnataka	Pr. CIT 4, Bangalore	Karnataka State Industrial & Infrastructure Development Corporation Ltd/ AAACK5531H / AY 2010-11	32.47
39	Karnataka	Pr. CIT 4, Bangalore	Mantri Developers (P) Ltd/ AAACG4009N / AY 2012-13	10.41
40	Karnataka	Pr. CIT 5, Bangalore	NSL Sugars Ltd/ AAGCS0938Q / AY 2010-11	13.70
41	Karnataka	Pr. CIT 5, Bangalore	NSL Sugars Ltd/ AAGCS0938Q / AY 2011-12	65.33
42	Karnataka	Pr. CIT 5, Bangalore	Napean Trading & Investment Co. Pvt. Ltd/ AAACN2710M / AY 2012-13	40.48
43	Karnataka	Pr. CIT 5, Bangalore	Opto Circuits India Ltd/ AAACO2165P / AY 2012-13	141.06
44	Karnataka	Pr. CIT 6, Bangalore	Scott Garments. Ltd/ AAFC59703C / AY 2013-14	5.02
45	Karnataka	Pr. CIT 6, Bangalore	Steer Engineering Pvt. Ltd/ AABCS8840E / AY 2010-11	9.71
46	Karnataka	Pr. CIT 7, Bangalore	United Telecoms Limited/ AAACU2228H / AY 2013-14	17.03
47	Karnataka	Pr. CIT (C), Bangalore	Sobha Developers Ltd/ AABCS7723E / AY 2010-11	15.24
48	Karnataka	Pr. CIT, Mangalore	Karnataka Bank Ltd/ AABCT5589K / AY 2011-12	59.62
49	Karnataka	Pr. CIT Goa	The Madras Aluminium Co. Ltd/ AAAC7665D / AY 2010-11	62.88
50	Kerala	CIT Thrissur	South Malabar Steel And Alloys Pvt Ltd/ AAFC58265F / AY 2012-13	1.14
51	Madhya Pradesh	Pr. CIT I, Indore	Brilliant Estates Ltd/ AAACB7115L / AY 2013-14	72.07

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52	Madhya Pradesh	Pr. CIT I, Indore	Aadichem Trade Pvt. Ltd/ AAECA8383R / AY 2013-14	4.22
53	Madhya Pradesh	Pr. CIT I, Indore	Medilux Laboratories Pvt. Ltd/ AABCM1739L/AY 2013-14	2.90
54	Madhya Pradesh	Pr.CIT (C) Bhopal	Signet Industries Ltd/ AABCS3489F / AY 2013-14	6.16
55	Madhya Pradesh	Pr.CIT(C) Bhopal	Kataria Wires Pvt. Ltd/ AABCK6250A /AY 2008-09 to 2010-11	1.25
56	Maharashtra	Pr. CIT 1, Mumbai	Esmart Energy Solutions Pvt Ltd/ AACCS0489G/AY 2013-14	5.53
57	Maharashtra	Pr. CIT 2, Mumbai	Bank Of India/ AAACB0472C / AY 2014-15	3466.17
58	Maharashtra	Pr. CIT 2, Mumbai	Bank Of India/ AAACB0472C / AY 2007-08	284.06
59	Maharashtra	Pr. CIT 2, Mumbai	Bharat Petroleum Corporation Ltd/ AAACB2902M/AY 2012-13	14.85
60	Maharashtra	Pr. CIT 2, Mumbai	Tata Sons/ AAACB4060A / AY 2012-13	3170.41
61	Maharashtra	Pr. CIT 2, Mumbai	Indian Hotels Co Ltd/ AAACB3957G / AY 2011-12	170.60
62	Maharashtra	Pr. CIT 3, Mumbai	Evans Fraser And Company (India) Ltd/ AAACE1621J / AY 2013-14	113.35
63	Maharashtra	Pr. CIT 7, Mumbai	Lodha Pranik Developers Pvt Ltd/ AACCL0427B / AY 2013-14	25.01
64	Maharashtra	Pr. CIT 7, Mumbai	Hindusthan Candle Mfg Co Pvt Ltd/ AAACH1534R / AY 2013-14	10.82
65	Maharashtra	Pr. CIT 7, Mumbai	Hinduja Group Ltd/ AAACI3370C / AY 2013-14	73.48
66	Maharashtra	Pr. CIT (C) 3, Mumbai	Excel Industries Ltd/ AAACE2488F / AY 2007-08	8.37
67	Maharashtra	Pr. CIT (C) 3, Mumbai	Akruti City Ltd/ AAACA1601D / AY 2011-12	283.51
68	Rajasthan	CIT 2, Jaipur	Nikhil Township Pvt. Ltd/ AACCN0482A / AY 2012-13	4.68
69	Rajasthan	CIT 2, Jaipur	Tijaria Poly Pipes Ltd/ AACCT4796M / AY 2013-14	1.16
70	Tamilnadu	Pr. CIT 1, (C), Chennai	Trimex Industries Ltd/ AABCT0212F / AY 2012-13	23.42
71	Tamilnadu	Pr. CIT 1, Chennai	Continum Wind Energy India Pvt. Ltd/ AAKCS8353F / AY 2013-14	196.08
72	Tamilnadu	Pr. CIT 5, Chennai	R. K. Powergen Pvt. Ltd/ AABCR8680H / AY 2013-14	15.13
73	Tamilnadu	Pr. CIT 5, Chennai	PDR Investments Pvt. Ltd/ AACCP1177A / AY 2013-14	10.70
74	Tamilnadu	Pr. CIT 6, Chennai	Shri Indira Cotton Mills Pvt. Ltd/ AAACI0899J/AY 2013-14	6.15
75	Tamilnadu	Pr. CIT 1, Madurai	Rajapalayam Mills Ltd/ AAACR8897F / AY 2013-14	66.43
76	Tamilnadu	Pr. CIT 1, Madurai	TVS Srichakra Ltd/ AAACB5557G / AY 2013-14	40.4
77	Tamilnadu	Pr. CIT 1, Madurai	Sri Ramalinga Mills Ltd/ AADCS8769A / AY 2013-14	29.44
78	Tamilnadu	Pr. CIT, Salem	S. P. Spinning Mills Pvt. Ltd/ AACCS9500J / AY 2012-13	5.44
79	Uttar Pradesh	Pr. CIT (C), Lucknow	Gallantt Metal Ltd/ AACCG2934J / AY 2013-14	5.8

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80	West Bengal	Pr. CIT (C) 2, Kolkata	Elpro International Ltd. / AAACE2506L / AY 2013-14	125.94
81	West Bengal	Pr. CIT 1, Kolkata	Umang Commercial Company Ltd /AAACU3731B / AY 2011-12	226.57
82	West Bengal	Pr. CIT 3, Kolkata	Ganesh Jewellery House Pvt. Ltd /AAGCS7343P/AY 2012-13	26.58
			<b>Total</b>	<b>10203.05</b>



## Appendix 21

(Refer Para No: 3.2.3)

Amount set aside as provision for diminution in the value of any asset not considered for computation of book profit

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT (C), Hyderabad	Krishnapatnam Port Company Ltd / AAACK8657J / AY 2012-13	528.64
2	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Bharathi Cement Corporation P Ltd/ AADCR3079G / AY 2013-14	40.63
3	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Indian Immunological Ltd/ AAACI6620F /AY 2012-13	38.27
4	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Hela Systems P Ltd/ AABCH4924L / AY 2011-12	8.77
5	Andhra Pradesh & Telangana	Pr. CIT V, Hyderabad	Dr. Reddy's Laboratories Ltd./ AAACD7999Q / AY 2011-12	2031.48
6	Andhra Pradesh & Telangana	Pr. CIT V, Hyderabad	Electronics Corp Of India Ltd/ AAACE4809L / AY 2013-14	93.86
7	Andhra Pradesh & Telangana	Pr. CIT V, Hyderabad	Electronics Corp Of India Ltd/ AAACE4809L / AY 2012-13	50.20
8	Bihar	Pr. CIT 1, Patna	Alkem Laboratories/ AABCA9521E / AY 2010-11 to 2012-13	172.63
9	Delhi	CIT LTU, Delhi	Hindustan Insecticide Pvt. Ltd/ AAACH0905Q / AY 2013-14	5.51
10	Delhi	CIT 2, Delhi	Central Electronics Ltd/ AAACC1261G / AY 2013-14	55.49
11	Delhi	CIT 3, Delhi	Delhi State Industrial Infrastructure Development Corporation Ltd/ AAACD1257F / AY 2011-12	82.16
12	Delhi	CIT 4, Delhi	H.T. Media Ltd/ AABCH3165P / AY 2013-14	340.66
13	Delhi	CIT 7, Delhi	Oriental Bank Of Commerce/ AAACO0191M/ AY 2013-14	9742.78
14	Delhi	CIT 7, Delhi	Oriental Bank Of Commerce/ AAACO0191M/ AY 2011-12	9143.48
15	Delhi	CIT 7, Delhi	Oriental Bank Of Commerce/ AAACO0191M/ AY 2014-15	10503.82
16	Delhi	CIT 4, Delhi	Hughes Network System India Pvt. Ltd/ AAACH3025R/ AY 2013-14	66.51
17	Gujarat	CIT 1, Vadodara	Gulbrandsen Technologies (India) Pvt. Ltd/ AABCG9006E / AY 2011-12	5.6
18	Gujarat	CIT 1, Ahmedabad	Corrtech Energy Ltd/ AAACI8838F / AY 2013-14	6.85
19	Gujarat	CIT 2, Vadodara	Optima Diamond Tools Pvt. Ltd/ AAACO0863E / AY 2012-13	5.06
20	Haryana	CIT Panchkula	Haryana Vidyut Prasharan Nigam Ltd/ AAACH9216J / AYs 2008-09 and 2010-11 to 2012-13	1254.00
21	Haryana	CIT Gurgaon	Bajaj Motors (P) Ltd/ AAACB7413P / AYs 2012-13 to 2013-14	3.02
22	Haryana	CIT Gurgaon	Beekman Helix India Consulting (P) Ltd/ AACCB8655R / AY 2012-13	1.59
23	Karnataka	CIT LTU, Bangalore	Mindtree Ltd/ AABCM8839K / AY 2011-12	98.36
24	Karnataka	CIT LTU, Bangalore	Tata Hitachi Construction Machinery Co. Ltd/ AAACD9077B / AY 2011-12	172.52

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25	Karnataka	Pr. CIT 4, Bangalore	Jurimatrix Services India (P) Ltd/ AABCJ6157D / AY 2013-14	4.12
26	Karnataka	Pr. CIT 5, Bangalore	Natural Remedies Pvt. Ltd/ AAACN6990M / AY 2011-12	14.78
27	Karnataka	Pr. CIT Goa	Goa Shipyard Ltd/ AAACG7569F / AY 2013-14	16.49
28	Kerala	CIT I, Kochi	Cochin International Airport Ltd/ AAACC9658B / AY 2012-13	32.55
29	Maharashtra	Pr. CIT 2, Mumbai	Bank Of India / AAACB0472C / AY 2007-08	21505.64
30	Maharashtra	Pr. CIT 2, Mumbai	Bank Of India / AAACB0472C / AY 2014-15	110566.94
31	Maharashtra	Pr. CIT 2, Mumbai	Bank Of Baroda / AAACB1534F / AY 2014-15	10228.55
32	Maharashtra	Pr. CIT 2, Mumbai	Bharat Agri Fert & Realty Ltd/ AAACB2485R / AY 2013-14	7.53
33	Maharashtra	Pr. CIT 3, Mumbai	Sicom Ltd/ AAACS5524J / AY 2003-04	71.76
34	Maharashtra	Pr. CIT 3, Mumbai	Edelweiss Investment Advisor Pvt Ltd / AABCE9811H / AY 2012-13	137.68
35	Odisha	Pr. CIT I, Bhubaneswar	Grid Corporation Of Odisha Ltd Ltd/ AABCG5398P / AY 2014-15	5606.82
36	Tamilnadu	Pr. CIT 2, Chennai	Indbank Merchant Banking Services Ltd/ AAACI2107B / AY 2012-13	70.46
37	Tamilnadu	Pr. CIT 6, Chennai	Shriram Properties Pvt. Ltd/AAFCS5801D/ AY 2013-14	42.46
38	Tamilnadu	Pr. CIT 1, Coimbatore	CG VAK Software And Exports Ltd/ AAACC8797M / AY 2013-14	10.88
39	Uttar Pradesh	Pr. CIT II, Kanpur	Ganesha Ecosphere Ltd/ AAACG6334N / AY 2012-13	2.81
40	Uttar Pradesh	Pr. CIT II, Kanpur	Ganesha Ecosphere Ltd/ AAACG6334N / AY 2013-14	10
41	Uttar Pradesh	Pr. CIT II, Kanpur	Tasty Dairy Specialties (P) Ltd/ AAACG6936H / AY 2013-14	4.75
			<b>Total</b>	<b>182786.11</b>

**Appendix 22**  
**(Refer Para No: 3.2.4)**

**Amount set aside as provision for unascertained liability not added back**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ Ays	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	Cyberabad Convention Centre Pvt Ltd/ AACCC2725K / AY 2012-13	15.55
2	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Lanco Solar Pvt Ltd/ AABCL4930G/AY 2012-13	187.22
3	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Nagarjuna Agrichem Ltd/ AAACN6932H/AY2012-13	35.87
4	Assam	CIT 1, Guwahati	Assam Power Generation Corp Pvt Ltd/ AAACA4891F AY 2010-11	195
5	Assam	CIT Shillong	Tripura State Electricity Corp Ltd/ AACCT2964M / AY 2008-09 to 2009 -10	98.07
6	Bihar	Pr. CIT 1, Patna	Cachet Pharmaceuticals Pvt Ltd/ AAACC9312J / Ays 2010-11 to 2011-12	9.20
7	Chhattisgarh	Pr. CIT 2, Raipur	SMS Shivnath Infrastructure Pvt Ltd/ AADCS2258Q/AY 2013-14	35.39
8	Delhi	CIT LTU, Delhi	Havells India Ltd/ AAACH0351E/AY 2012-13	114.49
9	Delhi	CIT-7, Delhi	Oriental Bank of Commerce/ AAACO0191M/2013-14	360.13
10	Delhi	CIT 1, Delhi	Alcatel Lucent India Ltd/ AACCA8667N/AY 2010-11	2614.82
11	Delhi	CIT 6, Delhi	Malana Power Company/ AABCM1108R/AY2011-12	717.04
12	Gujarat	1, Vadodara	Inox Leisure Ltd AAACI6063J/2013-14	37.63
13	Karnataka	CIT LTU Bangalore	Karnataka Power Transmission Corporation Ltd/ AABCK7281M / AY 2012-13	146.28
14	Karnataka	CIT LTU Bangalore	Schneider Electric It Business India Pvt Ltd/ AACCA6398Q/AY2010-11	170.21
15	Karnataka	Pr. CIT 4, Bangalore	Maini Precision Products Pvt Ltd/ AABCM8269R / AY 2010-11	11.69
16	Karnataka	Pr. CIT 6, Bangalore	Steer Engineering Pvt Ltd/ AABCS8840E / AY 2010-11	13.70
17	Maharashtra	Pr. CIT 6, Mumbai	Idea Cellular Ltd/ AAACB2100P/2009-10	163.98
18	Odisha	Pr. CIT I, Bhubaneswar	Industrial Development Corporation Of Odisha Ltd/ AAACI4821L / AY 2010-11	33.93
19	Uttar Pradesh	Pr. CIT Noida	Noida Toll Bridge Company Ltd/ AAACN3498A/AY 2010-11	19.08
20	Uttar Pradesh	Pr. CIT Noida	Noida Toll Bridge Company Ltd/ AAACN3498A/AY2011-12	22.38
		<b>Total</b>		<b>5001.66</b>

**Appendix 23**  
**(Refer Para No: 3.3.1 )**

**Exempt income or income no longer exempt due to subsequent amendment reduced incorrectly**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYs	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	CNC Technics Pvt Ltd / AABCC2258G / AY 2012-13	36.11
2	Bihar	Pr. CIT-1, Patna	Alkem Laboratories Ltd/ AABCA9521E / AY 2007-08	34.02
3	Jharkhand	Pr. CIT Jamshedpur	Indo Australian House Manufacturing Pvt Ltd / AABCI3809F / AY 2010-11	3.35
4	Karnataka	Pr. CIT 5, Bangalore	Opto Circuits India Ltd/ AAACO2165P / AY 2013-14	1511.02
5	Karnataka	Pr. CIT Goa	Dempo Brothers (P) Ltd/ AAACD2588D / AY 2010-11	105.74
6	Kerala	CIT Thiruvananthapuram	Viyat Power (P) Ltd / AACCV2267M / AY 2013-14	11.66
7	Maharashtra	Pr. CIT 14, Mumbai	Hindustan Construction Company Ltd/ AAACH0968B/AY 2011-12	167.91
8	Maharashtra	Pr. CIT 14, Mumbai	WNS Global Services Pvt Ltd / AAACW2598L / AY 2006-07	106.93
9	Rajasthan	CIT (C) Jaipur	Rishabh Green Marbles Pvt Ltd / AADC4119H / AY 2010-11	35.32
10	Tamilnadu	Pr. CIT 1, Madurai	Hitech Flyash India Pvt Ltd/ AABCH7093J / AY 2010-11	110.55
11	Tamilnadu	Pr. CIT 1, Madurai	Hitech Flyash India Pvt Ltd/ AABCH7093J/ AY 2011-12	34.48
12	Tamilnadu	Pr. CIT 2, Chennai	Eswari Electricals Pvt Ltd. / AAACE8247L/ AY 2013-14	20.20
13	Tamilnadu	Pr. CIT 1, Coimbatore	Tea Estate Pvt Ltd/ AABCT0265C / AY 2013-14	19.89
14	Tamilnadu	Pr. CIT 1, Coimbatore	Bannari Amman Spinning Mills Ltd/ AAACB8513A / AY 2011-12	30.70
15	Uttar Pradesh	Pr. CIT II, Agra	KIE Engineering Pvt Ltd/ AAACK4841Q / AY 2013-14	78.07
16	Uttar Pradesh	Pr. CIT II, Agra	KIE Engineering Pvt Ltd/ AAACK4841Q / AY 2011-12	61.03
17	West Bengal	Pr. CIT (C) 3, Kolkata	Damodar Valley Corporation/ AABCD0541M/2013-14	1177.32
18	West Bengal	Pr. CIT (C) 1, Kolkata	Sai Industries Ltd / AAHCS5276L / AY 2009-10	43.16
		<b>Total</b>		<b>3587.46</b>

**Appendix 24**  
**(Refer Para No: 3.3.2)**

**Incorrect claim of deduction of amounts credited to profit and loss account**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYs	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Soma Enterprises Ltd / AACCS8242F/AY 2010-11	179.03
2	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Soma Enterprises Ltd/ ACCS8242F / AY 2011-12	68.39
3	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Soma Enterprises Ltd/ ACCS8242F / AY 2012-13	40.63
4	Maharashtra	Pr. CIT 2, Mumbai	Bharat Petroleum Corporation Ltd/ AAACB2902M/ AY 2012-13	14.95
5	Rajasthan	CIT 1, Jaipur	Om Metals Infra Projects Ltd/ AAACO8245J / AY 2011-12	133.05
6	Rajasthan	CIT 1, Jaipur	Om Metals Infra Projects Ltd/ AAACO8245J / AY 2012-13	89.87
7	Rajasthan	CIT 1, Jaipur	Om Metals Infra Projects Ltd / AAACO8245J / AY 2013-14	68.57
8	Rajasthan	CIT 1, Jaipur	Om Metals Infra Projects Ltd/ AAACO8245J / AY 2010-11	9.05
9	Tamilnadu	Pr. CIT (C) 1, Chennai	S.A.S Hotels And Enterprises Ltd/ AA ECS1194C / AY 2012-13	546.77
10	Tamilnadu	Pr. CIT (C) 1, Chennai	S.A.S Realtor Ltd/ AAFCS7524M /AY 2012-13	122.24
			<b>Total</b>	<b>1272.55</b>

**Appendix 25**  
**(Refer Para No: 3.4.1)**  
**Incorrect carry forward of MAT credit**

Sr. No.	State	Pr.CIT/CIT Charge	Name of the assessee/PAN /AY	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT Tirupati	Madurai Power Corporation Ltd /AACCM7661C/AY 2012-13	2549.29
2	Andhra Pradesh & Telangana	Pr. CIT V, Hyderabad	Vedavaag Systems Ltd /AAECS8039E/AY 2013-14	60.06
3	Andhra Pradesh & Telangana	Pr. CIT I, Visakhapattanam	Ardee Technologies P Ltd /AABCA4800A/AY 2012-13	13.48
4	Assam	CIT Shillong	North Eastern Electric Power Corp. Ltd /AAACN9991J/AY 2012-13	1100.23
5	Assam	CIT 1, Guwahati	Torsa Machines Tools /AABCT4889Q/AY 2010-11 to 2011-12	6.52
6	Bihar	Pr. CIT 1, Patna	Shrinivash (Gujrat) Laboratories Pvt Ltd /AAECS8612D/AY 2013-14	184.77
7	Bihar	Pr. CIT 1, Patna	Bihar State Road Development Corporation /AADCB7567M/AY 2013-14	1072.40
8	Bihar	Pr. CIT (C) Patna	Sujata Hotel Pvt Ltd /AAECS0953P/AY 2012-13	891.22
9	Delhi	CIT 3, Delhi	DLF Emporio Ltd /AACCR0093B/AY 2012-13	161.13
10	Delhi	CIT 3, Delhi	Federal Mugal Goetze India Pvt. Ltd /AAACG3769M/AY 2011-12	277.23
11	Delhi	CIT 3, Delhi	DLF New Gurgaon Retail Developers Pvt. Ltd./AACCD6836G/AY 2013-14	58.61
12	Delhi	CIT 3, Delhi	DLF Southern Homes Pvt. Ltd. /AACCC8270B/AY 2013-14	275.34
13	Delhi	CIT 6, Delhi	Maruti Insurance Business Agency Ltd. /AABCM3496N/AY 2013-14	21.18
14	Delhi	CIT 6, Delhi	Modi Rubber Ltd. /AAACM2062R/AY 2012-13	499.55
15	Delhi	CIT 9, Delhi	Value First Digital Media Pvt. Ltd. /AABCV8400B/AY 2013-14	270.24
16	Gujarat	CIT 1, Ahmedabad	Corrtech Energy Ltd. /AAACI8839F/AY 2013-14	24.3
17	Gujarat	CIT 1, Ahmedabad	Adani Gas Ltd. /AAFCA3788D/AY 2013-14	94.72
18	Gujarat	CIT 1, Rajkot	Jyoti CNC Automation /AABCJ1947R/AY 2011-12	95.74
19	Gujarat	CIT 1, Surat	Jivraj Tea Ltd. /AAACJ5895P/AY 2013-14	9.29
20	Gujarat	CIT 1, Vadodara	Jyoti Ltd. /AAACJ4909N/AY 2012-13	19.79
21	Gujarat	CIT 1, Vadodara	Sayaji Hotel Ltd. /AADCS2086A/AY 2013-14	85.57
22	Gujarat	CIT 2, Ahmedabad	Ganesh Housing Corpn. /AAACG5590Q/AY 2013-14	546.33
23	Gujarat	CIT 2, Vadodara	Persang Alloy India P.Ltd. /AAECP1424P/AY 2013-14	13.11
24	Gujarat	CIT 3, Vadodara	Enviro Technology Ltd. /AAACE4126G/AY 2013-14	84.71
25	Gujarat	CIT 3, vadodara	Gujarat Borosil Ltd. /AAACG8440M/AY 2006-07	23.43
26	Gujarat	CIT 4, Ahmedabad	Troika Pharmaceuticals Ltd./AABCT0228K/AY 2010-11	95.64

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27	Gujarat	CIT Gandhinagar	GSPC Gas Company Ltd. /AABCG1813F/AY 2012-13	566.44
28	Gujarat	CIT Gandhinagar	Vishal Containers Ltd. /AABCV8510E/AY 2013-14	5.49
29	Gujarat	CIT Gandhinagar	I Serve Systems Pvt. Ltd. /AAACI9567M/AY 2013-14	10.71
30	Gujarat	CIT Valsad	HLE Engineers Pvt. Ltd. /AABCH4724N/AY 2012-13	21.66
31	Haryana	CIT Gurgaon	Mansa Print And Publisher Ltd. / AADCM9521E / AY 2010-11	47.73
32	Haryana	CIT Faridabad	P R Packaging Ltd /AAACP9735G /AY 2010-11	4.46
33	Haryana	CIT Gurgaon	Steel Strips Wheels Ltd /AACCS3003L/AY 2007-08	21.62
34	Haryana	CIT Gurgaon	Steel Strips Wheels Ltd /AACCS3003L/AY 2009-10	6.40
35	Haryana	CIT Gurgaon	Steel Strips Wheels Ltd /AACCS3003L/AY 2011-12	36.32
36	Haryana	CIT Gurgaon	Steel Strips Wheels Ltd /AACCS3003L/AY 2012-13	143.71
37	Haryana	CIT Karnal	Zeiss Pharmaceuticals (P) Ltd. /AAACZ2089F/AY 2010-11	3.13
38	Haryana	CIT Karnal	Piccadilly Agro Industries Ltd /AABCP7343R/ AY 2013-14	45.92
39	Haryana	CIT Karnal	Ratchet Laboratories Ltd /AACCR8581L /AY 2012-13	36.66
40	Haryana	CIT Karnal	Zeiss Pharmaceuticals Pvt. Ltd./AAACZ2089F/AY 2012-13	256.27
41	Himachal Pradesh	CIT Shimla	Ruchira Packaging Products Pvt Ltd /AABCR9711R/AY 2010-11	19.73
42	Himachal Pradesh	CIT Shimla	Emboss Auctcomp Ltd /AAACE3489Q/AY 2010-11	14.55
43	Kerala	CIT Thiruvananthapuram	Rehabilitation Plantation Ltd /AAACT8105A/AY 2013-14	401.05
44	Madhya Pradesh	Pr. CIT 1, Bhopal	Andritz Hydro Pvt. Ltd. /AABCV2466R/AY 2007-08	109.07
45	Madhya Pradesh	Pr. CIT I, Indore	Arneja Carriers Pvt. Ltd. /AADCA6460E/AY 2013-14	4.23
46	Madhya Pradesh	Pr. CIT Gwalior	Cox India Ltd. /AABCC9079M/AY 2012-13	3.14
47	Madhya Pradesh	Pr. CIT 1, Bhopal	PGH International Pvt. Ltd. /AACCN0067D/ AY 2013-14	21.00
48	Madhya Pradesh	Pr. CIT (C) Bhopal	Bansal Construction Works Pvt. Ltd /AAECB1762H/AY 2013-14	108.16
49	Maharashtra	Pr. CIT LTU, Mumbai	Reliance Industries Ltd /AAACR5055K/AY 2009-10	1488.08
50	Maharashtra	Pr. CIT LTU, Mumbai	Reliance Industries Ltd /AAACR5055K/AY 2010-11	1200.52
51	Maharashtra	Pr. CIT LTU, Mumbai	Glenmark Pharmaceuticals Ltd/ AAACG2207L/AY 2012-13	888.84
52	Maharashtra	Pr. CIT LTU, Mumbai	Glenmark Pharmaceuticals Ltd /AAACG2207L/AY 2011-12	1164.65
53	Maharashtra	Pr. CIT 1, Mumbai	HDFC Ergo General Insurance Company Ltd. /AABCH0738E/AY 2013-14	508.08

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54	Maharashtra	Pr. CIT 1, Mumbai	NOCIL Ltd /AAACN4412E/AY 2009-10	742.38
55	Maharashtra	Pr. CIT 1, Mumbai	Arrow Textiles Ltd /AAGCA8907P/AY 2011-12	17.97
56	Maharashtra	Pr. CIT 1, Mumbai	Smart Value Homes Ltd /AANCS3558H/AY 2012-13	2099.13
57	Maharashtra	Pr. CIT 2, Mumbai	Bank Of India /AAACB0472C/AY 2014-15	61850.79
58	Maharashtra	Pr. CIT 2, Mumbai	Seth Industries Pvt Ltd /AAECS9189D/AY 2012-13	8.37
59	Maharashtra	Pr. CIT 3, Mumbai	Jabil Circuit Pvt Ltd /AACCP7114K/AY 2011-12	101.28
60	Maharashtra	Pr. CIT 3, Mumbai	LKP Finance Ltd /AAACL2401P/AY 2012-13	130.59
61	Maharashtra	Pr. CIT 4, Mumbai	Harinagar Sugar Mills Ltd /AAACH2831H/AY 2013-14	93.77
62	Maharashtra	Pr. CIT 7, Mumbai	Lodhapranik Developers Pvt Ltd /AACCL0427B/AY 2013-14	735.47
63	Maharashtra	Pr. CIT 8, Mumbai	Shree Siddhivinayak Cotspin Pvt Ltd /AAICS9963R/AY 2013-14	189.13
64	Maharashtra	Pr. CIT 8, Mumbai	Shaily Engineering Plastics Ltd /AACCA6600R/AY 2012-13	174.17
65	Maharashtra	Pr. CIT 8, Mumbai	Solvay Specialities India Pvt Ltd /AAJCS0613F/AY 2012-13	273.16
66	Maharashtra	Pr. CIT 10, Mumbai	Prabha Engineering Ltd /AAACP7472Q/AY 2011-12	15.82
67	Maharashtra	Pr. CIT 10, Mumbai	KLT Automotive Tubular Products Ltd /AAACT3859R/AY 2012-13	133.14
68	Maharashtra	Pr. CIT 14, Mumbai	Godrej Consumer Products Ltd /AABCG3365J/AY 2011-12	560.20
69	Maharashtra	Pr. CIT 14, Mumbai	Titan Laboratories Pvt Ltd /AACCT0509Q/AY 2013-14	101.36
70	Maharashtra	Pr. CIT(C) 3, Mumbai	Earth Estate Developers Pvt Ltd /AAACE1843C/AY 2011-12	9.19
71	Maharashtra	Pr. CIT 1, Pune	Champ Energy Venture Pvt. Ltd /AACCC7802R/AY 2013-14	61.53
72	Tamilnadu	Pr. CIT 1, Coimbatore	Bannari Amman Spinning Mills Pvt. Ltd. /AAACB8513A/AY 2013-14	814.8
73	Tamilnadu	Pr. CIT 1, Coimbatore	Super Sales India Ltd. /AADCS0650A/AY 2011-12	56.26
74	Uttar Pradesh	Pr. CIT Noida	New Era Dairy Engineers India Pvt. Ltd. /AACCN2890C/AY 2012-13	30.08
75	Uttar Pradesh	Pr. CIT Noida	Dev Pharmacy Pvt. Ltd./AABDD6274F/AY 2013-14	15.05
76	Uttarakhand	Pr. CIT Dehradun	THDC India Ltd/AAACT7905Q/AY 2010-11 to 2013-14	1680.18
77	West Bengal	Pr. CIT 2, Kolkata	R D B Realty And Infrastructure Ltd /AADCR8845C /AY 2010-11	149.29
78	West Bengal	Pr. CIT 2, Kolkata	Williamson Magor & Co Ltd /AAACW2369P /AY 2012-13	93.22
79	West Bengal	Pr. CIT 2, Kolkata	Emami Ltd /AAACH7412G /AY 2009-10	41.62
80	West Bengal	Pr. CIT 2, Kolkata	Hindusthan National Glass & Industries Ltd /AAACH7557G /AY 2012-13	196.17



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81	West Bengal	Pr. CIT 3, Kolkata	EIH Ltd. /AAACE6898B /AY 2011-12	206.66
82	West Bengal	Pr. CIT 4, Kolkata	Z A Sea Foods Pvt Ltd /AAACZ3437D /AY 2013-14	23.53
83	West Bengal	Pr. CIT 4, Kolkata	International Seaports (Haldia) Pvt Ltd /AAACI9468D /AY 2013-14	158.78
84	West Bengal	Pr. CIT (C) 2, Kolkata	MSP Steel & Power Ltd /AACCA2756N /AY 2007-08	385.93
		<b>Total</b>		<b>86820.52</b>

**Appendix 26**  
**(Refer Para No: 3.4.2)**  
**Irregular set off of MAT credit**

Sr. No.	State	Pr.CIT/CIT Charge	Name of the assessee/PAN/AY	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	ADP India Ltd /AAACN2655C/AY 2010-11	421.74
2	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	ADP India Ltd / AAACN2655C/AY 2010-11	234.90
3	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	AVRA Laboratories P Ltd /AABCA7317G/AY 2013-14	52.76
4	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Transmission Corporation of AP Ltd /AABCT0088P/AY 2013-14	3723.41
5	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	Sathavahana Ispat Ltd /AACCS8982L/AY 2011-12	30.62
6	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Matrix Laboratories Ltd /AADCM3491M/AY 2009-10	1132.24
7	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Mylan Laboratories Ltd (Formerly Matrix Labs) /AADCM3491M/AY 2010-11	990.88
8	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Mylan Laboratories Ltd (Formerly Matrix Labs) /AADCM3491M/AY 2012-13	671.25
9	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Nava Bharat Ventures Ltd /AAACN7327C/AY 2008-09	664.99
10	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Manjeera Constructions Ltd /AABCM4763G/AY 2012-13	85.04
11	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Prithvi Information Solutions P Ltd /AACCP5281E/AY 2010-11	63.23
12	Andhra Pradesh & Telangana	Pr. CIT V, Hyderabad	Dr Reddys Laboratories Ltd /AAACD7999Q/AY 2007-08	1202.80
13	Andhra Pradesh & Telangana	Pr. CIT V, Hyderabad	Deloitte Consulting India P Ltd /AABCD0476H/AY 2012-13	1136.48
14	Andhra Pradesh & Telangana	Pr. CIT V, Hyderabad	Deloitte Consulting India P Ltd /AABCD0476H/AY 2011-12	798.98
15	Andhra Pradesh & Telangana	Pr. CIT V, Hyderabad	Dharti Dredging and Infrastructure Ltd /AABCB6612N/AY 2013-14	113.13
16	Andhra Pradesh & Telangana	Pr. CIT ( C ), Hyderabad	Madhucon Projects Ltd / AABCM4757A/AY 2009-10	273.11
17	Andhra Pradesh & Telangana	Pr. CIT ( C ), Hyderabad	Axis Clinicals Ltd /AAHCA9013B/AY 2012-13	67.33
18	Andhra Pradesh & Telangana	Pr. CIT Guntur	Viswateja Spinning Mills Ltd /AABCV8759M/AY 2013-14	82.52
19	Andhra Pradesh & Telangana	Pr. CIT I, Visakhapattanam	Facoralloys Ltd /AAACG8101C/AY 2010-11	114.30
20	Andhra Pradesh & Telangana	Pr. CIT II, Visakhapattanam	Venkatrama Oil Industries Ltd /AADCS1673D/AY 2013-14	14.92
21	Assam	CIT 1, Guwahati	G B Choudhury Holdings (P) Ltd /AABCG7865R/AY 2013-14	3.85
22	Bihar	Pr. CIT 1, Patna	Shrinivash (Gujrat) Laboratories Pvt Ltd /AAECS8612D/AY 2012-13	46.03
23	Bihar	Pr. CIT 1, Patna	Renovision Exports Pvt Ltd, Patna /AABCR7100A/AY 2012-13	11.17
24	Bihar	Pr. CIT 1, Patna	Scorpion Container Pvt Ltd /AAICS4086K/AY 2013-14	7.49

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25	Bihar	Pr. CIT (C), Patna	Pujaagro Foods Ltd, /AACCP8655M/ AY 2006-07 to 2008-09	1.11
26	Chhattisgarh	Pr. CIT 2, Raipur	Pilania Steels Pvt Ltd /AABCP3690H/ AY 2010-11	4.49
27	Delhi	CIT (C) II, Delhi	Minda Industries Ltd /AAACM1152C/ AY 2012-13	171.92
28	Delhi	CIT VIII, Delhi	Shri Lal Mahal Ltd /AAECS5326C/AY 2013-14	388.08
29	Delhi	CIT LTU, Delhi	Exl Service Com India Pvt Ltd /AAACE5174C/AY 2012-13	313.33
30	Delhi	CIT 7, Delhi	Rathi Suuper Steel Ltd /AAACR0182M/AY 2012-13	329.62
31	Delhi	CIT 6, Delhi	Moet Hennessy Pvt Ltd /AACCM4079L/AY 2013-14	205.72
32	Gujarat	CIT (C) 1, Ahmedabad	JMC Project (India) Ltd /AAACJ3814E/AY 2008-09	83.90
33	Gujarat	CIT (C) 1, Ahmedabad	JMC Project (India) Ltd /AAACJ3814E/AY 2013-14	309.55
34	Gujarat	CIT 1, Ahmedabad	Cignex Datamatics Technologies Ltd /AACCC8372M/AY 2012-13	25.26
35	Gujarat	CIT 1, Baroda	Gujarat State Electricity Corporation / AAACG6864F/ AY 2010-11	331.48
36	Gujarat	CIT 2, Ahmedabad	E-Infochips Ltd /AACCS1310E/AY 2012-13	296.53
37	Gujarat	CIT 2, Ahmedabad	E-Infochips Ltd / AACCS1310E/AY 2013-14	399.52
38	Gujarat	CIT 2, Ahmedabad	Ganesh Housing Corn, Ltd/AAACG5590Q/AY 2013-14	63.75
39	Gujarat	CIT 2, Vadodara	Sodium Metal Pvt Ltd /AACCS5499J/AY 2012-13	18.75
40	Gujarat	CIT 2, Vadodara	Panasonic Energy India Co Ltd /AAACL3332R/AY 2012-13	8.11
41	Gujarat	CIT 3, Ahmedabad	Nirma Ltd / AAACN5350K/AY 2011-12	708.61
42	Gujarat	CIT 4, Ahmedabad	Sympol Products Pvt Ltd / AADCS9255P/AY 2013-14	20.33
43	Gujarat	CIT Gandhinagar	R World Leisure Ltd /AAABCR4778A/AY 2013-14	5.23
44	Gujarat	CIT Gandhinagar	Oswal Industries Ltd /AAACO3443L/AY 2013-14	8.51
45	Gujarat	Pr. CIT, Ahmedabad	Neesa Technologies Pvt Ltd /AABCG5430A/AY 2013-14	5.04
46	Haryana	CIT Gurgaon	Gerson Lehrman Group India (P) Ltd //AY 2012-13	31.77
47	Jharkhand	Pr. CIT, Ranchi	Basudebauto Ltd /AABCB7074K/AY 2012-13	3.34
48	Jharkhand	Pr. CIT, Ranchi	Bihar Foundry and Castings Ltd /ABCB1852D/AY 2011-12	1.64
49	Karnataka	CIT LTU, Bangalore	Rittal India (P) Ltd/AAACR7927A/AY 2011-12	11.43
50	Karnataka	CIT LTU, Bangalore	Robert Bosch Engineering and Business Solutions Ltd / AAACR7108R/AY 2011-12	286.55
51	Karnataka	CIT LTU, Bangalore	Toyota Kirloskar Auto Parts (P) Ltd / AABCT5590Q/AY 2009-10	846.44
52	Karnataka	CIT LTU, Bangalore	State Bank Of Mysore/ AACCS0155P/AY 2012-13	1348.08

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53	Karnataka	Pr. CIT (C) Bangalore	Chaitanya Properties Pvt Ltd / AAACC5900A/AY 2013-14	342.98
54	Karnataka	Pr. CIT 1, Bangalore	Armstrong Design Pvt Ltd /AAECA7775K/AY 2012-13	30.64
55	Karnataka	Pr. CIT 1, Bangalore	Amazon Development Centre India Pvt Ltd /AAECA7705P/AY 2012-13	104.61
56	Karnataka	Pr. CIT 1, Bangalore	Brillio Technologies Pvt Ltd (Formerly Known as Collabera Solutions Ltd) / AABCP2354A/AY 2011-12	149.54
57	Karnataka	Pr. CIT 1, Bangalore	Altisource Business Solution Pvt Ltd/ AAACO9467A/ AY 2012-13	291.12
58	Karnataka	Pr. CIT 2, Bangalore	DCS International Pvt Ltd / AABCD9549F/ AY 2012-13	8.48
59	Karnataka	Pr. CIT 2, Bangalore	Cable & Wireless Networks India Pvt Ltd /AADCC1079M/AY 2011-12	50.81
60	Karnataka	Pr. CIT 2, Bangalore	Electronics for Imaging India Pvt Ltd, /AAACG6053E/AY 2012-13	68.10
61	Karnataka	Pr. CIT 3, Bangalore	Internaational Stones India Pvt Ltd /AABCI1821R/AY 2013-14	121.48
62	Karnataka	Pr. CIT 3, Bangalore	Internaational Stones India Pvt Ltd / AABCI1821R/AY 2012-13	131.68
63	Karnataka	Pr. CIT 3, Bangalore	Hewlett Packard Globalsoft Pvt Ltd / AAACD4078L/AY 2010-11	840.89
64	Karnataka	Pr. CIT 3, Bangalore	Hewlett Packard Globalsoft Pvt Ltd /AAACD4078L/AY 2011-12	4758.99
65	Karnataka	Pr. CIT 3, Bangalore	Hewlett Packard (India) Software Operation Pvt Ltd /AAACH7164B/AY 2012-13	218.08
66	Karnataka	Pr. CIT 3, Bangalore	Galax E Solutions India (P) Ltd / AABCG9007F/AY 2012-13	32.62
67	Karnataka	Pr. CIT 3, Bangalore	First Advantage Offshore Services Pvt Ltd /AAACZ1029M/AY 2011-12	56.08
68	Karnataka	Pr. CIT 4, Bangalore	Mindteck (India) Ltd /AAACH1072Q/AY 2011-12	44.56
69	Karnataka	Pr. CIT 4, Bangalore	Jeans Knit Pvt Ltd / AABCI4513B/AY 2012-13	1281.90
70	Karnataka	Pr. CIT 4, Bangalore	Moog India Technology Center Pvt Ltd / AAGCM3566Q/AY 2012-13	73.90
71	Karnataka	Pr. CIT 4, Bangalore	Marlabs Software Pvt Ltd / AACCM6627Q/AY 2011-12	97.61
72	Karnataka	Pr. CIT 5, Bangalore	Royal Orchid Hotels Ltd /AABCR0111M/AY 2011-12	43.18
73	Karnataka	Pr. CIT 5, Bangalore	Opto Circuits India Ltd / AAACO2165P/AY 2010-11	55.53
74	Karnataka	Pr. CIT 5, Bangalore	Nuance Transcription Services India Pvt Ltd /AAACF3465F/AY 2011-12	100.50
75	Karnataka	Pr. CIT 6, Bangalore	SAP Labs India Pvt Ltd / AAFCS3649P/AY 2012-13	1578.63
76	Karnataka	Pr. CIT 6, Bangalore	SAP India Pvt Ltd /AACCS7483E/AY 2012-13	5262.48
77	Karnataka	Pr. CIT 6, Bangalore	Sutures India Pvt Ltd / AACCS6580N/AY 2012-13	9.57
78	Karnataka	Pr. CIT 6, Bangalore	Software AG Bangalore Technologies Pvt Ltd /AAACW5438M/AY 2013-14	170.27

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79	Karnataka	Pr. CIT 7, Bangalore	Xalted Information Systems Pvt Ltd /AAFCS5024G/AY 2012-13	4.11
80	Karnataka	Pr. CIT 7, Bangalore	Xalted Information Systems Pvt Ltd /AAFCS5024G/AY 2013-14	19.52
81	Karnataka	Pr. CIT 7, Bangalore	Wipro Technology Services Ltd / AACCC4700G/AY 2013-14	99.32
82	Karnataka	Pr. CIT 7, Bangalore	ThoughtWorks Technologies Pvt Ltd /AABCT3936G/AY 2012-13	870.32
83	Karnataka	Pr. CIT Belgaum	Jamkhandi Sugars Ltd /AAACJ8575C/AY 2011-12	30.47
84	Karnataka	Pr. CIT Goa	Betts India Pvt Ltd /AACCB8811F/AY 2011-12	213.68
85	Karnataka	Pr. CIT Goa	Shraddha Ispat Pvt Ltd /AAHCS4567J/AY 2010-11	23.24
86	Karnataka	Pr. CIT Goa	Kamat Construction (P) Ltd / AAACK8135H/AY 2013-14	41.31
87	Karnataka	Pr. CIT Goa	Kamat Construction (P) Ltd /AAACK8135H/AY 2012-13	86.08
88	Karnataka	Pr. CIT Mangalore	Yojaka India Pvt Ltd / AAACY1852D/AY 2013-14	100.58
89	Karnataka	Pr. CIT Mangalore	Mangalore Minerals Pvt Ltd /AABCM3953G/AY 2013-14	10.99
90	Kerala	CIT I, Kochi	SFO Technologies Pvt Ltd /AADCS3318K/AY 2009-10	97.53
91	Kerala	CIT I, Kochi	Trinityarcade Private Ltd / AACCT2098L/AY 2009-10	82.82
92	Kerala	CIT I, Kochi	Aromatic Ingredients Pvt Ltd /AAFCA3007M/AY 2012-13	8.54
93	Kerala	CIT Kottayam	N C John & Sons Pvt Ltd /AABCN0264H/AY 2011-12	13.71
94	Kerala	CIT Kottayam	N C John & Sons Pvt Ltd /AABCN0264H/AY 2012-13	5
95	Kerala	CIT Kozhikode	Indus Motor Company Pvt Ltd /AAACI4904J/AY 2013-14	78.07
96	Kerala	CIT Kozhikode	Swarnakamal Jewels India Pvt Ltd /AAMCS0682H/AY 2012-13	9.23
97	Kerala	CIT Kozhikode	Travancore Gold India Pvt Ltd /AACCT9547Q/AY 2012-13	10.85
98	Kerala	CIT Thiruvananthapuram	lbs Software Services Pvt Ltd /AAACI6825N/AY 2010-11	130.26
99	Kerala	CIT Thiruvananthapuram	lbs Software Services Pvt Ltd /AAACI6825N/AY 2011-12	465.88
100	Kerala	CIT Thiruvananthapuram	Suntech Business Solutions (P) Ltd / AAICS8020K/AY 2011-12	58.21
101	Kerala	CIT Thrissur	The South Indian Bank Ltd / AABCT0022F/AY 2008-09	3572.48
102	Kerala	CIT Thrissur	Imperial Spirits Ltd /AACCP1055F/AY 2011-12	53.74
103	Madhya Pradesh	Pr. CIT Gwalior	Agro Solvent Products Private Ltd / AACCA7855L/AY 2011-12	52.06
104	Madhya Pradesh	Pr. CIT I, Indore	Navratan Techbuild Pvt Ltd / AACCN0937A/AY 2012-13	55.97

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105	Madhya Pradesh	Pr. CIT I, Indore	Agro Phos (India) Ltd /AAECA3241N/AY 2013-14	1.45
106	Madhya Pradesh	Pr. CIT I, Indore	Dharauto-Motives Pvt Ltd /AABCD4418K/AY 2013-14	4.00
107	Madhya Pradesh	Pr. CIT I, Indore	Molekule (India) Pvt Ltd /AAECM6967F/AY 2012-13	3.98
108	Madhya Pradesh	Pr. CIT I, Indore	Nanofil Technologies Pvt Ltd / AADCN1673Q/AY 2013-14	2.71
109	Madhya Pradesh	Pr. CIT Gwalior	GLR Real Estate Pvt Ltd /AACCG4572A/AY 2013-14	49.16
110	Madhya Pradesh	Pr. CIT Gwalior	Suryansh Shares Tradersand Developers Pvt Ltd / AAICS5976L/AY 2012-13	1.12
111	Madhya Pradesh	Pr. CIT (C), Bhopal	Moirra Steels Ltd /AABCM2051K/AY 2010-11	5.52
112	Madhya Pradesh	Pr. CIT II, Jabalpur	Charak Diagnosticsand Research Centre Pvt Ltd /AADCC1051H/AY 2011-12	1.37
113	Madhya Pradesh	Pr. CIT II, Jabalpur	Waidhan Engineeringand Industry Pvt Ltd / AAACW4013A/AY 2012-13	1.66
114	Madhya Pradesh	Pr. CIT I, BHOPAL	Asnani Buildersand Developers Ltd /AAFCA5950K/AY 2011-12	15.61
115	Maharashtra	Pr. CIT LTU, Mumbai	Aditya Birla Nuvo Ltd /AAACI1747H/AY 2006-07	92.87
116	Maharashtra	Pr. CIT LTU, Mumbai	Ruby Macons Ltd (Now MWV India Paperboard Packaging Pvt Ltd) /AAACR1939A/AY 2010-11	5.06
117	Maharashtra	Pr. CIT LTU, Mumbai	Rashtriya Chemiclas & Fertilizers Ltd / AAACR2831H/AY 2013-14	144.49
118	Maharashtra	Pr. CIT 1, Mumbai	Hindustan Petroleum Corporation Ltd /AAACH1118B/AY 2012-13	5893.07
119	Maharashtra	Pr. CIT 2, Mumbai	Tata Sons /AAACT4060A/AY 2011-12	6148.25
120	Maharashtra	Pr. CIT 2, Mumbai	L & T Power Development Ltd / AABCL3867C/AY 2013-14	28.51
121	Maharashtra	Pr. CIT 2, Mumbai	Bristlecone India Ltd /AAACM5186E/AY 2012-13	82.55
122	Maharashtra	Pr. CIT 2, Mumbai	Bristlecone India Ltd / AAACM5186E/AY 2013-14	50.05
123	Maharashtra	Pr. CIT 2, Mumbai	Nhava Sheva International Container Terminal Pvt Ltd / AABCN0185H/AY 2013-14	756.38
124	Maharashtra	Pr. CIT 3, Mumbai	Positive Packaging Industries Ltd / AAACP2836Q/AY 2012-13	137.57
125	Maharashtra	Pr. CIT 3, Mumbai	Kuoni Travels Pvt Ltd /AAACS0170L/AY 2011-12	88.87
126	Maharashtra	Pr. CIT 3, Mumbai	Jabil Circuit Pvt Ltd / AACCP7114K/AY 2012-13	740.41
127	Maharashtra	Pr. CIT 4, Mumbai	Credit Suisse Securities India Pvt Ltd /AAACC4388G/AY 2009-10 to 2010-11	517.65
128	Maharashtra	Pr. CIT 7, Mumbai	Hinduja Global Solutions Ltd / AAACT1763A/AY 2011-12 to 2012-13	1329.62
129	Maharashtra	Pr. CIT 14, Mumbai	Neelkanth Mansion and Infrastructure Pvt Ltd / AAACN1245R/AY 2013-14	19.90
130	Maharashtra	Pr. CIT (C) 3, Mumbai	Housing Development & Infrastructure Ltd / AAACH5443F/AY 2009-10	589.69
131	Maharashtra	Pr. CIT 1 Pune	Clear Point Learning Systems India Pvt Ltd / AACCC7242F/AY 2013-14	18.45

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132	Maharashtra	Pr. CIT 1 Pune	Brinton Carpetsasia Pvt Lt/ AAACB7059H/AY 2011-12	41.16
133	Maharashtra	Pr. CIT 1 Pune	Igate Computer System Ltd/AABCP6219N/AY 2012-13	3680.27
134	Maharashtra	Pr. CIT 10, Mumbai	Ambuja Cements (I) Pvt Ltd/ AACCA3390A/	117.51
135	Maharashtra	Pr. CIT 10, Mumbai	India Medtronic Pvt Ltd?AAACI4227Q/ 2010-11	214.02
136	Odisha	Pr. CIT 1, Bhubaneswar	Indian Metaland Ferroalloys Ltd /AAACI4818F/AY 2010-11	1285.93
137	Odisha	Pr. CIT 1, Bhubaneswar	Tarunshree Cotton (P) Ltd /AABCT9558J /AY 2013-14	5.10
138	Odisha	Pr. CIT Cuttack	Swapna Motors P Ltd /AAFCS1450A/AY 2013-14	6.72
139	Odisha	Pr. CIT Cuttack	Rajalaxmi Constructions Ltd /AAACR8437P/AY 2012-13	2.70
140	Punjab	CIT 2, Chandigarh	Agylyst Consulting (P) Ltd/AAHCA0105A/AY 2012-13	96.02
141	Rajasthan	CIT 1, Jaipur	P R Rolling Mills Pvt Ltd / AABCP4072F/AY 2012-13	2.51
142	Rajasthan	CIT 2, Jaipur	Agribiotech Industries Ltd/ AAFC1695R/AY 2013-14	35.90
143	Rajasthan	CIT 2, Jaipur	Isys Softech Pvt Ltd/AAACI7859J/AY 2013-14	7.82
144	Rajasthan	CIT 2, Jaipur	Bajrang Bali Pulses Pvt Ltd/ AABCB5271C/AYs 2012-13 to 2013-14	2.27
145	Rajasthan	CIT 3, Jaipur	Paris Elysees India Pvt Ltd / AABCP4088P/AY 2013-14	11.22
146	Rajasthan	CIT 3, Jaipur	Jhunjhunu Balaji Motors Pvt Ltd / AABCJ9791P/AY 2012-13	1.88
147	Rajasthan	CIT 3, Jaipur	Lupin Forging Pvt Ltd /AABCL6672M/AY 2013-14	1.35
148	Rajasthan	CIT (C) Jaipur	Raghuv eer Metal Industries Ltd / AABCR7496R/AY 2011-12	1.82
149	Rajasthan	CIT Udaipur	Tirupati Microtech Pvt Ltd /AAACT5483D/AY 2013-14	24.45
150	Rajasthan	CIT Udaipur	E-Connect Solutions Pvt Ltd / AAACE5120G/AY 2013-14	1.81
151	Tamilnadu	Pr. CIT Salem	Avr Swarna Mahal Jewellery Pvt Ltd /AAHCA9042L/AY 2012-13	206.97
152	Tamilnadu	Pr. CIT Salem	Arunachala Gounder Textiles Mills Pvt Ltd / AABCA7821M /AY 2013-14	18.85
153	Tamilnadu	Pr. CIT 1, Chennai	Ascendas IT SEZ (Chennai) Pvt Ltd / AAFC15329L /AY 2012-13	13.52
154	Tamilnadu	Pr. CIT 1, Chennai	Ascendas IT SEZ (Chennai) Pvt Ltd / AAFC15329L / AY 2013-14	22.08
155	Tamilnadu	Pr. CIT 1, Coimbatore	ABT Ltd /AABCA8398K/AY 2012-13	25.95
156	Tamilnadu	Pr. CIT 1, Coimbatore	ABT Ltd / AABCA8398K / AY 2013-14	270.94
157	Tamilnadu	Pr. CIT 1, Coimbatore	T Stanesand Company Ltd /AAACT7126P/ AY 2012-13	45.10
158	Tamilnadu	Pr. CIT 2, Chennai	Eagle Press Pvt Ltd /AAACE1442P/AY 2013-14	160.47

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159	Tamilnadu	Pr. CIT 2, Chennai	Faber Sindoori Management Services Pvt Ltd /AABCF1460B/AY 2013-14	19.38
160	Tamilnadu	Pr. CIT 2, Chennai	GB International Pvt Ltd / AABCP3453G/AY 2013-14	16.24
161	Tamilnadu	Pr. CIT 2, Chennai	Gea Cooling Tower Technologies India Pvt Ltd /AACG7891G/AY 2013-14	186.38
162	Tamilnadu	Pr. CIT 2, Coimbatore	SMP Textiles Mills Pvt Ltd /AACCS9447A/AY 2013-14	49.22
163	Tamilnadu	Pr. CIT 4, Chennai	Kals Distilleries Pvt Ltd / AADCK3803F/AY 2013-14	109.49
164	Tamilnadu	Pr. CIT 4, Chennai	Kilburn Chemicals Ltd /AAACK1427A/AY 2011-12	49.27
165	Tamilnadu	Pr. CIT 5, Chennai	R R Construction and Infrastructure Pvt Ltd /AADCR6735R/AY 2013-14	192.55
166	Uttar Pradesh	Pr. CIT Noida	Elcomponics Sales Pvt Ltd /AABCE6120F/AY 2013-14	558.43
167	West Bengal	Pr. CIT (C) 1, Kolkata	Bengal Energy Ltd /AADCB1581F/AY 2011-12	166.31
168	West Bengal	Pr. CIT (C) 2, Kolkata	Barak Valley Cements Ltd /AABCB5691A /AY 2009-10	16.23
169	West Bengal	Pr. CIT (C) 2, Kolkata	Meghalaya Cements Ltd /AADCM8079P /AY 2011-12	26.41
170	West Bengal	Pr. CIT 2, Kolkata	R D B Realty and Infrastructure Ltd /AADCR8845C/AY 2012-13	22.44
171	West Bengal	Pr. CIT 2, Kolkata	R D B Realty and Infrastructure Ltd /AADCR8845C/AY 2013-14	109.48
172	West Bengal	Pr. CIT 2, Kolkata	Madhusala Drinks Pvt Ltd /AACCM1152E/AY 2012-13	7.64
173	West Bengal	Pr. CIT 2, Kolkata	Sky Scrappers Steel Ltd /AABCG2845F/AY 2010-11	23.83
174	West Bengal	Pr. CIT 3, Kolkata	SPML Infra Pvt Ltd /AADCS2469K /AY 2007-08	47.24
175	West Bengal	Pr. CIT 4, Kolkata	Sarvottam Caps Pvt Ltd /AADCS8806J /AY 2013-14	21.07
176	West Bengal	Pr. CIT 4, Kolkata	Startrack Vinimay Pvt Ltd /AAECS8982J /AY 2013-14	20.19
177	West Bengal	Pr. CIT 4, Kolkata	Hindustan Gum & Chemicals Ltd /AAACH7214E/AY 2012-13	41.72
			<b>Total</b>	<b>65007.29</b>

**Appendix 26.1**

(Refer Para No: 3.4.2)

**Non allowance of set off of MAT credit**

Sr. No.	State	Pr.CIT/CIT Charge	Name of the assessee/PAN/AY	Tax Effect (₹ in lakh)
1	Gujarat	CIT (C) 1, Ahmedabad	Suraj Ltd / AAGCS6939N / AYs 2010-11 to 2014-15	119.97
2	Gujarat	CIT 1, Baroda	Jewel Consumer Care Pvt. Ltd/AACB8634Q/AY 2013-14	90.63
3	Gujarat	CIT 1, Baroda	GUVNL / AACCG2861L / AY 2012-13	3882.09
			<b>Total</b>	<b>4092.69</b>



**Appendix 27**  
**(Refer Para No: 3.5)**

**Incorrect allowance of brought forward business loss/unabsorbed depreciation as per books of account**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Heteromed Solutions Pvt Ltd/ AABCH9248M / AY 2013-14	20.59
2	Assam	CIT 2, Guwahati	Karnak Distillery (P) Ltd / AABCK5679H / AY 2010-11	7.74
3	Bihar	Pr. CIT 1, Patna	Goddres Pharmaceuticals Pvt Ltd / AADCG6434C / AY 2012-13	8.46
4	Bihar	Pr. CIT 1, Patna	Ashoka Auto Enterprises Pvt Ltd / AACCA9482D / AY 2011-12	1.64
5	Delhi	CIT 2, Delhi	Cepco Industries Pvt Ltd/ AAACC1194N / AY 2012-13	142.95
6	Gujarat	CIT 3, Ahmedabad	Nagaur Water Supply Co Pvt Ltd / AACCN7403R / AY 2013-14	9.68
7	Haryana	CIT Gurgaon	Syniverse Technologies (India) Pvt Ltd/ AAMCS2284H / AY 2012-13	193.00
8	Himachal Pradesh	CIT Shimla	Sidhartha Super Spinning Mills Pvt Ltd/ AAACS4904J / AY 2012-13	13.46
9	Karnataka	Pr. CIT 1, Bangalore	Bread Basket Pvt Ltd/AACCB5438N / AY 2012-13	0.00
10	Karnataka	Pr. CIT 1, Bangalore	Brady Company India Pvt Ltd/ AACCB8163A / AY 2010-11	0.00
11	Karnataka	Pr. CIT 1, Bangalore	Bangalore Pharmaceuticals And Research Laboratory (P) Ltd/AAACB5712H/AY 2012-13	0.00
12	Karnataka	Pr. CIT 2, Bangalore	Cessna Garden Developers Pvt Ltd/ AAACC8539R / AY 2013-14	0.00
13	Karnataka	Pr. CIT 2, Bangalore	Ecom Gill Coffee Trading Pvt Ltd/ AAACE7863N / AY 2010-11	0.00
14	Karnataka	Pr. CIT 3, Bangalore	Gokak Textiles Ltd / AACCG8244P / AY 2013-14	610.46
15	Karnataka	Pr. CIT 3, Bangalore	Infocon International Ltd/ AAACI3319P / AY 2013-14	57.03
16	Karnataka	Pr. CIT 4, Bangalore	Microland Ltd / AABCM2704P / AY 2013-14	0.00
17	Karnataka	Pr. CIT 4, Bangalore	J.K Fabrics (Bangalore) Pvt Ltd / AABCJ6118Q / AY 2013-14	0.00
18	Karnataka	Pr. CIT 6, Bangalore	Sudhir Papers Ltd / AABCS9250L / AY 2012-13	21.25
19	Karnataka	Pr. CIT Mangalore	Lamina Foundries Ltd / AAACL3059P/ AY 2012-13	0.00
20	Karnataka	Pr. CIT Mangalore	Sequent Research Ltd / AAACL3059P/AY 2012-13	6.07
21	Karnataka	Pr. CIT Mangalore	Hotel Poonja International Pvt Ltd / AABCH1125P / AY 2011-12	0.00
22	Kerala	CIT I, Kochi	Symega Savoury Technology Ltd / AAKCS0062P / AY 2013-14	34.15
23	Kerala	CIT Kottayam	Specified Rubbers Pvt Ltd / AACCS9257N / AY 2013-14	4.51

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24	Maharashtra	Pr. CIT 1, Mumbai	HDFC Ergo General Insurance Company Ltd / AABCH0738E / AY 2013-14	304.15
25	Maharashtra	Pr. CIT 2, Mumbai	Bobcards Ltd / AAACB1989L / AY 2012-13	126.67
26	Maharashtra	Pr. CIT 3, Mumbai	Rockwood Hotels & Resorts Ltd / AAACH8611F / AY 2011-12	30.35
27	Maharashtra	Pr. CIT 8, Mumbai	Vizag Seaport Pvt Ltd/ AABCG4141J/2010-11	177.75
28	Maharashtra	Pr. CIT 8, Mumbai	Ram Ratna Infrastructure Pvt Ltd / AAACH9248N / AY 2013-14	5.89
29	Rajasthan	CIT Udaipur	American International Health Management Ltd/AADCA5692C/AYs 2012-13 to 2013-14	116.81
30	Rajasthan	CIT 3, Jaipur	Anil Special Steel Industries Ltd / AACCA2038F / AY 2011-12	82.00
31	Tamilnadu	Pr. CIT 1, Madurai	Rajapalayam Mills Ltd / AAACR8897F / AY 2013-14	141.67
32	Tamilnadu	Pr. CIT 3, Chennai	TVS-E Service Tec Ltd / AACCT6970F / AY 2012-13	38.1
33	Tamilnadu	Pr. CIT 3, Coimbatore	Reenergy Equipments India Pvt. Ltd / AADCR7729P / AY 2012-13	30.07
34	Uttar Pradesh	Pr. CIT II, Agra	ACPL Products (P) Limited / AADCA3621R / AY 2012-13	28.8
35	Uttar Pradesh	Pr. CIT (C) Kanpur	NSD Nirman (P) Ltd / AACCN1612L / AY 2010-11	6.53
36	West Bengal	Pr. CIT (C) 2, Kolkata	Octal Suppliers Pvt Ltd / AAAC03505D / AY 2012-13	77.69
			<b>Total</b>	<b>2297.47</b>

**Appendix 28**  
**(Refer para No : 3.6)**

**Incorrect reduction of the amount withdrawn from the reserve**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS	Tax Effect (₹ in lakh)
1	Haryana	CIT Gurgaon	Septu India (P) Ltd / AAFCS0224A / AY 2012-13	5.83
2	Karnataka	CIT LTU Bangalore	Tejas Networks Ltd / AABCT1670M / AY 2011-12	45.67
3	Karnataka	CIT LTU Bangalore	Schneider Electric IT Business India Pvt Ltd / AACCA6398Q / AY 2011-12	153.73
4	Karnataka	Pr. CIT 4, Bangalore	Maini Precision Products Pvt Ltd/AABCM8269R/AY 2011-12	71.43
5	Karnataka	Pr. CIT 4, Bangalore	Karnataka State Industrial & Infrastructure Development Corporation Ltd/AAACK5531H/ AY 2013-14	547.89
6	Karnataka	Pr. CIT 5, Bangalore	Napean Trading & Investment Co Pvt Ltd / AAACN2710M / AY 2012-13	46.24
7	Karnataka	Pr. CIT 5, Bangalore	Napean Trading & Investment Co Pvt Ltd / AAACN2710M / AY 2013-14	26.42
8	Maharashtra	Pr. CIT 3, Mumbai	Bharat Serums And Vaccines Ltd / AAACB2431M / AY 2013-14	8.37
9	Maharashtra	Pr. CIT 3, Mumbai	Jabil Circuit Pvt Ltd / AACCP7114K / AY 2011-12	85.67
10	Maharashtra	Pr. CIT 10, Mumbai	KMC Oil Tools India Pvt Ltd / AACCK6165D / AY 2013-14	23.00
11	Tamilnadu	Pr. CIT 1, Chennai	Cema Electric Lighting Products India Pvt Ltd / AACCC9663Q / AY 2013-14	301.9
12	Tamilnadu	Pr. CIT 3, Chennai	TVS-E Service Tec Ltd / AACCT6970F / AY 2012-13	89.44
13	Tamilnadu	Pr. CIT 1, Madurai	Golden Weaving Mills Pvt Ltd / AAACG6671L / AY 2012-13	102.77
			<b>Total</b>	<b>1508.36</b>

**Appendix 29**  
(Refer Para No: 3.7)

**Non-observance of procedure laid down for allowing exemption to sick industrial companies from computation of book profit**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYs	Tax Effect (₹ in lakh)
1	Maharashtra	Pr. CIT 1, Mumbai	Ganesh Benzoplast Ltd / AACG1259J/ AY 2011-12 to 2013-14	0.00
2	Maharashtra	Pr. CIT 3, Mumbai	TPI India Ltd / AACCT7772P / AY 2009-10	0.00
3	Maharashtra	Pr. CIT 3, Mumbai	TPI India Ltd / AACCT7772P / AYs 2010-11 to 2013-14	0.00
4	Maharashtra	Pr. CIT 8, Mumbai	Singer India Ltd / AAACS8418H / AY 2012-13	0.00
			<b>Total</b>	<b>0</b>

**Appendix 30**  
(Refer Para No: 3.8)

**Non selection of case for scrutiny**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYs	Tax Effect (₹ in lakh)
1	Delhi	CIT 4, Delhi	Interglobe Aviation Ltd / AABCI2726B / AY 2011-12	7551.00
			<b>Total</b>	<b>7551.00</b>

**Appendix 31**  
**(Refer Para No: 3.9)**  
**Other topics of interest**

Sr. No.	State	Pr. CIT Charge	Name of Assessee/PAN/ AYS	Tax Effect (₹ in lakh)
1	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Gulf Oil Corporation Ltd / AABCG8433B / AY 2011-12	514.12
2	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	HSBC Electronic Data Processing India Pvt Ltd / AAACH8235M / AY 2010-11	45.46
3	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Lycos Internet Ltd / AAACL5827B / AY 2012-13	847.40
4	Andhra Pradesh & Telangana	Pr. CIT IV, Hyderabad	Neuland Laboratories Ltd / AAACN9531E / AY 2013-14	142.42
5	Andhra Pradesh & Telangana	Pr. CIT V, Hyderabad	Dr. Reddy's Laboratories Ltd / AAACD7999Q / AY 2011-12	684.27
6	Andhra Pradesh & Telangana	Pr. CIT VII, Hyderabad	Madhucon Sugar & Power Industries Ltd/ AADCM3426A / AY 2013-14	21.74
7	Andhra Pradesh & Telangana	Pr. CIT VII, Hyderabad	Mudhucon Sugar & Power Industries Ltd/ AADCM3426A / AY 2012-13	19.47
8	Andhra Pradesh & Telangana	Pr. CIT II, Visakhapatnam	Visakha Container Terminal Pvt Ltd/ AABCB4834B / AY 2013-14	83.10
9	Assam	CIT Shillong	Nalari Ferro Alloys (P) Ltd / AACCN2195A / AY 2012-13	3.07
10	Assam	CIT 2, Guwahati	New Tech Steel & Alloys (P) Ltd / AACCN8196K/AY 2013-14	3.38
11	Delhi	CIT 3, Delhi	DLK Designs Pvt Ltd/ AACCD7292C / AY 2013-14	6.27
12	Delhi	CIT 6, Delhi	Malana Power Company / AABCN1108R / AY 2012-13	66.57
13	Delhi	CIT 9, Delhi	Telecom Consult India Pvt Ltd/AACT0061H/AY 2012-13	10.54
14	Gujarat	CIT 1, Ahmedabad	Ashima Ltd / AACCA2750L / AY 2011-12	111.17
15	Gujarat	CIT 4, Ahmedabad	Torrent Pvt Ltd/ AAAC5459R / AY 2005-06	113.97
16	Gujarat	CIT 1, Vadodara	Alembic Ltd/ AABCA7950P / AY 2010-11	92.44
17	Haryana	CIT Gurgaon	IGH IT Services (India) Pvt Ltd/AAHCS8349E/AY 2011-12	4.32
18	Karnataka	Pr. CIT Mysore	Global Tech Park Pvt Ltd/ AABCG5707C / AY 2013-14	36.46
19	Karnataka	Pr. CIT 4, Bangalore	Karnataka State Warehousing Corporation/ AAACK8505H / AY 2013-14	55.76
20	Karnataka	Pr. CIT 7, Bangalore	Tenax India Stone Products Pvt Ltd/ AACCT2406Q / AY 2012-13	13.33
21	Kerala	CIT Thiruvananthapuram	Kinesco Power And Utilities Pvt Ltd / AADCK6512B / AY 2012-13	4.35
22	Kerala	CIT Thiruvananthapuram	Qburst Technologies Pvt Ltd/ AAACQ1171B / AY 2013-14	6.19
23	Maharashtra	Pr. CIT LTU, Mumbai	Lupin Ltd/ AAACL1069K / AY 2010-11 & 2011-12	1435.64
24	Maharashtra	Pr. CIT LTU, Mumbai	Reliance Industries Ltd / AAACR5055K / AY 1997-98	12.91

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25	Maharashtra	Pr. CIT LTU, Mumbai	Reliance Industries Ltd/ AAACR5055K/2011-12	1317.42
26	Maharashtra	Pr. CIT 1, Mumbai	The West Coast Paper Mills Ltd /AAACT4179N / AY 2010-11	44.85
27	Maharashtra	Pr. CIT 2, Mumbai	DCB Bank Ltd / AAACD1461F / AY 2012-13	726.05
28	Maharashtra	Pr. CIT 2, Mumbai	DCB Bank Ltd / AAACD1461F / AY 2013-14	1705.75
29	Maharashtra	Pr. CIT LTU, Mumbai	The Shipping Corporation Of India Ltd/AAACT1524F/AY 2011-12	224.59
30	Maharashtra	Pr. CIT 7, Mumbai	Hindustan Composites Ltd / AAACH0973N / AY 2013-14	12.64
31	Maharashtra	Pr. CIT 8, Mumbai	Sahyadri Starch & Industries Pvt Ltd/AAFCS8884C/AY 2013-14	13.93
32	Maharashtra	Pr. CIT 10, Mumbai	Kamat Hotels (India) Ltd / AAACK2912L / AY 2012-13	5.45
33	Maharashtra	Pr. CIT 10, Mumbai	Nufuture Digital (India) Ltd AACCE0402H / AY 2012-13	44.52
34	Maharashtra	Pr. CIT (C) 3, Mumbai	Alok Industries Ltd / AAACA0201C /AY 2011-12	122.07
35	Rajasthan	CIT 1, Jaipur	Kamal Auto Industries Coachworks Ltd /AAACK7046D/ AY 2012-13	1.01
36	Rajasthan	CIT 2, Jaipur	Rajasthan Financial Corporation/AACCR2385J / AY 2013-14	55.73
37	Tamilnadu	Pr. CIT 6, Chennai	Star Health & Allied Insurance Co Ltd/ AAJCS4517L / AY 2010-11	121.75
38	Tamilnadu	Pr. CIT 3, Coimbatore	S. P. Apparals Ltd/ AAJCS4031P / AY 2011-12	18.26
39	Uttar Pradesh	Pr. CIT (C) Lucknow	Subhash Stone Industries Pvt Ltd/ AABCR0021Q / AY 2009-10	36.9
40	Uttar Pradesh	Pr. CIT (C) Kanpur	Maha Luxmi Buildtech Ltd. /AADCM7320H/AY 2013-14	16.03
41	West Bengal	Pr. CIT 4, Kolkata	Tantia Constructions Ltd /AABCT0811E / AY 2012-13	60.54
42	West Bengal	Pr. CIT (C) 2, Kolkata	Century Aluminium Manufacturing Company Ltd / AABCC2200Q / AY 2013-14	28.75
			<b>Total</b>	<b>8890.59</b>

**Appendix 32**  
(Refer Para No: 4.3)

**Mismatch in the details of scrutiny disposal during the period 2015-16**

Sr. No.	Name of State	No. of AO charge	Number of scrutiny disposal as data provided by DGIT (Systems)	Scrutiny disposal as per D&CR (Company) as identified by LAP
1	Andhra Pradesh & Telangana	64	22187	671
2	Bihar	22	367	414
3	Gujarat	48	2731	886
4	Jharkhand	28	369	263
5	Karnataka	48	3001	3906
6	Kerala	29	1265	1183
7	Maharashtra	83	6002	8166
8	North East Region	30	514	574
9	Rajasthan	34	1033	154
10	Tamilnadu	56	4133	5016
11	Uttar Pradesh	71	1115	2028
12	Uttarakhand	14	164	169
13	West Bengal	83	5071	7739
	<b>Total</b>	<b>610</b>	<b>47952</b>	<b>31169</b>

**Appendix 33**  
(Refer Para No: 5.3)

**Companies liable to pay tax under MAT but escaping levy of MAT**

(₹ in lakh)

Sr. No.	State	Pr.CIT/CIT Charge	Name of the assessee	Tax leviable under MAT	Tax levied under normal provisions	Difference
1	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	Celestial Bio Labs Pvt Ltd / AABCC4698Q / AY 2008-09	174.73	0	174.73
2	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	Celestial Bio Labs Pvt Ltd / AABCC4698Q / AY 2007-08	86.51	0	86.51
3	Andhra Pradesh & Telangana	Pr. CIT I, Hyderabad	Celestial Bio Labs Pvt Ltd / AABCC4698Q / AY 2012-13	18.59	0	18.59
4	Andhra Pradesh & Telangana	Pr. CIT II, Hyderabad	Transgene Biotek Ltd / AABCT3840P / AY 2012-13	345.17	7.96	461.47
5	Andhra Pradesh & Telangana	Pr. CIT III, Hyderabad	State Bank Of Hyderabad/ AADCS4009H/AY 2006-07	6916.61	1978.78	7431.55
6	Andhra Pradesh & Telangana	Pr. CIT(C) Hyderabad	Madhucon Projects Ltd /AABCM4757A / AY 2008-09	787.78	698.89	152.01
7	Assam	CIT Shillong	The Ranibari Tea Co Ltd / AA ACT7704K / AY 2010-11	3.31	0	3.31
8	Bihar	Pr. CIT-1, Patna	Lawly'S Enterprises / AAACL7987J / AYs 2011-12 to 2012-13	2.32	0	2.32

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9	Delhi	CIT 1, Delhi	Affinity Beauty Saloon Pvt Ltd / AADCA3351L / AY 2013-14	75.1	19.62	55.47
10	Himachal Pradesh	CIT Shimla	Saiurja Hydel Projects Pvt Ltd / AAKCS3547F / AY 2012-13	95.55	90.75	4.80
11	Himachal Pradesh	CIT Shimla	Saiurja Hydel Projects Pvt Ltd / AAKCS3547F/ AY 2013-14	151.11	139.5	11.61
12	Himachal Pradesh	CIT Shimla	Ram Hari Motors Pvt Ltd / AACCR8482Q/ AY 2012-13	5.28	1.09	4.19
13	Karnataka	CIT LTU, Bangalore	Karnataka Power Transmission Corporation Ltd / AABCK7281M/AY 2010-11	101.48	0	101.48
14	Karnataka	Pr. CIT 1, Bangalore	Baehal Software Ltd / AAACB8603R / AY 2013-14	42.2	0	42.20
15	Karnataka	Pr. CIT 1, Bangalore	Arka Eduserver Pvt Ltd / AAHCA3289P / AY 2013-14	114.72	99.36	15.36
16	Karnataka	Pr. CIT 2, Bangalore	Control Infotech Pvt Ltd / AAACC5972G / AY 2013-14	15.58	0	15.58
17	Kerala	CIT Thrissur	Catholic Syrian Bank Ltd / AABCT0024D / AY 2011-12	583.76	0	583.76
18	Kerala	CIT Thrissur	Dhanlakshmi Bank Ltd / AABCT0019J / AY 2013-14	404.82	0	404.82
19	Kerala	CIT Thiruvananthapuram	Sreepadmanabha Property Developers Pvt Ltd / AAICS7036H / AY 2013-14	75.7	66.7	12.06
20	Madhya Pradesh	Pr. CIT-II, Jabalpur	M.P. Power Generating Co Ltd / AADCM4472A / AY 2008-09	102.58	0	102.58
21	Madhya Pradesh	Pr. CIT(C), Bhopal	Reva Kripa Sugars Pvt Ltd / AABCR3102L / AY 2012-13	29	0	29.00
22	Madhya Pradesh	Pr. CIT(C), Bhopal	Rai Sugar Mill Pvt Ltd / AACCR2334K/AY 2012-13	2.28	0	2.28
23	Maharashtra	Pr. CIT 1, Mumbai	Famy Energy Pvt Ltd / AABCF3176G / AY 2013-14	38.74	29.57	9.17
24	Maharashtra	Pr. CIT 2, Mumbai	DCB Bank Ltd / AAACD1461F / AY 1999-00	194.96	75.56	119.40
25	Maharashtra	Pr. CIT 4, Mumbai	Multiplier Share And Stock Advisors Pvt Ltd / AADCM6646A/ AY 2010-11	92.73	25.39	67.34
26	Maharashtra	Pr. CIT 8, Mumbai	R K Creative Designers Pvt Ltd / AADCR2372Q / AY 2013-14	30.63	23.81	6.82
27	Punjab	CIT 2 Chandigarh	Venus Remedies (P) Ltd / AAACV6524H / AY 2013-14	NA	NA	1217.47
28	Punjab	CIT 1, Chandigarh	Anbros Motors Pvt. Ltd / AABCA4174H / AY 2010-11	2.21	0	2.21
29	Tamilnadu	Pr. CIT 1, Coimbatore	Suguna Holding Pvt Ltd / AANCS3811P / AY 2012-13	1528.46	65.04	1463.42
30	Tamilnadu	Pr. CIT 1, Madurai	Aarathi Scans Pvt Ltd / AAGCA9491C / AY 2012-13	133.43	59.81	73.62
31	Tamilnadu	Pr. CIT 1, Madurai	Aarathi Scans Pvt Ltd / AAGCA9491C / AY 2013-14	117.45	85.25	32.2
32	Uttar Pradesh	Pr. CIT-II, Agra	Sea TV Network Ltd / AAICS9898P / AY 2012-13	33.16	25.68	9.7
33	West Bengal	Pr. CIT 3, Kolkata	Shree Gopal Concrete Pvt Ltd / AAJCS2118P / AY 2012-13	5.86	0	5.86
34	West Bengal	Pr. CIT 3, Kolkata	Sitaram Energy & Logistics Ltd / AAKCS8696K/AY 2012-13	63.01	0	63.01
<b>Total</b>						<b>12785.9</b>