Report of the Comptroller and Auditor General of India

for the year ended March 2013

Union Government
Department of Revenue – Direct Taxes
Report No. 10 of 2014

Laid on the table of Lok Sabha and Rajya Sabha on 18 JUL 2014

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Preface

This Report for the year ended March 2013 has been prepared for submission to the President under Article 151 of the Constitution of India.

The Report contains significant results of the compliance audit of the Department of Revenue – Direct Taxes of the Union Government.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2012-13 as well as those which came to notice in earlier years but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2012-13 have also been included, wherever necessary.

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

Highlights

This Report discusses trends, composition and systemic issues in direct taxes using data from Finance Accounts, departmental accounts, departmental MIS and findings of compliance audit.

Gross tax receipts (GTR) of Union Government in FY 2012-13 was ₹ 10,36,460 crore which represented 10.25 *per cent* of the GDP. Share of direct taxes in GTR decreased from 55.16 *per cent* (₹ 3.34 lakh crore) in FY 2008-09 to 53.93 *per cent* (₹ 5.59 lakh crore) in FY 2012-13.

Two major components of Direct taxes viz. Corporation Tax increased from ₹ 2.13 lakh crore in FY 2008-09 to ₹ 3.56 lakh crore in FY 2012-13 and Income Tax increased from ₹ 1.06 lakh crore in FY 2008-09 to ₹ 1.97 lakh crore in FY 2012-13.

Voluntary compliance declined for corporate assessees from 83.1 *per cent* to 77.5 *per cent*; however, it increased for non-corporate assessees from 87.0 *per cent* to 92.4 *per cent* during FY 2008-09 to FY 2012-13.

We noticed that the actual collection of direct tax exceeded the budget estimates in FY 2009-10 and FY 2010-11. The revised estimates were found realistic in all years as variation in actual collection ranged from (-) 3.23 *per cent* to zero *per cent* of revised estimates.

The revenue forgone on account of tax exemptions is increasing in absolute terms over the years (except FY 2010-11) but tax expenditure as a percentage of GDP, Direct Taxes and GTR is declining.

The uncollected demand increased from ₹ 2.01 lakh crore in FY 2008-09 ₹ 4.86 lakh crore in FY 2012-13. The Department indicated that more than 96 *per cent* of uncollected demand is difficult to recover in FY 2012-13.

Scrutiny assessments pending for disposal decreased to 2.8 lakh in FY 2012-13 from 4.1 lakh in FY 2011-12. Out of total 5.9 lakh scrutiny assessment cases, the Department had disposed of 3.1 lakh (51.9 *per cent*) cases in FY 2012-13.

Appeals pending with CIT(A) increased from 1.58 lakh in FY 2008-09 to 1.99 lakh in FY 2012-13. Only 85,049 appeals (29.9 *per cent*) were disposed of by the CIT(A) in FY 2012-13. The amount locked up in appeal cases with CIT(A) was ₹ 2.59 lakh crore in FY 2012-13.

We noticed that the number of pending direct refund cases has come down from 15.5 lakh in FY 2008-09 to 11.2 lakh in FY 2012-13.

Internal Audit Wing of the Income Tax Department completed 67.83 *per cent* of the targeted audits in FY 2012-13.

ITD recovered ₹ 270.40 crore in FY 2012-13 from demands raised to rectify the errors in assessments that we pointed out.

ITD completed 2.33 lakh scrutiny assessments in FY 2011-12, of which we checked 2.15 lakh cases. The incidence of errors in assessment checked in audit was 0.17 lakh which averaged to 7.9 *per cent*.

This Report discusses 459 high value and important cases issued to the Ministry. Of these, the Ministry accepted 226 cases (49 *per cent*). In 12 cases, Ministry did not accept the audit observation. In 221 cases, we were yet to receive the response as of February 2014.

The accretion in pendency in replies to audit findings each year has resulted in pile-up of 55,072 cases involving revenue effect of ₹ 55,202 crore as of 31 March 2013.

During FY 2012-13, 2,207 cases with tax effect of ₹ 899.87 crore became time-barred for remedial action.

We pointed out 332 high value cases pertaining to corporation tax with tax effect of ₹ 2,193.75 crore. We classified these cases in four broad categories namely quality of assessments involving tax effect of ₹ 774.41 crore (122 cases), administration of tax concessions/exemptions/deductions involving tax effect of ₹ 1,005.48 crore (146 cases), income escaping assessments due to omissions involving tax effect of ₹ 251.80 crore (36 cases) and over-charge of tax/interest involving ₹ 162.06 crore (28 cases).

We pointed out 110 high value cases pertaining to Income tax with tax effect of ₹ 171.87 crore. We classified these cases in four broad categories namely quality of assessments involving tax effect of ₹ 50.78 crore (38 cases), administration of tax concessions/exemptions/deductions involving tax effect of ₹ 80.06 crore (35 cases), income escaping assessments due to omissions involving tax effect of ₹ 27.22 crore (30 cases) and over-charge of tax/interest involving ₹ 13.81 crore (seven cases). Besides, we also pointed out 17 cases of Wealth Tax involving tax effect of ₹ 188.40 lakh.

We noticed that ITD disposed of an average of 59 *per cent* of the grievances within stipulated period during FY 2011-12. We noticed 7,167 instances of grievances which were pending for disposal by the concerned AOs as on

31 March 2012. The pendency of these grievances ranged from two days to more than 10 years beyond stipulated period of 60 days as on 31 March 2012. The pendency of grievances shows that there are various flaws in the system and in the administrative mechanism. The internal control for monitoring of redressal of grievances in ITD was not proper as prescribed registers/monthly reporting system was deficient.

Chapter I

Direct Tax Administration

1.1 Resources of the Union Government

1.1.1 The Government of India's resources include all revenues received by the Union Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans. Tax revenue resources of the Union Government consist of revenue receipts from direct and indirect taxes. Table 1.1 presents a summary of receipts of the Union Government, which amounted to ₹ 53,67,988.99 crore[1] for FY 2012-13. Out of this, its own receipts were ₹ 13,99,951.05 crore including gross tax receipts of ₹ 10,36,460.45 crore.

Table 1.1: Resources of the Union Government	**(₹ in crore)**
A. Total Revenue Receipts	13,47,437.62
i. Direct Tax Receipts[1]	*5,58,989.47*
ii. Indirect Tax Receipts including other taxes[1]	*4,77,470.98*
iii. Non-Tax Receipts including Grants-in-aid & contributions	*3,10,977.17*
B. Miscellaneous Capital Receipts	25,889.80
C. Recovery of Loan & Advances	26,623.63
D. Public Debt Receipts	39,68,037.94
Receipts of Government of India (A+B+C+D)	**53,67,988.99**
Note: Total Revenue Receipts include ₹ 2,91,546.61 crore, share of net proceeds of direct and indirect taxes directly assigned to states.	

1.2 Nature of Direct Taxes

1.2.1 Direct taxes levied by the Parliament mainly comprise:

- **Corporation Tax** levied on income of the companies and business organizations.

- **Income Tax** levied on income of persons, other than companies, namely individuals or Hindu Undivided Families (HUFs), firms, co-operative societies, trusts, bodies of individuals, association of persons and every artificial juridical person based on one's residential status.

1.2.2 Other direct taxes including **Wealth Tax**[2], **Securities Transactions Tax**[3] etc. It also includes **Fringe Benefit Tax, Banking Cash Transaction Tax, Expenditure Tax, Interest Tax, Hotel Receipts Tax and Estate Duties**; all of which have now been abolished.

1.2.3 Table 1.2 provides a snapshot of direct tax administration.

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1 Source: Union Finance Accounts of FY 2012-13. Direct Tax Receipts and Indirect Tax Receipts including other taxes have been worked out from the Union Finance Accounts of FY 2012-13.

2 Tax chargeable on the net wealth comprises certain assets specified under section 2(ea) of the Wealth Tax Act, 1957.

3 Tax on the value of taxable securities purchased and sold through a recognized stock exchange in India. However, no rebate under section 88E is allowable with effect from assessment year 2009-10.

Table 1.2: Direct Tax Administration					(₹ in crore)
	2008-09	**2009-10**	**2010-11**	**2011-12**	**2012-13**
1. Direct tax collection	3,33,857	3,77,594	4,45,995	4,93,987	5,58,989
2. Effective assessees (in lakh)	326.5	340.9	335.8	363.5	373.8
3. Pre-assessment collection	3,02,341	3,51,660	4,18,094	4,77,853	5,25,918
4. Post-assessment collection	56,188	73,053	95,804	1,01,646	1,11,014
5. Scrutiny assessments completed (in number)	5,38,505	4,29,585	4,55,212	3,69,320	3,08,398
6. Scrutiny assessment pending (in number)	4,15,262	4,41,035	3,91,983	4,05,487	2,85,363
7. Direct refund claims pending (in lakh)	15.5	19.4	19.5	12.5	11.2
8. Refunds	39,097	57,101	75,169	93,814	83,766
9. Interest on refunds	5,778	6,876	10,499	6,486	6,666
10. Demand pending	2,01,276	2,29,032	2,91,629	4,08,418	4,86,180
11. Appeals pending with CIT(A) (in number)	1,58,031	1,80,991	1,87,182	2,30,616	1,99,390
12. Certified demand pending	27,461	95,122	1,06,991	1,13,532	1,53,818

Source: Sl. no. 1 - Union Finance Accounts, Sl. no. 2, 5, 6, 7, 9, 11 and 12 - Directorate General of Income Tax (Logistics), Sl. no. 3, 4 and 8 - Pr. CCA, CBDT and Sl. no. 10 - Directorate of Income Tax (O & MS)

The details of tax administration are given in *Appendix-1*.

1.3 Functions and responsibilities of the Board

The Central Board of Direct Taxes (CBDT) under Department of Revenue (DOR) in the Ministry of Finance provides essential inputs for policy and planning of direct taxes in India. At the same time, it is also responsible for administration of direct tax laws through Income Tax Department (ITD). ITD deals with matters relating to levy and collection of direct taxes and *inter alia* the issues of tax evasion, revenue intelligence, widening of tax-base, providing tax payers services, grievance redressal mechanism. *Appendix-2* gives brief background of the key processes involved, role and responsibilities of DOR/CBDT.

The overall staff strength of the ITD is 57,793[4]. The sanctioned and working strength of the officers[5] as on 31 March 2013 is 8,646 and 7,493 respectively. The organizational structure of CBDT, its attached offices and field formations is shown in *Appendix-3*.

[4] This has been revised to 78,544 after cadre restructuring of the Department approved by the Government on 23.5.2013.

[5] CCIT/DGIT, CIT/DIT, Addl. CIT/DIT, JCIT/JDIT, DCIT/DDIT, ACIT/ADIT and ITOs

1.4 Growth of Direct Taxes - Trends and composition

1.4.1 Table 1.3 below gives the relative growth of direct taxes (DT) during FY 2008-09 to FY 2012-13. We find that share of direct taxes to Gross Tax Receipts[6] (GTR) decreased from 55.16 *per cent* to 53.93 *per cent* during the period. However, DT grew by 67.43 *per cent* during the same period. Direct taxes have still retained a pre-dominant position, which is a healthy sign and indicative of progressive tax system in the country.

Table 1.3: Growth of Direct Taxes (₹ in crore)

Financial Year	DT	GTR	DT as *per cent* of GTR	GDP	DT as *per cent* of GDP
2008-09	3,33,857	6,05,298	55.16	56,30,063	5.93
2009-10	3,77,594	6,24,527	60.46	64,77,827	5.83
2010-11	4,45,995	7,93,307	56.22	77,95,314	5.72
2011-12	4,93,987	8,89,118	55.56	90,09,722	5.48
2012-13	5,58,989	10,36,460	53.93	1,01,13,281	5.53

Source: DT and GTR - Union Finance Accounts, GDP – Press note of Press information Bureau, Central Statistical Organization (CSO), Ministry of Statistics. Press note dated 7 February 2014 indicates that the figures for GDP at current prices/market prices for the year 2011-12 are 2nd revised estimates and for the year 2012-13 are 1st revised estimates. The data is based on current market prices with base year 2004-05. Figures are continually being revised by CSO and this data is meant for an indicative comparison of fiscal performance with macro-economic performance.

1.4.2 Table 1.4 below gives the growth of direct taxes and its major components i.e. Corporation Tax (CT) and Income Tax (IT) in absolute terms during FY 2008-09 to FY 2012-13. During the period, the average rate of growth of CT and IT was 16.74 *per cent* and 21.39 *per cent* respectively. *Appendix-4* shows rates of taxation for corporate and non-corporate assessees for the AY 2008-09 to AY 2012-13.

Table 1.4: Growth of Direct Tax receipts and its major components (₹ in crore)

Financial Year	Direct Taxes	*per cent* growth over previous year	CT	*per cent* growth over previous year	IT	*per cent* growth over previous year
2008-09	3,33,857	6.93	2,13,395	10.62	1,06,075	3.33
2009-10	3,77,594	13.10	2,44,725	14.68	1,22,417	15.41
2010-11	4,45,995	18.12	2,98,688	22.05	1,39,102	13.63
2011-12	4,93,987	10.76	3,22,816	8.08	1,64,525	18.28
2012-13	5,58,989	13.16	3,56,326	10.38	1,96,843	19.64

1.4.3 Table 1.5 and 1.6 below shows growth of direct tax collection through different modes {Tax deducted at source (TDS), advance tax, self assessment tax, regular assessment tax} in respect of both corporation and income tax. Collection through advance tax, self assessment tax and TDS is largely indicative of degree of voluntary compliance in the system. Collection of tax through regular assessment mode occurs on assessment.

6 It includes all direct and indirect taxes.

1.4.4 Table 1.5 shows that advance tax increased from 52.47 *per cent* of the total corporate collection in FY 2011-12 to 55.33 *per cent* in FY 2012-13. TDS fell from 23.10 *per cent* of the total corporate collection in FY 2011-12 to 17.73 *per cent* in FY 2012-13. However, regular assessment tax increased from 10.05 *per cent* of the total corporate collection in FY 2011-12 to 12.82 *per cent* in FY 2012-13.

Table 1.5: Corporate assessees' collections (₹ in crore)

Financial Year	TDS	Advance Tax	Self Assessment Tax	Regular Assessment Tax	Collections
2008-09	60,088	1,22,697	18,451	12,633	2,42,304
2009-10	60,850	1,48,791	20,159	24,995	2,88,162
2010-11	68,313	1,84,263	23,056	41,916	3,55,266
2011-12	91,974	2,08,886	13,632	40,030	3,98,116
2012-13	74,481	2,32,467	18,731	53,874	4,20,147

Note: The above figures were received from the Pr. CCA, CBDT during the respective years. The figures of collection also include other receipts including surcharge & cess.

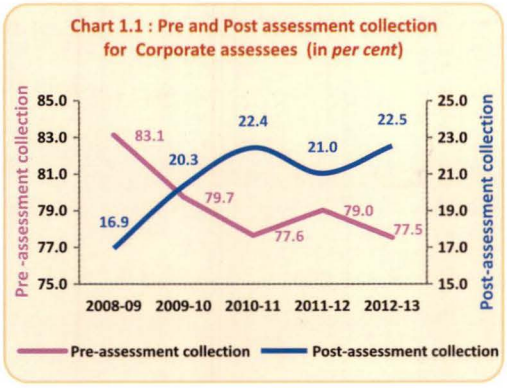
1.4.5 Table 1.6 shows that TDS collections increased from 58.83 *per cent* of total non-corporate collection in FY 2011-12 to 62.81 *per cent* in FY 2012-13. Advance tax fell from 23.51 *per cent* of total non-corporate collection in FY 2011-12 to 19.99 *per cent* in FY 2012-13. However, regular assessment tax decreased from 6.33 *per cent* of the total non-corporate collection in FY 2011-12 to 3.94 *per cent* in FY 2012-13.

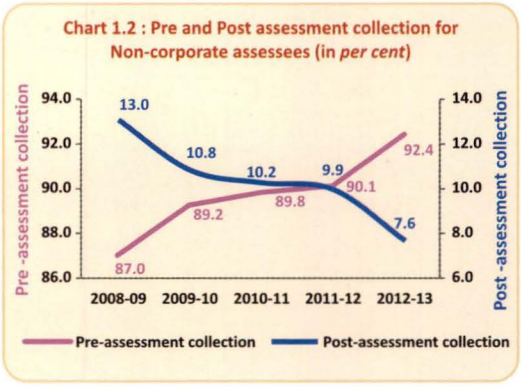
Table 1.6: Non-corporate assessees' collections (₹ in crore)

Financial Year	TDS	Advance Tax	Self Assessment Tax	Regular Assessment Tax	Collections
2008-09	68,142	20,635	12,328	8,704	1,16,225
2009-10	84,885	24,626	12,349	8,279	1,36,551
2010-11	1,00,356	28,275	13,831	9,922	1,58,632
2011-12	1,06,705	42,640	14,016	11,482	1,81,383
2012-13	1,36,173	43,327	20,739	8,544	2,16,785

Note: The above figures were received from the Pr. CCA, CBDT during the respective years. The figures of collection also include other receipts including surcharge & cess.

1.4.6 Chart 1.1 and 1.2 below shows the pre-assessment and post assessment collection in respect of corporate and non-corporate assessees during FY 2008-09 to 2012-13.

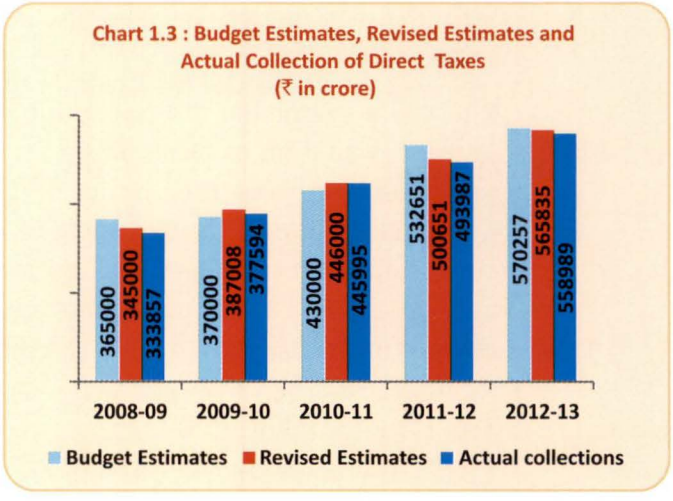




1.4.7 Voluntary compliance in respect of corporate assessees declined from 83.1 *per cent* to 77.5 *per cent* of total collection during FY 2008-09 to FY 2012-13. However, it increased for non-corporate assessees from 87.0 *per cent* to 92.4 *per cent* of total collection during the same period.

1.5 Budgeting of Direct Taxation

1.5.1 The Budget reflects the Government's vision and intent. The revenue budget consists of the revenue receipts of the Government (tax revenues and other revenues) and the expenditure met from these revenues. Comparison of budget estimates with the corresponding actual is an indicator of quality of fiscal prudence. Chart 1.3 indicates Budget Estimates (BE), Revised Estimates (RE) and actual collections of direct taxes.



1.5.2 The actual collection of direct tax exceeded the budget estimates in FY 2009-10 and FY 2010-11. The extent of actual collection exceeding the budget estimates ranged from 2.05 *per cent* in FY 2009-10 to 3.72 *per cent* in FY 2010-11. The revised estimates were found realistic in all years as variation in actual collection ranged from (-) 3.23 *per cent* to zero *per cent* of revised estimates. Table 1.7 below shows the details.

Table 1.7: Budget Estimates, Revised Estimates vis-à-vis Actual							(₹ in crore)
Financial Year	**BE**	**RE**	**Actual**	**Actual minus BE**	**Actual minus RE**	**Difference as *per cent* of BE**	**Difference as *per cent* of RE**
2008-09	3,65,000	3,45,000	3,33,857	(-) 31,143	(-) 11,143	(-) 8.53	(-) 3.23
2009-10	3,70,000	3,87,008	3,77,594	7,594	(-) 9,414	2.05	(-) 2.43
2010-11	4,30,000	4,46,000	4,45,995	15,995	(-) 5	3.72	*Zero*
2011-12	5,32,651	5,00,651	4,93,987	(-) 38,664	(-) 6,664	(-) 7.26	(-) 1.33
2012-13	5,70,257	5,65,835	5,58,989	(-) 11,268	(-) 6,846	(-) 1.98	(-) 1.21

Note: BE and RE figures are as per respective Receipts Budget and Actual are as per respective Finance Accounts

1.6 Incorrect accounting of interest on refunds

1.6.1 Interest payment[7] is a charge on the Consolidated Fund of India and is, therefore, payable through a proper budgetary mechanism. Accordingly, Minor Head "Interest on Refunds" is to be operated under the Major Head "2020-Collection of Taxes on Income and Expenditure". However, no budget provision for 'Interest on Refund' was made in the Budget Estimates for FY 2012-13 and the expenditure on interest on refunds amounting to ₹ 6,666 crore was treated as reduction in revenue. Accounting of interest on refund as reduction in revenue is incorrect as this interest was never collected.

PAC while examining the paragraph[8] also agreed with the view of CAG that interest is an item of expenditure and should not be reduced from the Gross tax collection. The PAC, in its 96th report (February 2014), exhorted the Ministry of Finance, Department of Revenue to scrupulously abide by the constitutional provisions. The Committee has also desired that "DOR seek ex ante or ex post facto parliamentary approval for interest payment on tax refunds under article 114, 115(1)(a) and 115(1)(b) respectively".

1.7 Tax expenditure

1.7.1 The main objective of any tax system is to raise revenues necessary to fund government expenditures. The amount of revenue raised is determined to a large extent by tax base and tax rates. It is also a function of a range of measures - special tax rates, exemptions, deductions, rebates, deferrals and credits that affect the level and distribution of tax. These measures are called "tax preferences".

1.7.2 The Income-tax Act, *inter alia*, provides for tax preferences to promote savings by individuals; exports; balanced regional development; creation of infrastructure facilities; scientific research and development; cooperative sector, and accelerated depreciation for capital investment. Most of these tax benefits can be availed of by both corporate and non-corporate taxpayers.

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7 We had earlier commented that the Government was following an incorrect procedure of accounting for interest paid on refunds in Audit Reports of 2004, 2005, 2006, 2007, 2008, 2009. 2009-10, 2010-11, 2011-12 and 2013.

8 Paragraph no. 4.1.1 of Report no. 1 of 2011-12 – Union Government – Accounts of the Union Government (Civil)

1.7.3 The Fiscal Responsibility and Budget Management Act 2003, requires the Central Government to take suitable measures to ensure greater transparency in its fiscal operations in public interest and minimize, as far as practicable, secrecy in the preparation of annual financial statement and demand for grants. The 13th Finance Commission also recommended adoption of more transparent methodology in calculating tax expenditure and its disclosure.

1.7.4 Union Receipt Budget depicts statement of tax expenditure since FY 2005-06 which estimates some major taxes only. These estimates are based on returns filed electronically by corporate and non-corporate assessees in recent years. The revenue forgone on account of tax exemptions is increasing in absolute terms over the years (except FY 2010-11) but tax expenditure as a percentage of GDP, Direct Taxes and GTR are declining as shown in Table 1.8.

Table 1.8: Tax Expenditure (₹ in crore)

Financial Year	Total Tax expenditure	Tax expenditure as *per cent* of		
		GDP	DT	GTR
2008-09	1,04,471	1.86	31.29	17.26
2009-10	1,18,023	1.82	31.26	18.90
2010-11	94,738	1.22	21.24	11.94
2011-12	1,01,140	1.12	20.47	11.38
2012-13	1,13,466	1.12	20.30	10.95

Note: The tax expenditure figures are as per Receipts Budget. For financial year 2012-13, figures of revenue forgone are projected.

1.7.5 There is no mechanism in DOR to monitor the results of impact of such revenue forgone. DOR carried out annual exercise of estimating the revenue forgone on account of tax incentives which was reflected in the Budget. According to DOR, the results of impact of such revenue forgone on a particular sector/area are to be monitored by the respective Ministries and they are not giving regular feedback on achievements of objectives. There is a need to periodically examine/assess the efficiency and effectiveness of tax expenditures as it involved risks.

1.7.6 However, during the course of audit of field formations of ITD during FY 2012-13 or earlier years, we observed that the assessing officers have irregularly extended benefits of tax exemptions to beneficiaries that are not entitled to the same. Details are enumerated in paragraphs 3.3.1 and 4.3.1 of Chapters III and IV respectively. In these cases, we noticed 146 cases pertaining to corporate assessees who enjoyed ineligible concessions/ exemptions/deductions amounting to ₹ 1,005.48 crore and 35 cases pertaining to non-corporate assessees who derived benefits totalling ₹ 80.06 crore.

1.7.7 The effective tax rate (ETR) is the rate of tax incident on corporate assessees after availing all tax expenditure. ETR for companies was 22.85 *per cent* in FY 2011-12 (down from 24.10 *per cent* in FY 2010-11) against statutory tax rate of 32.44 *per cent* as indicated in Receipt Budget 2013-14.

1.8 Widening and deepening of tax base

1.8.1 The Department has different mechanisms available to enhance the assessee base which includes survey, information sharing with other tax departments and third party information available in annual information returns. Automation also facilitates greater cross linking[9]. Most of these mechanisms are available at the level of the assessing officers. ITD also undertook major IT initiatives during last one decade which they could leverage for widening and deepening of tax base.

1.8.2 Table 1.9 and 1.10 below gives the details of non-corporate and corporate assessees in different categories.

Table 1.9: Non-Corporate Assessees (Figures in lakh)

Financial Year	A[10]	B[11]	B[12]	C[13]	D[14]	Total
2008-09	278.36	31.15	10.93	2.67	0.12	323.23
2009-10	283.72	35.64	14.58	3.11	0.12	337.17
2010-11	271.29	38.36	17.78	4.49	0.12	332.04
2011-12	267.68	60.26	21.23	6.57	1.87	357.61
2012-13	276.13	58.21	23.94	6.59	3.00	367.87

Source: Directorate General of Income Tax (Logistics), Research & Statistics Wing, New Delhi

Table 1.10: Corporate Assessees (Figures in lakh)

Financial Year	A[15]	B[16]	B[17]	C[13]	D[14]	Total	Assessees having income above ₹ 25 lakh	Working companies as per RoC as on 31 March
2008-09	1.67	0.59	0.48	0.51	0.03	3.28	0.07	7.50
2009-10	1.84	0.65	0.61	0.56	0.02	3.68	0.09	8.40
2010-11	1.69	0.76	0.67	0.62	0.02	3.76	0.22	7.20
2011-12	2.95	0.91	0.96	1.00	0.03	5.85	0.14	8.01
2012-13	3.05	0.97	0.83	1.02	0.03	5.90	0.14	8.84

Source: Directorate General of Income Tax (Logistics), Research & Statistics Wing, New Delhi

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9 Information about non-filers of TDS returns from e-TDS, Annual comparative figures of TDS deposited by big corporate & non-corporate deductors, linking TAN data in order to ensure better compliance from them, linking tax returns with the PAN data base and linking return submitted by deductors on TDS deductions with the returns of the deductee.

10 Category 'A' assessees – Assessments with income/loss below ₹ two lakh;

11 Category 'B' assessees (lower income group) - Assessments with income/loss above ₹ two lakh and above; but below ₹ five lakh;

12 Category 'B' assessees - Assessments with income/loss above ₹ five lakh and above; but below ₹ 10 lakh;

13 Category 'C' assessees - Assessments with income/loss of ₹ 10 lakh and above;

14 Category 'D' assessees – Search and seizure assessments.

15 Category 'A' asseessees – Assessments with income/loss below ₹ 50,000;

16 Category 'B' assessees (lower income group) – Assessments with income/loss of ₹ 50,000 and above; but below ₹ five lakh;

17 Category 'B' assessees (higher income group) – Assessments with income/loss of ₹ five lakh and above but below ₹ 10.00 lakh;

1.8.3 The average annual growth of non-corporate assessees' base[18] was 3.45 *per cent* during FY 2008-09 to FY 2012-13 against 19.97 *per cent* in respect of corporate assessees' base during the same period. The 'C' category non-corporate assessees increased from 2.67 lakh in FY 2008-09 to 6.59 lakh in FY 2012-13. However, Corporate assessees increased from 0.51 lakh to 1.02 lakh during the same period. The number of corporate assessees having income above ₹ 25 lakh came down from 0.22 lakh in FY 2010-11 to 0.14 lakh in FY 2012-13. The number of corporate assessees (5.90 lakh) is different from the number of companies (8.84 lakh) registered with Registrar of Companies (ROCs)[19]. The department has failed to reconcile the differences.

1.9 Income escaping assessment

1.9.1 Any sound tax administration system aims to take positive steps to prevent evasion of taxes by assessees, assess the tax receivables in the best interest of revenue and strive to widen and deepen the tax base to bring under its ambit untaxed or under taxed assessees. In our Compliance Audit for FY 2012-13, we noticed several cases where such efforts on the part of the department were found wanting.

1.9.2 We have reported 36 cases of corporate assessees whose income was not assessed/under assessed with tax effect of ₹ 251.80 crore and 47 cases of non-corporate assessees whose income was not assessed/ under assessed with tax effect of ₹ 29.10 crore. Details are enumerated in paragraphs 3.4.1 and 4.4.1 of Chapters III and IV respectively. Besides, we noticed 1103 cases of omission in implementing provisions of TDS/TCS in compliance audit during FY 2012-13 with tax effect of ₹ 1,118.14 crore (refer paragraph 2.5.4, *Appendix-8*), thereby indicating failure to check escapement of income.

1.10 Tax debt - Uncollected demand

1.10.1 The uncollected demand[20] is rising despite clear provisions in the Act to enforce collection and recovery of outstanding demand viz. attachment and sale of assessees' movable and immovable property, appointment of a receiver for the management of assessees' properties and imprisonment. Tax demands remain irrecoverable for a long period in spite of exercise of the powers of recovery conferred under the Act. Table 1.11 below gives the trend of uncollected demand pending during the period FY 2008-09 to FY 2012-13.

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18 Source: Directorate of Income Tax (Legal & Research), Research & Statistics Wing

19 Source: Ministry of Corporate Affairs (R & A Division)

20 Source: CAP-I

Table 1.11: Position of Uncollected Demand				(₹ in crore)
Financial Year	**Demand of earlier year's pending collection**	**Current year's demand pending collection**	**Total demand pending**	**Demand difficult to recover (in *per cent*)**
2008-09	93,344	1,07,932	2,01,276	1,87,575 (93.19)
2009-10	1,81,612	47,420	2,29,032	2,12,758 (92.89)
2010-11	2,02,859	88,770	2,91,629	2,71,143 (92.98)
2011-12	2,65,040	1,43,378	4,08,418	3,87,614 (94.91)
2012-13	4,09,456	76,724	4,86,180	4,66,854 (96.02)

Source: CAP I Demand & Collection Statement alongwith Analysis for the month of March 2013

CBDT attributed (March 2014) various reasons viz. inadequate assets for recovery, cases under liquidation/BIFR, assessee not traceable, demand stayed by various authorities etc. leading to demand difficult to recover. The position of unrealized revenue is monitored regularly to identify the causes in each case and the possibility of collections is constantly evaluated to ensure recovery.

1.10.2 Out of total pending demand, the Department indicated that more than 96 *per cent* is difficult to recover in FY 2012-13. Pending demands at the end of the year increased more than twice during FY 2008-09 to FY 2012-13.

CBDT stated (March 2014) that the increase has to be seen in the context of increase in the net tax collection, number of assessees, assessments made during the same period and prolonged litigations at various levels.

1.10.3 Defaults in payment of tax are referred to Tax Recovery Officers (TROs) who draw up a certificate specifying the amount of arrears due from the assessees and proceed to recover the amount. The recovery mechanism is deficient as certified demand remaining uncollected increased to ₹ 1.54 lakh crore in FY 2012-13 from ₹ 0.27 lakh crore in FY 2008-09.

CBDT stated (March 2014) that due to time consuming processes coupled with shortage of manpower, the efforts by the TRO for recovery of demand do not yield immediate results.

1.11 Status of prosecution

Table 1.12 below shows the status of prosecutions launched, cases decided viz. convicted, compounded and acquitted during the period from FY 2008-09 to FY 2012-13.

Table 1.12: Status of Prosecution cases					(Number)
Financial Year	**Prosecution launched**	**Cases decided**	**Convictions**	**Compounded**	**Acquitted (in *per cent*)**
2008-09	162	146	14	13	119 (81.51)
2009-10	312	599	32	291	276 (46.08)
2010-11	244	356	51	83	222 (62.36)
2011-12	209	593	14	397	182 (30.69)
2012-13	267	164	15	96	53 (32.32)

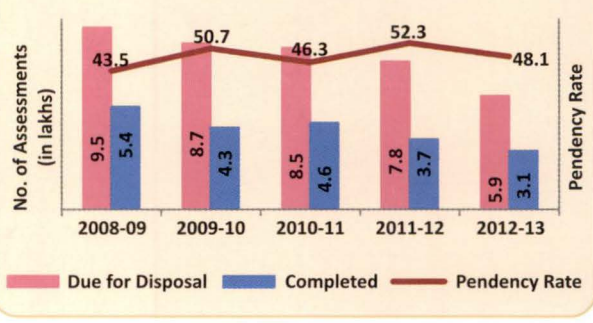
Source: Central Board of Direct Taxes

The above table shows that acquittals in prosecution cases decreased sharply from 81.51 *per cent* in FY 2008-09 to 32.32 *per cent* in FY 2012-13. However, the cases of conviction increased upto 51 in FY 2010-11 from 14 in FY 2008-09 and decreased sharply to 15 in FY 2012-13. Further, as on 31 March 2013, the total number of outstanding prosecution cases was 3182.

1.12 Disposal of Scrutiny assessments

1.12.1 Chart 1.4 gives the trend of disposal and pendency of scrutiny assessments during FY 2008-09 to FY 2012-13. Assessments pending for disposal decreased from 4.1 lakh in FY 2011-12 to 2.8 lakh in FY 2012-13.

Chart 1.4: Disposal of scrutiny assessments



1.13 Disposal of Appeal cases

1.13.1 Table 1.13 below gives the trend of disposal and pendency of appeal cases before CIT(Appeals) during FY 2008-09 to FY 2012-13. Appeals pending with CIT(A) decreased from 75.3 *per cent* in FY 2011-12 to 70.1 *per cent* in FY 2012-13. The amount locked up in appeal cases also increased to ₹ 2.6 lakh crore (equivalent to 66.3 *per cent* of the revised revenue deficit of Government of India) in FY 2012-13 from ₹ 1.99 lakh crore in FY 2008-09.

Table 1.13: Disposal of Appeal Cases by CIT(A) **(₹ in crore)**

Financial Year	Appeals due for disposal	Appeals disposed of	Appeals pending	Pendency in percentage	Amount locked up in Appeals
	(Number in lakh)				
2008-09	2.24	0.66	1.58	70.4	1,99,101
2009-10	2.61	0.80	1.81	69.4	2,20,148
2010-11	2.58	0.70	1.88	72.6	1,98,088[21]
2011-12	3.06	0.76	2.30	75.3	2,42,182
2012-13	2.84	0.85	1.99	70.1	2,59,556

Source: Directorate General of Income Tax (Logistics), Research & Statistics Wing, New Delhi

1.13.2 The amount locked up in appeals at higher levels (ITAT/High Court/ Supreme Court) was ₹ 1.52 lakh crore in 69,714 cases as on 31 March 2013 in comparison to ₹ 1.63 lakh crore in 65,803 cases as on 31 March 2012.

[21] The Department initially intimated the figure as ₹ 2,93,548 crore. Subsequently, after the Audit Report no. 27 of 2011-12 was placed in the Parliament, the CBDT intimated (March 2014), this figure as ₹ 198,088 crore.

1.14 Disposal of Direct Refund claims

1.14.1 Table 1.14 below gives the trend of disposal and pendency of direct refund claims during FY 2008-09 to FY 2012-13. The number of direct refunds pending for disposal decreased to 11.2 lakh in FY 2012-13 from 12.5 lakh in FY 2011-12.

Table 1.14: Disposal of Direct Refund Claims **(Number in lakh)**

Financial Year	Direct Refunds due for disposal	Direct Refunds disposed of	Direct Refunds pending	Pendency in percentage
2008-09	42.2	26.7	15.5	36.7
2009-10	48.0	28.6	19.4	40.4
2010-11	59.9	40.4	19.5	32.6
2011-12	52.8	40.3	12.5	23.7
2012-13	38.8	27.6	11.2	28.8

Source: Directorate General of Income Tax (Logistics), Research & Statistics Wing, New Delhi

1.14.2 The Government has refunded ₹ 83,766 crore which includes interest of ₹ 6,666 crore (8.0 *per cent*) in 2012-13. The interest paid on refunds in 2011-12 was ₹ 6,486 crore (6.9 *per cent* of ₹ 93,814 crore, the amount refunded).

1.15 Strategic Plan of ITD (2011-15)

1.15.1 The Department has prepared a strategic plan called Vision 2020 with measurable goals and activities during 2011-15. The actionable points *inter alia* include estimating tax base and developing a revenue forecasting model, instituting study on tax leakages, setting up research unit, developing data warehouse and business intelligence model, taking initiatives in international taxation and surveillance.

1.15.2 The Prime Minister in September 2009 approved a new mechanism for 'Performance Monitoring and Evaluation System' (PMES) for all Government Ministries/Departments in India. Under this system, each Central Government/Department is required to prepare a Results Framework Documents (RFD). The High powered Committee chaired by Cabinet Secretary decided (March 2011) to include the responsibility Centres under DOR in phase III of the RFD System. Accordingly, ITD prepared its RFD for FY 2012-13. In the RFD, CBDT has intended to focus on better communication with taxpayers, better management and development of human resources in the ITD to enhance taxpayers' service and strengthening IT enabled services for taxpayers' services. In order to achieve these objectives, CBDT proposes to fill the existing vacancies, provide proper training, create better infrastructure and educate taxpayers.

1.16 ITD's IT Initiatives

1.16.1 With a view to improve the efficiency and effectiveness of the tax administration and provide management with reliable and timely information towards effective planning as also broaden the tax base, Income Tax Department (ITD) initiated computerization in early 1980s which targeted specific functionalities. By 1993, ITD had a much wide-ranging computerization road map under the umbrella of a comprehensive computerization programme (CCP). ITD has introduced many more ICT applications from time to time such as Assessee Information System (AIS), Assessment Information System (AST), On line Tax Accounting System (OLTAS), Electronic Tax Deducted System (e-TDS), Individual Running Ledger Accounting System (IRLA), Computer Aided Scrutiny System (CASS) and Enforcement Information System (EIS) for functional areas of ITD. Besides, several other internal management and housekeeping modules such as pay roll System (PAS), Manpower Management System (MMS), Judicial Reference System (JRS), Financial Resource System (FRS), Management Information System (MIS) are also working.

1.16.2 ITD established a Central Processing Centre (CPC) at Bengaluru to process e-filed returns of all India and paper returns of Karnataka and Goa. This CPC became operational in October 2009. ITD planned to commission two more CPCs for processing physical ITRs at Pune (Maharashtra), Manesar (Haryana) and one CPC for processing of TDS returns at Ghaziabad (Uttar Pradesh).

1.16.3 We had commented on four modules of ITD applications (AST, OLTAS, e-TDS and IRLA) in our Audit Report No. 23 of 2012-13 relating to IT Applications in Income Tax Department. PAC has also discussed this report during 2013-14. Final outcome is awaited.

1.16.4 The department has undertaken a separate project called Income Tax Business Application (ITBA) with which it plans to re-write the existing ITD applications in a new architecture and design. This project is at conceptual stage and is likely to be completed by April 2015. The Department initiatives towards uploading of scrutiny orders in the AST system were made mandatory with effect from FY 2011-12. Now, all AOs are required to pass scrutiny assessments orders through AST software only.

1.17 Effectiveness of Internal Audit

1.17.1 Internal audit is an important part of the Departmental control that provides assurance that demands/refunds are processed accurately by correct application of the provisions of the Act.

1.17.2 The Department introduced a new Internal Audit System w.e.f. June 2007 to have an effective and objective set up of Internal Audit wherein the assessment functions and audit functions are assigned to separate specialized wings. Under each CIT(Audit) there shall be one Addl. CIT who would be responsible for internal audit of high value cases and supervision of the audit work of special audit party (SAP) headed by Dy./Asstt. CsIT and the internal audit party (IAP) headed by ITOs. The minimum number of cases to be audited by each Addl. CIT, SAP and IAP in a year shall be 50; 300; and 1,300 (600 corporate cases & 700 non-corporate cases) respectively.

1.17.3 Based on the working strength of Internal audit wing, 2,65,200 cases were to be audited by the internal audit during FY 2012-13. Out of this, 1,79,872 cases were completed, thereby achieving 67.83 *per cent* of the target. Table 1.15 shows details of internal audit observations raised, settled and pending for each of the five years from FY 2008-09 to FY 2012-13:

Table 1.15: Details of Audit observations added, settled and pending (₹ in crore)

Financial Year	Addition during the year		Settled during the year		Pending during the year	
	Number	Amount	Number	Amount	Number	Amount
2008-09	9,068	1,951.64	2,866	334.47	21,299	3,404.15
2009-10	14,577	1,224.81	6,434	657.58	29,442	3,971.37
2010-11	13,494	5,466.88	7,996	921.85	34,940	8516.40
2011-12	13,771	1,879.85	14,148	1,118.49	34,563	9,277.76
2012-13	18,275	4,135.48	16,626	2,736.12	36,212	10,677.12

Source: Directorate of Income Tax (Income Tax & Audit), New Delhi

1.17.4 The pendency of internal audit observations has gone up more than 1.7 times during the last five years. Departmental response to internal audit needs improvement. Only 4,351 cases (26.24 *per cent*) having tax effect of ₹ 2,709.98 crore (20.42 *per cent*) out of 16,549 cases having tax effect of ₹ 13,268.29 crore of the major findings[22] raised by internal audit were acted upon by the assessing officers in FY 2012-13. The total pendency increased from 21,299 cases having tax effect of ₹ 3,404.2 crore in FY 2008-09 to 36,212 cases having tax effect of ₹ 10,677.1 crore in FY 2012-13.

1.17.5 Moreover, we detected numerous lacunae in the assessments previously audited by Internal Audit. In 3,872 assessments audited by the internal audit in FY 2012-13, we pointed out mistakes that were not detected by them. This indicated a need for improvement in the quality of Internal Audit.

1.17.6 Out of 459 paragraphs included in this Audit Report, Internal Audit conducted audit of 51 cases (11.1 *per cent*) but did not detect such mistakes, which indicates the need for improvement in quality of internal audit.

[22] Audit objection above ₹ one lakh in Income tax and above ₹ 30,000 in other taxes

Chapter II: Audit Mandate, Products and Impact

2.1 Authority of the C & AG for audit of receipts

2.1.1 Section 16 of the C & AG's DPC Act, 1971 authorises the Comptroller and Auditor General to audit all receipts (both revenue and capital) of the Government of India and of Governments of each State and of each Union Territory having a legislative assembly and to satisfy himself that the rules and procedures are designed to secure an effective check on the assessment, collection and proper allocation of revenue and are being duly observed. Audit & Accounts Regulations, 2007 lay down the following principles for Receipt Audit:

2.2 Examination of systems and procedures and their efficacy

2.2.1 Audit of receipts includes an examination of the systems and procedures and their efficacy in respect of:

a. identification of potential tax assessees, ensuring compliance with laws as well as detection and prevention of tax evasion;

b. prompt investigation of losses of revenue through fraud, default or mistake including, if required, through the review of other similar cases;

c. exercise of discretionary powers in an appropriate manner including levy of penalties and initiation of prosecution;

d. appropriate action to safeguard the interests of the Government on the orders passed by departmental appellate authorities;

e. any scheme as may be introduced by the Government from time to time;

f. any measures introduced to strengthen or improve revenue administration;

g. amounts that may have fallen into arrears, maintenance of records of arrears and action taken for the recovery of the amounts in arrears;

h. pursuit of claims with due diligence and that these are not abandoned or reduced except with adequate justification and proper authority;

i. other ancillary and non-assessment functions including expenditure incurred by the departments;

j. achievement of targets, accounting and reporting of receipts and their cross verification and reconciliation with the accounts records; amounts of refunds, rebates, drawbacks, remissions and abatements to see that these are correctly assessed and accounted for; and

k. any other matter, as may be determined by the Comptroller and Auditor General.

2.3 Audit products

2.3.1 In pursuance of audit mandate and provision in Regulation 205 of Audit & Accounts Regulations, 2007, we prepare annual compliance audit reports and periodical performance audit reports for submission to President under Article 151 of the Constitution. C&AG of India has the authority to decide the form, content and time of submission of Audit Reports under Regulation 205 of the Audit & Accounts Regulations, 2007.

2.3.2 This Compliance Audit Report discusses 459 high value and important cases issued to the Ministry[23]. *Appendix 5* gives the details of such cases. Table 2.1 shows category wise details of these cases[24]. We discuss some important cases in Chapters III and IV.

Table 2.1: Category-wise details of errors of high value cases (₹ in crore)

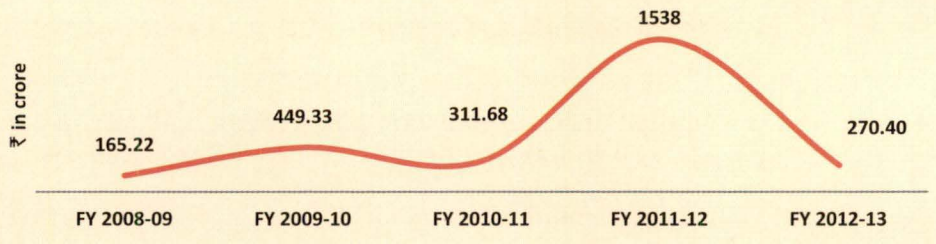
Category		CT		IT		Total	
		No.	TE	No.	TE	No.	TE
a.	Quality of assessments	122	774.41	38	50.78	160	825.19
b.	Administration of tax concessions/ exemptions/deductions	146	1,005.48	35	80.06	181	1,085.54
c.	Income escaping assessments due to omissions	36	251.80	47*	29.10	83	280.90
d.	Overcharge of tax/ interest	28	162.06	7	13.81	35	175.87
	Total	**332**	**2,193.75**	**127***	**173.75**	**459**	**2,367.50**

*includes 17 cases of under assessment of wealth involving TE of ₹ 1.88 crore.

2.4 Recovery at the instance of audit

2.4.1 ITD recovered ₹ 2,734.63 crore in the last five years from demands raised to rectify the errors in assessments that we pointed out. This includes ₹ 270.4 crore recovered in FY 2012-13. Chart 2.1 below shows a sudden jump in recovery in FY 2011-12 which declined in FY 2012-13.

Chart 2.1: Trend of Recovery



[23] Ministry of Finance, Central Board of Direct Taxes

[24] Sub-categories-wise details are in *Appendix-6*

2.5 Incidence of errors

2.5.1 ITD completed 2,32,610 scrutiny assessments in FY 2011-12, of which we checked 2,15,224 cases. The incidence of errors in assessment checked in audit was 17,028 which averaged to 7.9 *per cent* (*Appendix-7*) which was more than the previous year's average (6.1 *per cent*).

2.5.2 Table 2.2 below shows the details of errors in assessments during FY 2012-13.

Table 2.2: Tax wise details of errors in assessments		**(₹ in crore)**
Category	**Cases**	**Tax effect**
a. Corporation tax & Income tax	16,865	12,599
b. Wealth tax	1,072	28
c. Other Direct taxes	372	47
Total	**18,309**[25]	**12,674**

Note: The above findings and all subsequent findings are based exclusively on audit of selected assessments.

2.5.3 Out of 17,028 cases with tax effect of ₹ 23,663 crore, 2,462 cases with tax effect of ₹ 1,106 crore related to over assessments.

2.5.4 Table 2.3 below shows the category-wise details of underassessment in respect of Corporation tax and Income Tax. *Appendix-8* indicates details in respect of sub-categories under them.

Table 2.3: Category-wise details of errors			**(₹ in crore)**
	Category	**Cases**	**Tax effect**
a.	Quality of assessments	4,527	2,407
b.	Administration of tax concessions/exemptions/deductions	6,906	7,299
c.	Income escaping assessments due to omissions	2,620	2,148
d.	Others	2,812	745
	Total	**16,865**	**12,599**

2.6 Response to audit

2.6.1 We elicit response from the audited entities at different stages of audit. On completion of field audit, we issue the local audit report (LAR) to ITD for comments. Further, we issue important and high value cases out of these to the Ministry for comments before inclusion in the Audit Report.

2.6.2 CBDT issued instructions (2006) that replies to LARs should be provided within six weeks. Assessing officers (AOs) are required to initiate remedial action within two months to correct errors in demands lest they become time barred leading to loss of revenue.

[25] Number of assessments with errors as shown in paragraph 2.5.1 relates to scrutiny assessments completed during FY 2011-12 and audited during FY 2012-13. 18,309 cases shown in Table 2.2 relates to all cases audited during FY 2012-13 including assessments completed earlier also.

2.7 Response to Local audit

2.7.1 Table 2.4 below depicts the position of replies received and observations accepted in respect of cases issued during FY 2008-09 to 2012-13.

Table 2.4: Response to local audit

FY	Observations raised	Reply received		Reply not received	% of cases accepted	% of reply not received
		Cases Accepted	Cases not accepted			
2008-09	19,631	4,898	5,892	8,841	25.0	45.0
2009-10	19,227	2,927	3,919	12,381	15.2	64.4
2010-11	20,130	4,354	3,568	12,208	21.6	60.7
2011-12	19,624	3,945	2,971	12,708	20.1	64.8
2012-13	18,548	3,343[26]	4,124	11,081	18.0	59.7

2.8 Response to high value cases

2.8.1 We give six weeks to Ministry to offer their comments on high value cases before their inclusion in the Audit Report. Out of 459 high value cases included in the current Audit Report, the Ministry accepted 226 cases (49 *per cent*) while did not accept 12 cases and did not reply in 221 cases as of February 2014.

2.8.2 Table 2.5 shows details of remedial action taken in 390 cases.

Table 2.5: Details of action taken (₹ in crore)

Categories	Action completed and amount recovered		Action completed but amount to be recovered		Action initiated only	
	No.	TE	No.	TE	No.	TE
a. Corporation Tax	2	2.12	251	1,338.88	14	85.92
b. Income Tax	3	2.60	96	155.51	8	6.29
c. Wealth Tax	1	0.01	13	1.74	2	0.11
Total	**6**	**4.73**	**360**	**1,496.13**	**24**	**92.32**

2.8.3 Chapters III and IV bring out details of errors in assessments in respect of Corporation Tax, Income Tax and Wealth Tax respectively.

2.9 Pendency of audit observations

2.9.1 The accretion in pendency in replies to audit findings each year has resulted in pile-up of 55,072 cases involving revenue effect of ₹ 55,202.1 crore as of 31 March 2013. Table 2.6 below shows the increasing trend of pendency of observations.

[26] 1,453 - Cases accepted and remedial action taken; 1,890 - Cases accepted but remedial action not taken

Table 2.6: Details of outstanding audit observations								(₹ in crore)
Period	**CT**		**IT**		**ODT**		**Total**	
	No.	**TE**	**No.**	**TE**	**No.**	**TE**	**No.**	**TE**
Upto Mar 2009	3,253	5,687	4,554	1,220	822	32.7	8,629	6,939.7
2009-10	2,983	4,643	3,612	4,249	653	21.8	7,248	8,913.8
2010-11	4,161	7,600	5,405	2,410	843	185.3	10,409	10,195.3
2011-12	4,495	15,036	7,337	2,070	740	44.0	12,572	17,150.0
2012-13	5,350	8,824	9,584	3,074	1,280	105.3	16,214	12,003.3
Total	**20,242**	**41,790**	**30,492**	**13,023**	**4,338**	**389.1**	**55,072**	**55,202.1**

2.10 Remedial action time barred

2.10.1 Table 2.7 below shows the details of time-barred cases during FY 2008-09 to 2012-13.

Table 2.7: Details of time-barred cases		(₹ in crore)
Year of Report	**Cases**	**Tax effect**
2008-09	16,557	5,613
2009-10	5,644	2,869
2010-11	7,942	5,335
2011-12	3,907	1,083
2012-13	2,207	899.87

2.10.2 During FY 2012-13, 2,207 cases with tax effect of ₹ 899.87 crore became time-barred for remedial action. *Appendix-9* indicates the details of such cases.

2.11 Non-production of records

2.11.1 We scrutinize assessment records under section 16 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 with a view to securing an effective check on the assessment, collection and proper allocation of taxes and examining that regulations and procedures are being observed. It is also incumbent on ITD to expeditiously produce records and furnish relevant information to audit.

2.11.2 ITD did not produce 47,600 records out of 3,23,628 records requisitioned during FY 2012-13, (14.7 *per cent*). Out of these, 486 records pertaining to six states were not produced to audit in last three or more consecutive audit cycles. Table 2.8 shows state-wise details.

Table 2.8: Records not produced to audit in three or more audit cycles		
State		**Records not produced**
a.	Andhra Pradesh	87
b.	Karnataka	239
c.	Madhya Pradesh	48
d.	Maharashtra	8
e.	Odisha	101
f.	Tamil Nadu	3
	Total	**486**

Chapter III: Analysis of assessments relating to Corporation Tax

3.1 Introduction

3.1.1 Chapter III discusses 332 high value cases pertaining to corporation tax with tax effect of ₹ 2,193.75 crore (304 cases involving undercharge of ₹ 2,031.69 crore and 28 cases involving overcharge[27] of ₹ 162.06 crore) issued to the Ministry between July and November 2013. Table 3.1 shows the details of broad categories of mistakes and their tax effect:

Table no. 3.1: Category of mistakes and tax effect (₹ in crore)

Category	Cases	Tax effect
a. Quality of assessments	122	774.41
b. Administration of tax concessions/exemptions/deductions	146	1,005.48
c. Income escaping assessments due to omissions	36	251.80
d. Over-charge of tax/Interest	28	162.06
Total	**332**	**2,193.75**

3.1.2 Under each broad category, we indicate sub-categories for the purpose of highlighting mistakes of a similar nature. Each sub-category starts with a preamble citing the provisions of the Act, followed by illustration of important case(s).

3.2 Quality of assessments

3.2.1 AOs committed errors in the assessments despite clear provisions in the Act. These cases of incorrect assessments point out weaknesses in the internal controls on the part of ITD which need to be addressed. Table 3.2 shows the sub-categories of mistakes which impacted the quality of assessments.

Table 3.2: Details of errors in quality of assessments (₹ in crore)

Sub-categories	Cases	TE	States
a. Arithmetical errors in computation of income and tax	61	585.88	Andhra Pradesh, Delhi, Goa, Gujarat, Jammu & Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal
b. Mistakes in levy of interest	34	57.81	Andhra Pradesh, Delhi, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal
c. Excess or irregular refunds/ interest on refunds	10	37.35	Delhi, Gujarat, Kerala, Maharashtra, Tamil Nadu and West Bengal

[27] Overcharge is on account of mistakes in adoption of correct figures, arithmetical errors in computation of income, incorrect application of rates of tax/interest etc.

d.	Incorrect application of rates of tax and surcharge	7	9.40	Andhra Pradesh, Delhi, Karnataka, Maharashtra and West Bengal
e.	Mistakes in assessment while giving effect to appellate order	10	83.97	Gujarat, Maharashtra and Uttarakhand
Total		**122**	**774.41**	

3.2.2 Arithmetical errors in computation of income and tax

We give below five such illustrative cases:

Section 143(3) provides that AOs have to determine and assess the income correctly. Different types of claims together with accounts, records and all documents enclosed with the return are required to be examined in detail in scrutiny assessments. CBDT has also issued instructions from time to time in this regard.

3.2.2.1 In Delhi, CIT-V charge, AO while completing the assessment of **NTPC Limited** for the assessment year (AY) 2009-10 after scrutiny in December 2011 at income of ₹ 6462.11 crore, disallowed deduction of ₹ 534.20 crore on account of 'provision for pay revision' but adopted the same as ₹ 5.34 crore. The mistake resulted in underassessment of income by ₹ 528.86 crore involving short levy of tax of ₹ 179.75 crore.

3.2.2.2 In Maharashtra, CIT-I Kolhapur charge, AO completed the assessment of **The Sangli Bank Limited** for the AY 2007-08 after scrutiny in December 2009 at nil income and allowed carry forward of business loss and unabsorbed depreciation of ₹ 388.37 crore. While calculating the tax, AO erroneously adopted amount of business loss and unabsorbed depreciation at ₹ 388.37 crore, as mentioned in the return of income filed by the assessee, instead of correct figure of ₹ 129.15 crore. The mistake resulted in incorrect carry forward of business loss and unabsorbed depreciation of ₹ 259.22 crore involving potential tax effect of ₹ 87.25 crore. *ITD rectified (March 2012) the mistake under section 154.*

3.2.2.3 In Maharashtra, CIT-VII Mumbai charge, AO while completing the assessment of **Tata Tele Services (Maharashtra) Limited** for AY 2007-08 after scrutiny in December 2009, at loss of ₹ 75.43 crore, erroneously adopted business income of ₹ 100.05 crore as business loss before setting off brought forward losses and disallowed ₹ 24.62 crore but did not add back the same to the business income. The mistakes resulted in underassessment of income by ₹ 124.67 crore involving potential tax effect of ₹ 67.35 crore. *ITD accepted the audit observation and initiated remedial action (March 2013) under section 154/155.*

3.2.2.4 In Maharashtra, CIT-VII Mumbai charge, AO while computing taxable income in the case of **Siemens Information Systems Limited** for AY 2007-08 after scrutiny in October 2011 at income of ₹ 162.27 crore, disallowed deduction of ₹ 140.01 crore under section 10A but adopted the same as ₹ 14.01 crore. The mistake resulted in underassessment of income by ₹ 126 crore involving short levy of tax of ₹ 65.74 crore including interest. *ITD accepted and rectified (September 2012) the mistake under section 154.*

3.2.2.5 In Gujarat, CIT-II Baroda charge, AO while completing the assessment of **Uttar Gujarat Vij Company Limited** for AY 2008-09 after scrutiny in December 2010 at loss of ₹ 2.59 crore, adopted positive income of ₹ 11.96 crore as (-) ₹ 11.96 crore and added back ₹ 9.37 crore. The incorrect adoption of positive income as negative income resulted in underassessment of income of ₹ 21.33 crore and overassessment of loss of ₹ 2.59 crore involving positive tax effect of ₹ 9.65 crore and potential tax effect of ₹ 0.88 crore. *ITD took remedial action (March 2013) under section 154.*

3.2.3 Mistakes in levy of interest

We give below five such illustrative cases:

Act provides for levy of interest for different omissions on the part of the assessee at the rates prescribed by the Government from time to time.

3.2.3.1 In Delhi, DIT-I (International Taxation) charge, AO while calculating tax demand in the case of **Ericsson Radio System AB** for AY 2007-08 after scrutiny in October 2011 at income of ₹ 1,043.75 crore, incorrectly levied interest of ₹ 87.0 crore under section 234B instead of correct amount of ₹ 92.16 crore. The mistake resulted in short levy of interest of ₹ 5.16 crore. *ITD rectified (December 2012) the mistake under section 154.*

3.2.3.2 In Madhya Pradesh, CIT-I Indore charge, AO while completing search assessment of **Zoom Developers Private Limited** under section 153A read with section 143(3) in December 2010 for AY 2003-04 to AY 2009-10, at incomes of ₹ 3.05 crore, ₹ 4.85 crore, ₹ 6.53 crore, ₹ 15.22 crore, ₹ 35.22 crore, ₹ 39.76 crore and ₹ 93.03 crore respectively, did not levy interest under section 234A for delay of eleven months in filing returns in response to notices issued under section 153A. The mistake resulted in non-levy of interest of ₹ 4.56 crore under section 234A. *ITD rectified (December 2012) the mistake under section 154.*

3.2.3.3 In Delhi, DIT-I (International Taxation) charge, AO while calculating tax demand in the case of **Huawei Technologies Company Limited** for AY 2008-09 after scrutiny in September 2011 at income of ₹ 339.17 crore, levied interest of ₹ 4.23 crore under section 234B instead of correct amount of ₹ 8.47 crore. The mistake resulted in short levy of interest of ₹ 4.24 crore. *ITD rectified (September 2012) the mistake under section 154.*

3.2.3.4 In Maharashtra, CIT-IV Mumbai charge, AO while calculating tax demand in the case of **CLSA India Limited** for AY 2008-09 after scrutiny read with section 144C in February 2012 at income of ₹ 397.83 crore, levied interest of ₹ 2.88 crore under section 234B for the period from April 2008 to August 2009 instead of correct amount of ₹ 6.49 crore for the period from April 2008 to February 2012. The mistake resulted in short levy of interest of ₹ 3.62 crore under section 234B. *ITD accepted and rectified (May 2012) the mistake under section 154.*

3.2.3.5 In Tamil Nadu, CIT-LTU Chennai charge, AO while completing the revised assessment of **Cholamandalam MS General Insurance Company Limited** for AY 2008-09 in February 2012 at income of ₹ 73.32 crore (originally assessed at income of ₹ 74.75 crore after scrutiny in December 2011), levied interest of ₹ 6.68 crore under section 234B for the period from April 2009 to December 2011 instead of ₹ 9.11 crore leviable for the period from April 2008 to December 2011. The mistake resulted in short levy of interest of ₹ 2.43 crore under section 234B. *ITD rectified (October 2012) the mistake under section 154.*

3.2.4 Excess or irregular refunds/interest on refunds

We give below two such illustrative cases:

Section 234D provides for levy of interest on refund if refund is granted in excess to the assessee.

3.2.4.1 In Kerala, CIT Kochi charge, AO while completing the assessment of **The Federal Bank Limited** for AY 2009-10 after scrutiny in December 2011 at income of ₹ 1,101.62 crore, did not levy interest on excess refund of ₹ 180.87 crore for the period from November 2010 to December 2011. The mistake resulted in non levy of interest of ₹ 12.66 crore under section 234D. *ITD accepted (January 2013) the mistake and initiated remedial action.*

3.2.4.2 In Maharashtra, CIT-III Mumbai charge, AO while giving effect to appellate order in case of **ICICI Bank Limited** for AY 2002-03, did not levy interest on excess refund of ₹ 85.45 crore for the period from 31 March 2003 to 25 February 2005. The mistake resulted in non levy of interest of ₹ 11.64 crore under section 234D. *ITD accepted and rectified (February 2013) the mistake under section 154.*

3.2.5 Mistakes in assessment while giving effect to appellate orders

We give below two such illustrative cases:

Under section 254, an aggrieved assessee can appeal to the CIT (Appeals) against the order of AO who shall comply with the directions given in the appellate order. Further appeal is also permitted to be made on questions of fact and law to ITAT. Any mistake in implementation of an appellate order results in under assessment/over assessment of income.

3.2.5.1 In Maharashtra, CIT LTU Mumbai charge, AO while giving effect to the appellate order in February 2012 in case of **Industrial Development Bank of India Limited** for AY 2008-09, did not add back ₹ 538.61 crore relating to provisions for depreciation on investment, non performing assets and standard assets in computation of book profit. Omission resulted in underassessment of book profit of ₹ 538.61 crore involving short levy of tax of ₹ 61.02 crore. *ITD issued notice under section 148 for rectifying the mistake (March 2013).*

3.2.5.2 In Maharashtra, CIT-II Mumbai charge, AO while giving effect to the appellate order in February 2012 in case of **HDFC Bank Limited** for AY 2009-10 (originally assessed at ₹ 5,060.94 crore under scrutiny assessment completed in December 2011) reduced taxable income to ₹ 3,137.02 crore after allowing deduction of ₹ 1,696.74 crore towards bad and doubtful debts. While rectifying the order giving effect to appellate order in February 2013, AO allowed deduction of ₹ 246.24 crore on account of provision for doubtful debts as against ₹ 222.89 crore considered by assessee while computing the said deduction for AY 2009-10. The mistake resulted in underassessment of income of ₹ 23.35 crore involving tax effect of ₹ 7.92 crore. *ITD accepted and rectified (March 2013) the mistake under section 154.*

3.3 Administration of tax concessions/exemptions/deductions

3.3.1 The Act allows concessions/exemptions/deductions to the assessee in computing total income under Chapter VI-A and for certain categories of expenditure under its relevant provisions. We observed that the assessing officers have irregularly extended benefits of tax concessions/exemptions/

deductions to beneficiaries that are not entitled to the same. These cases point out weakness in the administration of tax concessions/ deductions/ exemptions on the part of ITD which need to be addressed. Table 3.3 shows the sub-categories which have impacted the Administration of tax concessions/exemptions/deductions.

Table 3.3: Sub-categories of mistakes under Administration of tax concessions/exemptions/deductions (₹ in crore)

	Sub-categories	Nos.	TE	States
a.	Irregularities in allowing depreciation/ business losses/capital losses	66	268.05	Andhra Pradesh, Assam, Chandigarh UT, Delhi, Gujarat, Karnataka, Maharashtra, Punjab, Rajasthan, Tamil Nadu and West Bengal
b.	Irregular exemptions/ Deductions/Rebates/ Relief	36	338.42	Andhra Pradesh, Delhi, Goa, Gujarat, Haryana, Karnataka, Maharashtra, Rajasthan, Tamil Nadu and West Bengal
c.	Incorrect allowance of business expenditure	44	399.01	Andhra Pradesh, Bihar, Delhi, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu and West Bengal
Total		**146**	**1,005.48**	

3.3.2 Irregularities in allowing set-off and carry forward of depreciation and business/capital losses

We give below four such illustrative cases:

Section 32(2)(b) provides for carry forward and set-off of unabsorbed depreciation upto eight assessment years following the assessment year for which the aforesaid allowance was first computed.

3.3.2.1 In Delhi, CIT-I charge, AO completed the assessment of **Bharti Infratel Limited** for AY 2009-10 in November 2011 determining loss of ₹ 125.83 crore after disallowing ₹ 121.67 crore in respect of lease rent equalisation charge and book profit of ₹ 443.19 crore under special provisions of the Act. Assessee in its computation sheet determined loss at ₹ 247.50 crore which included brought forward unabsorbed depreciation of ₹ 157.27 crore and current year loss of ₹ 90.23 crore. AO accepted the same and adopted current year loss at ₹ 247.50 crore instead of correct amount of ₹ 90.23 crore. AO determined loss at ₹ 125.83 crore instead of 'nil' income after allowing eligible set-off of unabsorbed depreciation of ₹ 31.44 crore. The mistake resulted in overassessment of loss of ₹ 125.83 crore and incorrect carry forward of unabsorbed depreciation of ₹ 31.44 crore involving potential tax effect of ₹ 53.45 crore. The *Ministry accepted the audit observation and has taken remedial action (January 2013).*

Section 73(4) provides for carry forward and set-off of speculative loss against the profits and gains of another speculation business upto four succeeding assessment years with respect to assessment year for which the loss was first computed.

3.3.2.2 In Gujarat, CIT-I Ahmedabad charge, AO completed assessment of **Adani Agro Private Limited**, for AY 2006-07 after scrutiny in December 2008 at nil income after allowing set-off of brought forward loss and unabsorbed depreciation. Assessee set off brought forward speculative loss of ₹ 9.54 crore pertaining to AY 2001-02 against available profit earned from speculative business in AY 2006-07 and carried forward remaining amount of speculative loss of ₹ 80.16 crore. As speculative loss is eligible for carry forward and set off upto four AYs (in this case upto AY 2005-06), the set off of ₹ 9.54 crore and carry forward of ₹ 80.16 crore is not in order. The mistake resulted in positive tax effect of ₹ 4.28 crore including interest and potential tax effect of ₹ 26.98 crore. *ITD took remedial action (September 2011) under section 143(3) read with section 263.*

Section 72(3) provides for carry forward and set-off of business loss upto eight succeeding assessment years with respect to assessment year for which the loss was first computed.

3.3.2.3 In West Bengal, CIT-IV Kolkata charge, AO while completing assessment of **JCT Limited**, for AY 2009-10 after scrutiny in December 2011 at loss of ₹ 66.40 crore under the head 'Income from business', allowed carry forward of business loss of ₹ 42.02 crore pertaining to AY 2001-02. The mistake resulted in incorrect allowance of carry forward of business loss of ₹ 42.02 crore involving potential tax effect of ₹ 14.28 crore. *ITD rectified (June 2012) the mistake under section 154.*

Section 32(1)(iia) provides for additional depreciation to the assessees engaged in business of manufacture or production of any article or thing, on any new machinery or plant (other than ships and air crafts) acquired and installed after 31 March 2005 at prescribed rates in force.

3.3.2.4 In Tamil Nadu, CIT-I Chennai charge, AO revised the scrutiny assessment of **Kasthuri & Sons Limited** for AY 2006-07 and AY 2007-08, in July 2009 and February 2010, at income of ₹ 95.35 crore and ₹ 123.77 crore respectively, and allowed additional depreciation of ₹ 4.36 crore and ₹ 13.39 crore on new plant and machinery in respective AYs. As the assessee was not involved in the business of manufacturing or production of any article or thing, it was not eligible for additional depreciation. The mistakes resulted in short levy of tax by ₹ 5.98 crore. *ITD took remedial action (December 2011) for AY 2006-07 under section 143(3) read with section 147 and initiated remedial action for AY 2007-08 under section 143(3) read with section 263.*

3.3.3. Irregular exemptions/deductions/rebate/relief

We give below two such illustrative cases:

Section 10A provides for deduction to industrial undertakings on profits and gains derived from the export of articles or things or computer software subject to fulfilment of the prescribed conditions. Further, as per proviso to section 92C(4), if the total income having regard to arm's length price is enhanced, no deduction under section 10A shall be allowed in respect of increased quantum of income.

3.3.3.1 In Maharashtra, CIT-II Mumbai charge, AO completed the assessment of **Tech Mahindra Limited** for AY 2007-08 after scrutiny in February 2011 at income of ₹ 128.05 crore after allowing deduction of ₹ 578.70 crore under section 10A as against ₹ 658.70 crore claimed by the assessee. Assessee made upfront payment of discount of ₹ 524.94 crore to British Telecommunications PLC and debited the same to profit and loss account. AO referred the case to Transfer Pricing Officer (TPO) who recommended for adjustment of discount payment under Arm's length price[28] (ALP). AO accepted the order of TPO but did not make any addition on the ground that the assessee had already disallowed the said amount of discount payment. Assessee in its computation claimed deduction under section 10A on profit before exceptional items i.e. on enhanced profit on account of upfront payment of discount specifically disallowed by TPO. The mistake resulted in excess allowance of deduction of ₹ 457.36 crore involving short levy of tax of ₹ 153.95 crore. *ITD took remedial action (March 2013) under section 143(3) read with section 147.*

3.3.3.2 In Tamil Nadu, CIT-III Chennai charge, AO completed the assessment of **Mega Soft Limited** for AYs 2006-07, 2007-08 and 2008-09 after scrutiny in December 2008, February 2009 and December 2011 respectively allowing deduction of ₹ 8.24 crore, ₹ 35.8 crore and ₹ 8.94 crore under section 10A in respect of XIUS unit at Hyderabad. However, as per revision orders passed in AY 2005-06 (January 2008), the XIUS unit at Hyderabad was categorized as a non-STPI unit. Thus the assessee was not eligible to claim deduction under section 10A. Omission to disallow the same resulted in excess allowance of deduction of ₹ 8.24 crore, ₹ 35.8 crore and ₹ 8.94 crore involving short levy of tax by ₹ 2.77 crore, ₹ 12.05 crore and ₹ 2.36 crore in AYs 2006-07, 2007-08 and 2008-09 respectively. *ITD took remedial action (March 2013) for AY 2007-08 under section 143(3) read with section 147 and has initiated remedial action (March 2013) for AY 2006-07 under section 148.*

[28] Arm's Length Price is "a price which is applied or proposed to be applied in a transaction between persons otherthan associated enterprises in uncontrolled conditions" [section 92F(ii) of Income Tax Act].

3.3.4 Incorrect allowance of business expenditure

We give below five such illustrative cases:

Section 43B provides for deduction towards certain expenditure only when the same has actually been paid in the previous year on or before the due date of filing return of income.

3.3.4.1 In West Bengal, CIT-III Kolkata charge, AO while revising the scrutiny assessment of **ITC Limited** for AY 2005-06 in January 2010 at income of ₹ 22.9 crore, allowed double deduction of ₹ 270.07 crore pertaining to excise duty attributable to closing stock, claimed first in profit and loss account and subsequently under section 43B on the basis of actual payment. The mistake resulted in short levy of tax by ₹ 135.11 crore. *ITD has rectified (March 2013) the mistake.*

3.3.4.2 In Rajasthan, CIT Udaipur charge, AO while completing assessment of **Hindustan Zinc Limited**, for AY 2008-09 after scrutiny in December 2010 at income of ₹ 4899.57 crore, allowed deduction of debit balance of ₹ 71.18 crore[29] on account of excise duty paid. As these amounts remained in balance after adjustment of liability of excise duty paid either through PLA or Cenvat credit and were in the nature of advance payment, AO should have disallowed the same. The mistake resulted in underassessment of income of ₹ 71.18 crore involving tax effect of ₹ 24.19 crore. *ITD has not accepted the audit observation stating that the assessee claimed deduction under section 43B on paid basis and added back the same in subsequent year in computation of income to avoid double deduction.* The reply is not tenable on the grounds that section 43B was not applicable in the instant case as the assessee had adopted "net basis" accounting system.

Section 37(1) provides for allowance of business expenditure while computing income chargeable under the head profits and gains of business or profession. Section 40(a)(ia) provides for disallowance of any expenditure incurred by assessee and charged to profit and loss account, on which tax has not been deducted at source.

3.3.4.3 In Andhra Pradesh, CIT-III Hyderabad charge, AO while finalizing the assessment of **VST Industries Limited** for AY 2006-07 after scrutiny in November 2008 at income of ₹ 63.49 crore, allowed ₹ 43.89 crore towards extra ordinary expenditure[30] which was claimed to have been paid to Outside Contractual Manufacturers (OCMs). As the interest amount of ₹ 12.69 crore was not actually paid to OCMs and tax was not deducted at source on the

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[29] ₹ 48.40 crore in respect of excise duty paid on capital goods, ₹ 10.58 crore in respect of excise duty paid through PLA and ₹ 12.20 crore in respect of excise duty paid through RG 23 A & C.

[30] Extra ordinary expenditure of ₹ 43.89 crore comprised of excise duty of ₹ 31.20 crore and interest of ₹ 12.69 crore which was reimbursed to OCMs.

amount of ₹ 31.20 crore paid to OCMs, both the claims should have been disallowed. The mistakes resulted in under assessment of income of ₹ 43.89 crore involving short levy of tax of ₹ 19.35 crore including interest. *ITD took remedial action (June 2011) under section 143(3) read with section 263.*

Section 195 provides for tax deduction at source from payment of interest or any other sum made to a non-resident or a foreign company as per prescribed rates. Section 44 B provides for computing profits and gains of shipping business of a non-resident assessee.

3.3.4.4 In Tamil Nadu, CIT-III Chennai charge, AO while completing the assessment of **Poompuhar Shipping Corporation Limited** for AY 2008-09 after scrutiny in December 2010 at income of ₹ 14.86 crore, allowed deduction of ₹ 305.51 crore and ₹ 440.79 crore relevant to AY 2007-08 and AY 2008-09 respectively on account of 'Charter Hire Payments'. As tax was not deducted under section 195 on amounts of ₹ 23.47 crore and ₹ 23.62 crore relevant to AY 2007-08 and AY 2008-09 paid towards 'Charter Hire Payments in foreign currency', both the payments should have been disallowed. Further, ₹ 1.76 crore (7.5 *per cent* of ₹ 23.47 crore) and ₹ 1.77 crore (7.5 *per cent* of ₹ 23.62 crore) are liable to be taxed as deemed income under section 44B. Omissions resulted in short levy of tax of ₹ 17.38 crore. *ITD took remedial action (March 2013) for AY 2007-08 under section 143(3) read with section 147.*

Section 36(1)(viii) provides for deduction in respect of a special reserve created and maintained by a specified entity, an amount not exceeding 20 *per cent* of the profits of an assessee being a banking company from the business of long term finance for industrial or agricultural development of infrastructure facility in India.

3.3.4.5 In Karnataka, CIT Mangalore charge, AO completed the assessment of **Corporation Bank** for AY 2010-11 after scrutiny in February 2012 at income of ₹ 1592.96 crore after allowing deduction of ₹ 118.20 crore under section 36(1)(viii) of the Act. As the assessee had created a special reserve of ₹ 78.0 crore for FY 2009-10, it was eligible for deduction only to the extent of reserve created. The excess allowance of deduction resulted in underassessment of income of ₹ 40.20 crore involving short levy of tax of ₹ 16.81 crore including interest. *ITD has accepted (March 2013) the audit observation and initiated remedial action.*

3.4 Income escaping assessments due to omissions

3.4.1 The Act provides that the total income of a person for any previous year shall include all incomes from whatever source derived, actually received or accrued or deemed to be received or accrued. We observed that the assessing officers did not assess/under assessed total income that require to be offered to tax. Table 3.4 shows the sub-categories which have resulted in Income escaping assessments.

Table 3.4: Sub-categories of mistakes under income escaping assessments due to omissions (₹ in crore)

Sub-categories		Nos.	TE	States
a.	Income not assessed/ under assessed under special provision	17	94.78	Andhra Pradesh, Goa, Gujarat, Karnataka, Maharashtra, Tamil Nadu and West Bengal
b.	Income not assessed/ under assessed under normal provision	15	136.80	Delhi, Gujarat, Kerala, Maharashtra, Odisha, Rajasthan, Tamil Nadu and West Bengal
c.	Incorrect classification and computation of capital gains	4	20.22	Karnataka and Maharashtra
Total		**36**	**251.8**	

3.4.2 Income not assessed/under assessed under special provisions

We give below two such illustrative cases:

Section 115JB provides for levy of Minimum Alternate Tax (MAT) at prescribed percentage of the book profit if the tax payable under the normal provisions is lesser than MAT. As per Finance Act 2009, the section has been retrospectively amended to the effect that provision for diminution in the value of assets shall be added back while computing book profit.

3.4.2.1 In Maharashtra, CIT-II Mumbai charge, AO rectified the assessment of **Dena Bank** for AY 2002-03, in March 2010 at income of ₹ 51.28 crore under normal provisions and book profit of ₹ 170.89 crore under special provisions (initially completed after scrutiny in December 2009 at income of ₹ 689.54 crore under normal provisions and book profit of ₹ 594.53 crore under special provisions). While computing book profit, AO did not add back the provisions aggregating to ₹ 498.58 crore debited towards diminution in the value of various assets like non-performing assets, standard assets, depreciation of investment, amortization on premium and deferred tax liability. The mistake resulted in short levy of tax of ₹ 57.50 crore including interest under section 234D. *ITD accepted (August 2010) the audit observation.*

3.4.2.2 In West Bengal CIT-II Kolkata charge, AO while completing the assessment of **National Insurance Company Limited** for AY 2007-08 at income of ₹ 239.75 crore under special provisions of the Act, disallowed claim of ₹ 87.79 crore on account of 'Reserve for unexpired risk' but did not add back the same to the book profit. The mistake resulted in short levy of tax of ₹ 12.64 crore. *ITD rectified (March 2013) the mistake under section 147 and section 251.*

3.4.3 Income not assessed/under assessed under normal provisions

We give below two such illustrative cases:

Section 5 provides that the total income of a person for any previous year includes all income from whatever source derived which is received or deemed to be received or which accrues or arises during such previous year unless specifically exempted from tax under the provisions of the Act.

3.4.3.1 In Tamil Nadu, CIT LTU Chennai charge, AO while completing the assessment of **Neyveli Lignite Corporation Limited** for AY 2007-08 after scrutiny in December 2009 at income of ₹ 1427.71 crore, did not assess surcharge income of ₹ 118 crore recoverable from Electricity Boards for delay in payments of bills due. Assessee was giving incentives to Tamil Nadu Electricity Board (TNEB) for making prompt payment which was claimed as expenditure. Similarly, the surcharge recoverable from Electricity Boards for effecting prompt payment was to be offered as income. Omission to assess surcharge income of ₹ 118 crore resulted in short levy of tax of ₹ 39.72 crore. *ITD accepted and rectified (March 2013) the mistake under section 143(3) read with section 147.*

Section 145 provides that the income of an assessee from business or profession shall be computed in accordance with method of accounting regularly employed by the assessee.

3.4.3.2 In Odisha, CIT Sambalpur charge, AO completed the assessment of **Mahanadi Coal Fields** for AY 2009-10 after scrutiny in December 2011, at income of ₹ 2,778.87 crore which was subsequently rectified under section 154 at income of ₹ 2,763.73 crore in March 2012. As per notes on accounts closing stock for each mine was valued at cost or net realisable value whichever is lower. The closing stock of raw coal was valued at ₹ 414.41 crore instead of ₹ 466.89 crore certified as 'value of raw coal for group as a whole' by tax auditor. Assessee being a single entity, uniform system of accounting was applicable to all its mines. The mistake resulted in undervaluation of closing stock of ₹ 52.48 crore involving short levy of tax of ₹ 17.84 crore. *ITD accepted (October 2011) the audit observation.*

3.4.4 Incorrect classification and computation of capital gains

We give below one such illustrative case:

Section 50B provides for taxability of any profits or gains arising from a slump sale as capital gains (sale consideration minus the net worth of the undertaking). The nature of gains is determined by the period of holding of the undertaking (long term if the undertaking has been held for more than 36 months).

3.4.4.1 In Maharashtra, CIT Central-II Mumbai charge, AO completed the assessment of **Oricon Enterprises Limited**, for AY 2007-08 after scrutiny in December 2009 at nil income under normal provisions and book profit of ₹ 4.06 crore under special provisions of the Act. Assessee transferred its packaging division under slump sale to its subsidiary unit, Oriental Containers Limited (formerly known as Oricon Packaging Private Limited) in lieu of 29.50 lakh fully paid up equity shares with face value of ₹ 10 each of subsidiary unit. As per the books of accounts, the equity shares were valued at ₹ 27.62 crore and net worth of the packaging division was (-) ₹ 24.40 crore[31]. While computing Long Term Capital Gain (LTCG), AO adopted full value of consideration at ₹ 2.95 crore instead of ₹ 27.62 crore and arrived at LTCG of ₹ 2.95 crore instead of ₹ 52.02 crore [₹ 27.62 crore - (-) ₹ 24.40 crore]. This resulted in short computation of LTCG by ₹ 49.06 crore involving tax effect of ₹ 11.01 crore. *ITD took remedial action (March 2013) under section 143(3) read with section 147 by adding (-) ₹ 24.40 crore under LTCG*. However action is pending for consideration of paid up equity shares at ₹ 27.62 crore as reflected in the balance sheet.

3.5 Over-charge of tax/Interest

3.5.1 We noticed that AOs over assessed income in 28 cases involving overcharge of tax of ₹ 162.06 crore in Andhra Pradesh, Assam, Delhi, Gujarat, Haryana, Maharashtra, Rajasthan, Tamil Nadu and West Bengal. We give below two such illustrative cases:

Section 143(3) provides that AOs have to determine and assess the income correctly. Different types of claims together with accounts, records and all documents enclosed with the return are required to be examined in detail in scrutiny assessments.

3.5.1.1 In West Bengal, CIT Asansol charge, AO completed the assessment of **Eastern Coalfield Limited** for AY 2008-09 after scrutiny in December 2010 at nil income after allowing set off of brought forward loss of ₹ 894.67 crore. The assessee claimed paid liability of ₹ 1.05 crore on account of 'provision for Leave Encashment' and added back ₹ 122.35 crore on account of unpaid liability of 'provision for Leave Encashment'. However, while computing

[31] (-) ₹ 24.40 crore = ₹ 127.40 crore - (-) ₹ 151.80 crore

taxable income of the assessee, AO again added back the provision amount of ₹ 123.40 crore. The mistake resulted in potential overcharge of tax of ₹ 41.94 crore.

Section 234B provides that if an assessee has to pay advance tax and he has not paid such tax or if the advance tax paid by him is less than 90 per cent of the assessed tax, he shall pay simple interest at the rate of 1 per cent every month or part of a month.

3.5.1.2 In Delhi, CIT LTU charge, AO while completing the assessment of **Mahanagar Telephone Nigam Limited** for AY 2008-09 after scrutiny in November 2011 at income of ₹ 892.02 crore, levied interest of ₹ 22.81 crore under section 234B without considering TDS of ₹ 152.75 crore and advance tax of ₹ 165 crore at the credit of assessee. As the advance tax paid by the assessee is more than 90 *per cent* of assessed tax, interest cannot be levied under section 234B. The mistake resulted in overcharge of interest of ₹ 22.81 crore. *ITD rectified (December 2012) the mistake under section 154.*

Chapter IV: Analysis of assessments relating to Income Tax and Wealth Tax

4.1 Introduction

4.1.1 Chapter IV discusses 110 high value cases pertaining to Income tax with tax effect of ₹ 171.87 crore (103 cases involving undercharge of ₹ 158.06 crore and seven cases involving overcharge[32] of ₹ 13.81 crore) issued to the Ministry between June and November 2013. In addition, 17 cases pertaining to under assessment of Wealth tax amounting to ₹ 1.88 crore have also been discussed in this Chapter. Table 4.1 shows the details of broad categories of mistakes and their corresponding tax effect:

Table no. 4.1: Category of mistakes and tax effect (₹ in crore)

Category		Cases	Tax effect
a.	Quality of assessments	38	50.78
b.	Administration of tax concessions/exemptions/deductions	35	80.06
c.	Income escaping assessments due to omissions	47*	29.10
d.	Others-Over-charge of tax/Interest	7	13.81
Total		**127**	**173.75**

*Includes 17 cases of under assessment of wealth involving TE of ₹ 1.88 crore.

4.1.2 Under each broad category, we indicate sub-categories for the purpose of highlighting mistakes of a similar nature. Each sub-category starts with a preamble citing the provisions of the Act, followed by illustration of important case(s).

4.2 Quality of assessments

4.2.1 AOs committed errors in the assessments despite clear provisions in the Act. These cases of incorrect assessments point out weaknesses in the internal controls on the part of ITD which need to be addressed. Table 4.2 shows the sub-categories of mistakes which impacted the quality of assessments.

[32] Overcharge is on account of mistakes in adoption of correct figures, arithmetical errors in computation of income, incorrect application of rates of tax/interest and incorrect computation of capital gains etc.

Table 4.2: Details of errors in quality of assessments			(₹ in crore)
Sub-categories	**Cases**	**TE**	**States**
a. Arithmetical errors in computation of income and tax	3	0.59	Gujarat, Haryana, and Punjab
b. Incorrect application of rates of tax, surcharge etc.	4	1.13	Andhra Pradesh, Bihar, Chhattisgarh and Maharashtra
c. Mistakes in levy of interest	27	46.08	Bihar, Delhi, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Uttar Pradesh and West Bengal.
d. Mistakes in assessment while giving effect to Appellate orders	4	2.98	Gujarat and Maharashtra
Total	**38**	**50.78**	

4.2.2 Arithmetical errors in computation of income and tax

We give below one such illustrative case:

The Act provides that AO is required to make a correct assessment of the total income or loss of the assessee and determine correct amount of tax or refund, as the case may be.

4.2.2.1 In Haryana, CIT-Faridabad charge, AO completed the assessment of an individual **Chhaya Sinha** for AY 2006-07 after scrutiny in November 2011 at an income of ₹ 66.44 lakh. However, audit scrutiny revealed that owing to an arithmetic error, the tax liability was assessed at ₹ 12.71 lakh instead of ₹ 39.18 lakh. The mistake resulted in under charge of income tax of ₹ 26.47 lakh.

4.2.3 Incorrect application of rates of tax and surcharge

We give below one such illustrative case:

Income tax including surcharge shall be charged at the rates prescribed in the relevant Finance Act.

4.2.3.1 In Maharashtra, ADIT(IT) 2(2) Mumbai charge, AO while completing the assessment of **Virginia Retirement System** for AY 2007-08 after scrutiny in December 2010 levied surcharge on tax at the rate of 2.5 *per cent* instead of 10 *per cent*. The mistake resulted in short demand of ₹ 40.32 lakh including interest. *ITD accepted and rectified the mistake under section 154 (June 2011).*

4.2.4 Mistakes in levy of Interest

We give below three such illustrative cases:

As per explanation 3 below section 234A(1), where the return of income is not furnished and the assessment is made for the first time under section 147 or section 153A, the assessment so made shall be regarded as regular assessment, the assessee is liable to pay interest at the specified rate for every month or part of a month comprised in the period commencing on the date immediately following the due date for filing the return and ending on the date of completion of assessment under section 144.

4.2.4.1 In Madhya Pradesh, CIT Gwalior charge, AO completed the assessment of an individual **Chironji Lal Shivhare** for AYs 2003-04 to 2008-09 under section 143(3)/153A in December 2010. The assessee filed the income tax returns late by five months against the date mentioned in the notice issued under 153A and defaulted in payment of advance tax in AY 2005-06. Simultaneously the department also adopted incorrect figure for calculation of tax in AY 2008-09. All these mistakes resulted in short levy of tax and interest of ₹ 21.54 crore. *ITD rectified the mistake under section 154 for all the assessment years (January 2012).*

4.2.4.2 In Delhi, CIT Central II charge, AO completed the assessment of an individual **Manoj Kumar** for AYs 2005-06 to 2009-10 under section 143(3)/ 153A in December 2011. The assessee filed his income tax returns late by four and half months against the date mentioned in the notice issued under 153A but the department did not levy interest under section 234A for delay in filing the return. The omission resulted in short levy of interest of ₹ 6.06 crore. *ITD accepted the audit observation and rectified the mistake under section 154 (September 2012).*

4.2.4.3 In Punjab, CIT Mohali charge, AO completed the assessment of **The Defence Services Cooperative Housing Society** for AY 2008-09 after scrutiny in December 2010. The assessee filed its income tax return on 30 March 2009 against the stipulated due date of 30 September 2008; however, ITD did not levy interest under section 234A for delay in filing of return. The mistake resulted in short levy of interest of ₹ 3.64 crore. *ITD accepted the audit observation and rectified the mistake under section 154 (June 2011).*

4.2.5 Mistakes in assessment while giving effect to appellate orders

We give below two such illustrative cases:

The Act provides that an aggrieved assessee can appeal to the Commissioner of Income Tax (Appeals)/ITAT/High Court/Supreme Court against the order of assessing officer who shall comply with the direction given in the appellate order.

4.2.5.1 In Maharashtra, CIT Aurangabad Charge, AO completed the assessment of **Bhaurao Chavan Sahakari Sakar Karkhana Limited** for AY 1999-2000 under section 143(3) read with section 147 in March 2006. ITD while giving effect to ITAT's order allowed excess depreciation and double deduction towards cane development expenses and Vasantdada Sugar Institute (VSI) contribution. The mistake resulted in short levy of tax of ₹ 56.03 lakh. *ITD accepted the audit observation and rectified the mistake under section 154 (August 2012).*

4.2.5.2 In Gujarat, CIT Central-I Charge, AO completed the assessment of an individual **Shreyans S Shah** for AY 2006-07 after scrutiny in December 2008 at an income of ₹ 18.23 crore. The assessee filed an appeal against assessment of short term capital gain (STCG) of ₹ 17.02 crore for its treatment as business income to be taxed at normal rates and CIT (A) in its order (October 2009) decided that ₹ 16.77 crore may be taxed as STCG and remaining ₹ 24.96 lakh as business income. However, while giving effect to CIT order, tax of only ₹ 201.81 lakh was charged instead of ₹ 257.02 lakh leading to short levy of tax of ₹ 55.21 lakh including interest. *ITD rectified the mistake under section 154 (September 2011).*

4.3 Administration of tax concessions/exemptions/deductions

4.3.1 The Act allows concessions/exemptions/deductions to the assessee in computing total income under Chapter VI-A and for certain categories of expenditure under its relevant provisions. We observed that the assessing officers have irregularly extended benefits of tax concessions/exemptions/ deductions to beneficiaries that are not entitled to them. These cases point out weaknesses in the administration of tax concessions/deductions/ exemptions on the part of ITD which need to be addressed. Table 4.3 shows the sub-categories which have impacted the Administration of tax concessions/exemptions/deductions.

Table 4.3: Sub-categories of mistakes under Administration of tax concessions/exemptions/deductions				(₹ in crore)
	Sub-categories	**Nos.**	**TE**	**States**
a.	Irregular exemptions/deductions/ relief given to individuals	1	0.52	Tamil Nadu
b.	Irregular exemptions/deductions/ relief given to Trusts/Firms/ Societies/AOPs	3	1.96	Karnataka, Maharashtra and Punjab
c.	Incorrect allowance of Business Expenditure	13	17.48	Assam, Bihar, Maharashtra, Punjab, Rajasthan and Tamil Nadu
d.	Irregularities in allowing depreciation/business losses/ capital losses	18	60.10	Bihar, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Rajasthan and Uttar Pradesh
Total		**35**	**80.06**	

4.3.2 Irregular exemptions/deductions/relief to Trusts/Firms/Societies/ AOPs

We give below one such illustrative case:

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

4.3.2.1 In Maharashtra, CIT-I Pune charge, AO completed the assessment of **Janta Sahakari Bank Limited** for AY 2005-06 after scrutiny in December 2007 at a loss of ₹ 25.73 crore and the same was revised at a loss of ₹ 6.63 crore under section 143(3) read with section 263 in December 2010. Audit noticed that assessee debited ₹ 5.15 crore on account of 'depreciation on investment being loss on sale of securities' in the P/L Account and AO while passing orders under section 143(3) read with section 263 again allowed the same expenses. The mistake resulted in under assessment of income by an equal amount involving potential tax effect of ₹ 1.58 crore. *The Ministry accepted and rectified the mistake under section* 154 *(March 2012).*

4.3.3 Incorrect allowance of Business Expenditure

We give below three such illustrative cases:

Section 36(1)(viia) of the Act provides that in respect of any provision for bad and doubtful debts made by a scheduled bank or a non-scheduled bank or co-operative bank (other than a primary agricultural cooperative society/agricultural and rural development bank), an amount not exceeding seven and one half per cent of the total income and an amount not exceeding ten per cent of the aggregate average advances made by rural branches[33] of such bank shall be allowed as deduction.

4.3.3.1 In Tamil Nadu, CIT-I Salem charge, AO completed the assessment of **Salem District Central Coop Bank Limited** for AYs 2007-08 and 2008-09 after scrutiny in December 2009 and December 2010 respectively. For AY 2007-08, AO allowed deduction of ₹ 5.68 crore under section 36(1)(viia) towards 'reserve for interest due' and for AY 2008-09 did not restrict to the extent of provision made in the accounts for bad and doubtful debts. Excess allowance of deduction by including the ineligible amounts of 'reserve for interest due' and not restricting it to the provisions made towards bad and doubtful debts resulted in under assessment of ₹ 16.44 crore[34] having a tax effect of ₹ 5.56 crore[35].

4.3.3.2 In Tamil Nadu, CIT-II Madurai charge, AO while completing the assessment of **Tirunelveli District Central Cooperative Bank Limited** for AY 2008-09 after scrutiny in December 2012, allowed deduction under section 36(1)(viia) amounting to ₹ 8.17 crore towards provision for bad and doubtful debts and other provisions. As the assessee did not have any rural branches, hence the same was not eligible for deduction under the said section and only 7.5 *per cent* of total income i.e. ₹ 0.39 crore was required to be allowed as deduction. Omission to do so resulted in under assessment of income of ₹ 4.72 crore and excess carry forward of losses of ₹ 3.07 crore involving short levy of tax of ₹ 2.64 crore[36].

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[33] Rural branch means a branch of a scheduled bank situated in a place which has a population of not more than ten thousand according to the last preceding census of which the relevant figures have been published before the first day of the previous year.

[34] ₹ 5.69 crore for AY 2007-08 and ₹ 10.75 crore for AY 2008-09

[35] ₹ 1.91 crore for AY 2007-08 and ₹ 3.65 crore for AY2008-09

[36] ₹ 1.60 crore positive tax effect and ₹ 1.04 crore potential tax effect

4.3.3.3 In Karnataka CIT-Hubli charge, AO completed the assessment of **The Karnataka Central Co-operative Bank Limited** for AY 2008-09 after scrutiny in December 2010. The assessee had claimed and was allowed deduction in respect of advances made by three branches situated in places having population of more than ten thousand as per the 2001 census. The mistake resulted in excess allowance of deduction of ₹ 1.39 crore involving short levy of tax of ₹ 58.16 lakh including interest. *ITD accepted the audit observation and initiated remedial action under section 148.*

4.3.4 Irregularities in allowing depreciation/business losses/capital losses

We give below two such illustrative cases:

Section 72 provides for carry forward and set-off of net loss of an assessment year against profits and gains of the following eight assessment years.

4.3.4.1 In Bihar, CIT-I Bhagalpur charge, AO completed the assessment of **Koshi Kshetriya Gramin Bank** for AY 2008-09 after scrutiny in December 2010 at nil income after setting off of brought forward losses of ₹ 27.28 crore. Audit noticed that there were no brought forward losses in AY 2007-08 to be carried forward to AY 2008-09. The mistake resulted in irregular set off of losses of ₹ 27.28 crore having a tax effect of ₹ 10.56 crore including interest. *ITD rectified the mistake under section 154 (July 2012).*

4.3.4.2 In Gujarat, CIT-Baroda charge, AO completed the assessment of **Petrofils Co-operatives Limited** for AY 2006-07 in November 2008 at an income of ₹ 13.89 lakh. AO incorrectly allowed carry forward of business loss of ₹ 65.90 crore pertaining to AY 1997-98 and earlier years, i.e. beyond the permissible limit of eight years. The mistake resulted in excess allowance of carry forward of business loss to the same extent and resulted in short levy of potential tax effect of ₹ 22.18 crore. *ITD rectified the mistake under section 143(3) read with section 147 in November 2011.*

4.3.4.3 In Kerala, CIT-Trivandrum charge, AO completed the assessment of **Kerala State Co-operative Bank Limited** for AY 2009-10 after scrutiny in December 2011 at an income of ₹ 9.23 crore after setting off of brought forward losses of ₹ 16.29 crore pertaining to AYs 2007-08 and 2008-09. However, audit scrutiny revealed that total loss of ₹ 63.51 lakh only was available for set off for AY 2009-10 and hence there was excess set-off of losses of ₹ 15.65 crore having a tax effect of ₹ 6.43 crore.

4.4 Income escaping assessments due to omissions

4.4.1 The Act provides that the total income of a person for any previous year shall include all incomes from whatever source derived, actually received or accrued or deemed to be received or accrued. We observed that the assessing officers did not assess/under assessed total income that was required to be offered to tax. There were also omissions in implementing TDS/TCS provisions which led to escapement of tax. Table 4.4 shows the sub-categories which have resulted in income escaping assessments.

Table 4.4: Sub-categories of mistakes under income escaping assessments due to omissions (₹ in crore)

Sub-categories		Nos.	TE	States
a.	Incorrect classification and computation of capital gains	7	7.62	Delhi, Gujarat, Maharashtra and Tamil Nadu
b.	Incorrect computation of income	19	18.31	Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal
c.	Omissions in implementing provisions of TDS/TCS	4	1.29	Delhi, Chhattisgarh, Uttar Pradesh and West Bengal
d.	Non-levy/short levy of Wealth Tax	17	1.88	Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Maharashtra, Tamil Nadu and West Bengal
Total		**47**	**29.10**	

4.4.2 Incorrect classification of Capital Gains

We give below two such illustrative cases:

Section 4 provides that all incomes shall for the purpose of charge of income tax and computation of total income, be classified under the heads of income specified therein.

4.4.2.1 In Maharashtra, CIT-International Taxation Mumbai charge, AO completed the assessment of **Openheimer Developing Markets Fund** for AY 2007-08 in September 2009 at an income of ₹ 65.75 lakh. The assessee treated the speculation loss as short term capital loss and adjusted the same against the short term capital gain instead of speculation profits. Omission to treat the loss as speculation loss and allowing the same to be set off against capital gain resulted in understatement of capital gain with short levy of tax of ₹ 52.05 lakh. *ITD accepted the audit observation and rectified the mistake under section 154 (February 2011).*

Under section 45 read with section 2(14)(iii) of Act, any profits and gains arising from the transfer of capital assets shall be chargeable to Income Tax under the head capital gains.

4.4.2.2 In Tamil Nadu, CIT-Chennai charge, AO completed the assessment of **Arjun Parthasarthy** for AY 2009-10 after scrutiny in December 2011 at an income of ₹ 13.13 lakh. The assessee along with others sold 27.23 acres of land and earned long term and short term capital gain aggregating ₹ 22.91 crore and subsequently claimed exemption treating it as an agricultural land. However, Audit noticed that change of land use to non-agricultural purposes was approved as per orders issued by Joint Director of Town and Country Planning, Chennai in August 2008. Since there has been a change in the classification of land from agricultural to non-agricultural purposes the assessee's claim of exemption from capital gain tax on the transfer of the above land was required to be rejected and tax levied accordingly. The omission resulted in escaping of short and long term capital gain with consequential non-levy of tax of ₹ 5.86 crore. *ITD rectified the mistake under section 263 (March 2013).*

4.4.3 Incorrect computation of income

We give below three such illustrative cases:

Section 143(3) provides that AOs have to determine and assess the income correctly. Different types of claims together with accounts, records and all documents enclosed with the return are required to be examined in detail in scrutiny assessments. CBDT has also issued instructions from time to time in this regard.

4.4.3.1 In Delhi, CIT-I Central charge, AO completed the assessment of an individual **Devi Dass Garg** for AYs 2004-05 to 2006-07 after scrutiny in December 2010. Audit noticed that the tax was incorrectly computed and agricultural income during these years was not taken into account for the purpose of fixing the applicable rates resulting in aggregated short levy of tax of ₹ 1.91 crore. *ITD rectified the mistake under section 154 (December 2012).*

4.4.3.2 In Maharashtra, DCIT Ahemednagar charge, AO completed the assessment of **Ganesh Sahakari Sakhar Karkhana Limited** for AY 2007-08 after scrutiny in June 2009. AO had adopted net loss of ₹ 4.80 crore instead of income of ₹ 10.11 crore filed by the assessee in the revised return and after making an addition of ₹ 45.77 lakh, income was arrived at a loss of ₹ 4.34 crore instead of profit of ₹ 10.56 crore. The mistake resulted in short levy of tax of ₹ 4.56 crore. *ITD accepted the audit observation and rectified the mistake under section 154 (September 2010).*

4.4.3.3 In Maharashtra, CIT-XII charge, AO while completing assessment of **L & T Hochtief Seabird Joint Venture** for AY 2006-07 in November 2008 at an income of ₹ 1.17 crore allowed the set off of short term capital loss of ₹ 4.59 crore against the income under the head 'income from business' of ₹ 5.75 crore. The mistake resulted in under assessment of income of ₹ 4.59 crore involving short levy of tax of ₹ 1.86 crore. *ITD took remedial action under section 263 (December 2011).*

4.4.4 Omissions in implementing provisions of TDS/TCS

Section 40(a)(ia) provides that deduction of expenditure towards payments where TDS has not been deducted, shall not be allowed.

4.4.4.1 In Delhi CIT-IX charge AO while completing the assessment of an individual **Ashish Kohli** for AY 2006-07 in May 2008 at an income of ₹ 8.85 lakh did not disallow expenses made by assessee amounting to ₹ 133.20 lakh towards Fabrication, Dyeing & Printing and commission expenses on which tax had not been deducted while making payments. This resulted in under assessment of income by an equal amount having a tax effect of ₹ 58.81 lakh including interest. *ITD rectified the mistake under section 144/148 (March 2013).*

4.4.5 Non-levy/short levy of Wealth Tax

Seventeen cases of Wealth Tax involving tax effect of ₹ 1.88 crore were reported to the Ministry during June 2013 to November 2013. We found that AO did not comply with CBDT's instructions[37] in these cases in Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Maharashtra, Tamil Nadu and West Bengal. We give below one such illustrative case:

4.4.5.1 In Andhra Pradesh, CIT-I Hyderabad charge, **M. Ravinder** was in possession of the assets (cash, car and urban land) which attract wealth tax as per Wealth Tax Act but did not file return of wealth tax for AY 2008-09 and AY 2009-10. ITD also did not initiate any action to call for the same. The mistake resulted in non-levy of wealth tax of ₹ 87.97 lakh. *ITD accepted the audit observation and rectified the mistake for AY 2008-09 (January 2013).*

[37] CBDT's instructions issued to the AOs in November 1973, April 1979 and September 1984.

4.5 Over charge of tax/interest

4.5.1 We noticed over assessment of income in seven cases involving overcharge of tax/interest of ₹ 13.81 crore in Chandigarh, Delhi, Madhya Pradesh and Punjab. We give below two such illustrative cases:

4.5.2 In Madhya Pradesh CIT Gwalior charge, AO completed the assessment of **Naveen Shivhare** for AY 2008-09 under section 143(3)/153A in December 2010 at an income of ₹ 2.40 crore. Audit noticed that AO levied net tax of ₹ 10.10 crore instead of correct amount of ₹ 1.12 crore on the assessed income. The mistake resulted in over charge of tax of ₹ 8.98 crore. *ITD rectified the mistake under section 154 of the Act (January 2012).*

4.5.3 In Madhya Pradesh, CIT Gwalior charge, AO completed the assessment of **The Gwalior Citizen Sakh Sahakarita Maryadit** for AY 2005-06, under section 143(3)/153A in December 2009 at income of ₹ 81.48 crore. Audit noticed that tax including interest was levied at ₹ 50.22 crore instead of correct amount of ₹ 46.93 crore on the assessed income which resulted in over charge of ₹ 3.29 crore. *ITD rectified the mistake under section 154 (May 2011).*

Chapter V: Grievance Redressal Mechanism in the ITD

5.1 Introduction

The Income Tax Department (ITD) introduced a Grievance Redressal Mechanism in 2003 to ensure prompt redressal of grievances of assessees. Manual of Office Procedures (MOP)[38] envisages constitution of Regional Grievance Cells in the offices of the Chief Commissioners Income Tax (CCsIT) and lays down procedures for handling of the grievance petitions received from public.

The grievances of assessees arise due to many reasons such as (i) delay in grant of refund, interest, short payment (ii) delay on rectification or adjustment of pre-paid taxes, (iii) harassment during search and survey or assessment proceedings, (iv) discourteous behaviour of the officials at the time of hearings etc. ITD has created elaborate grievance redressal machinery with the following objectives:

a. Prompt redressal of every public grievance;

b. Safeguarding the rights and dignity of a taxpayer in a democratic set-up;

c. Enforcing higher standards of accountability on officers and staff of the department by taking disciplinary action against erring persons in selected cases;

d. Gaining insight into the working of the system through the feedback received from the public with a view to effecting appropriate changes in the system;

e. Acquiring better knowledge about officers and staff;

f. Using public grievance as an input for the functioning of the department's vigilance machinery.

Thus, handling of grievances is an important function of the ITD which impacts public at large and needs greater attention.

5.2 Organizational set up

In the ITD, a hierarchy of Grievance Cells has been created which is as under:

a. Central Grievance Cell directly under the Chairperson, Central Board of Direct Taxes (CBDT) and headed by an officer of the rank of a Director called Director of Grievances.

b. Regional Grievance Cell : under the CCsIT or DGsIT

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[38] Chapter 14 of Manual of Office Procedures of Income Tax Department, Vol. I 2003

c. Grievance Cell: under the out station CsIT or DsIT

Besides the procedures for paper grievances laid down in MOP, Centralized Public Grievance Redressal Administration System (CPGRAMS)[39] of Department of Administrative Reforms and Public Grievances is a portal through which online grievances are received and the same are monitored and controlled by CBDT. The portal facilitates the ITD to handle grievance petitions filed online, and allows the petitioner to know the status of petition, and also to give a reminder to the ITD.

The Central Government has also issued guidelines, i.e., "The Income Tax Ombudsman Guidelines 2010", effective from 1 May 2010. The Ombudsman is independent of the jurisdiction of the ITD.

5.3 Citizen Charter

ITD issued its Citizen Charter in July 2010 laying down the following declaration of commitments to the tax payers:

a. All grievances received from public must be disposed of by the concerned Assessing Officers (AOs) within 60 days of receipt of the grievances.
b. Petitions of un-redressed grievances filed before next higher authority will be decided within 15 working days of receipt.
c. The tax payer can approach the Income Tax Ombudsman in case of un-redressed grievance.

5.4 Audit objectives

The audit objectives were to assess the ITD's promptness in redressal of every public grievance within stipulated period of two months and to examine the status of grievance petitions received and disposed of as well as the status of pendency of grievances. We also examined whether proper monitoring and reporting mechanism existed in ITD. This whole audit exercise was intended to assess objectively up to what level Grievance Redressal Machinery of ITD has met its objectives.

5.5 Audit scope

We conducted a study during April to October 2013 to examine grievances received and disposed of by the ITD during FY 2010-11 and FY 2011-12 as well as pendency of grievances as on 31 March 2012 in Grievance Cells. Out of 114 CCsIT, 356 CsIT and 3,828 assessment units of ITD, we selected Grievance Cells functioning in 67 CCsIT, 149 CsIT and 1,160 assessment units for study as shown in *Appendix-10*.

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[39] http://pgportal.gov.in/

5.6 Audit findings

The audit findings are described in succeeding paragraphs in respect to ITD objectives:

5.6.1 Enforcing higher standards of accountability on officers and staff of the department

Accountability may be enforced with the existence of proper documentation of records and well defined monitoring mechanism. Therefore, audit went through the registers and other documents made available. We collated the data regarding online & manual grievances received and their disposal from 47 and 52 CCsIT/CsIT/DsIT(E) for FY 2010-11 and FY 2011-12 respectively as shown in *Appendix 11 and 12*. The findings in this regard are as follows.

5.6.1.1 Poor maintenance of records

We did not get complete information[40] due to non-maintenance/improper maintenance of records in Grievance Cells. We found that dates of receipt of grievances were not shown in the records of most of the Grievance Cells due to which actual time taken in disposal of grievances could not be worked out. Break up of online grievances and manual grievances received were not maintained separately in Delhi, Indore, and Bhopal.

CBDT stated (February 2014) that CCsIT Jaipur & Ahmedabad are maintaining registers properly. In CCIT Panchkula, in some cases date of receipt of grievances has not been mentioned and this deficiency has been removed from FY 2011-12. It also stated that CIT (Helpline) under CCIT (CCA), New Delhi is maintaining register CIT wise regarding manual grievances. These registers duly mention date of receipts of grievances. There is no need for maintaining manual register regarding online grievances as every petition and status is online.

It is stated that instead of giving a comprehensive reply, CBDT has clarified only in respect of four out of 47/52 stations mentioned in the Report. Besides, we noticed that though CCIT Ahmedabad was maintaining registers, it was not in the format as prescribed in MOP. Moreover, registers were not closed monthly and monitored at appropriate level. Regarding CIT (Helpline) Delhi, it is clarified that audit observation pertains to CIT offices and not Regional Grievance Cells. Audit is of the view that CBDT may ensure that grievances received are documented and monitored properly.

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[40] In Mumbai, out of 15 CCsIT, status of grievances has been given only in respect of 03 CCsIT. In respect of other 12 CCsIT, information have not been made available to audit.

5.6.1.2 Non maintenance of grievance registers in the prescribed form

As per para 2.4.1 of MOP Chapter 14, a grievance register has to be maintained by every grievance cell and every AO in the proforma prescribed therein (Annexure-I of MOP).

We noticed that 45 of the 60 Grievance Cells selected did not maintain/ improperly maintained Grievance Registers. However, in all grievance cells, monitoring of grievance registers was not being done by the concerned officers at regular intervals.

CBDT stated (February 2014) that

1. *For online grievances, CPGRAMS generates all necessary reports hence no separate register need to be maintained for redressal and monitoring of grievances. The various Reports generated under the system take care of receipt/pendency/disposal of every grievance Age wise, CCIT wise, as well as Department as a whole.*
2. *For paper grievances, the Central Grievance Cell has a D-Base software on which details of paper grievances received are maintained. CCsIT wise pendency list and consolidated report on age-wise pendency of grievances is also generated on this system. As such, no separate register for paper grievances is maintained in the Central Grievance Cell. However, the software for handling paper grievances has become obsolete (it was installed in 1985) and a request to replace the software by an upgraded version of software compatible with the requirements of the Central Grievance Cell is under consideration of DGIT (System).*
3. *CCIT, Jaipur is maintaining registers in proper form. The CCIT Panchkula has not maintained registers in the prescribed form but it contains all the requisite information which is required for redressal of grievance petitions. The CCIT-I Ahmedabad has maintained grievance registers in proper format since 01/04/2013. The CIT (Helpline) Delhi is maintaining and monitoring disposal of Grievances on regular basis.*

Audit is of the view that

1. Even though maintenance of register is not required for online grievances as these are monitored through CPGRAMS, no report for monitoring redressal of grievances was shown to audit. Moreover, pendency of grievance noticed beyond stipulated period upto forty one *per cent* during FY 2011-12 implies that redressal of grievances is not being monitored properly.

2. Regarding D-Base software installed in 1985 maintained for paper grievances which has become obsolete, it requires urgent action for upgradation so that necessary registers could be maintained/reports could be generated.

3. CBDT reply pertains to only the above few stations. However, audit does not accept the position stated by CIT (Helpline) Delhi. CBDT informed audit in February 2013 that grievances received and their present status e.g. disposed/pending case wise along with code wise are not generated through system in respect of online/paper grievances. Moreover, software cannot generate CCIT wise break up.

5.6.1.3 Non-submission of bimonthly report in the prescribed format

As per para 2.4.2 & 2.4.3 of MOP Chapter 14, a bi-monthly report should be sent by the outstation Grievance Cells to the Regional Grievance Cell and then by the Regional Grievance Cell to the Central Grievance Cell under the Control of CBDT in the proforma prescribed therein (Annexure II of MOP).

In CCIT- Baroda, Rajkot and Surat, the reports were furnished to the concerned cells regularly. However, 57 Grievance cells did not produce any such record to show that the required bi-monthly reports were being sent in the prescribed format.

CBDT stated (February 2014) that

1. *Proforma of the bi-monthly report was prescribed in the year 1988 and presently no field formation is sending report in this proforma. Position of grievances received/settled is being furnished by CCsIT in their monthly DO letters to Zonal Members concerned. The Central Grievance Cell on its part is monitoring the disposal of grievances by sending the lists of pending grievances to CCsIT concerned and obtaining redressal reports from them from time to time. However, the Central Grievance Cell is now obtaining a consolidated report on monthly basis from each CCsIT.*

2. *In CCIT Jaipur and CCIT-I Ahmedabad monthly progress reports are sent to the Board. However, in CCIT Panchkula, CCIT Chennai and CCIT (CCA) Delhi, no bi-monthly report in the prescribed Proforma is being submitted. CCIT Chennai has stated that the practice of submitting Bi-monthly report by the outstation field offices shall be initiated.*

Audit verified from the records that Monthly Progress Reports were not sent upto the month of June 2013 in CCIT, Jaipur. These are being sent w.e.f. July 2013. Also, Audit is of the view that Manual of procedures (MOP) should be revised in the light of further developments and evolving of other good practices. Despite evolution of alternate mechanisms such as DO letter etc. for monitoring, disposal of grievances cannot be said to be satisfactory as it hovers around 60 *per cent*.

5.6.1.4 Non segregation of grievances in different categories

As per para 2.4.2 of Chapter 14 of MOP, every grievance should be segregated into various categories as indicated in Annexure II of MOP. We noticed that in most of the grievance cells, grievances were not segregated into categories as per MOP due to non/improper maintenance of details of grievances. Further, we noticed that wherever records were maintained, more than 80 *per cent* grievances related to the category of 'Delay in grant of refund/interest or short payment'. However, in six grievance cells[41], more than 50 *per cent* grievances related to the category 'Complaint relating to administrative functioning, settlement of personal claims etc.'.

CBDT stated (February 2014) that online grievances are automatically categorized while for paper grievances it is done manually. However, the software dedicated for paper grievances need upgradation and proposal for it, is under consideration.

Audit is of the view that besides upgrading the software, action is also required to modify the MOP suitably.

5.6.2 Prompt redressal of every public grievance

The ultimate function of Grievance Redressal Machinery is to effectively and quickly redress all grievances received. Prompt redressal demonstrates ITD sensitivity to the genuine problems of taxpayers, thereby ensuring their goodwill. Prompt redressal requires speedy disposal of grievances which should be also acceptable to the petitioner. During audit our focus was on disposal of grievance as per criteria fixed by the Department. As per Central Action Plan for the FY 2011-12 and Citizens Charter of the ITD, all grievances received from the public must be disposed of by the concerned AO within 60 days of receipt of the grievances.

5.6.2.1 Delay in disposal of grievances beyond stipulated period

We noticed that ITD received 17,956 and 27,401 grievances including online and manual grievances during FY 2010-11 and FY 2011-12 respectively. Out

[41] Kanpur, Bareilly, Allahabad, Ghaziabad, Lucknow and Dehradun

of these, ITD could dispose only 10,337 and 16,096 grievances within the stipulated period. The average percentage of disposal of grievances within the stipulated period during the FY 2011-12 was 59 *per cent*.

We noticed that only in 18[42] stations, disposal of grievances within stipulated period during these years was more than 60 *per cent*. In eight[43] stations, the percentage of disposal ranged from 3.8 to 22.5 only. Though there is slight increase in average percentage of disposal in FY 2011-12 in comparison to FY 2010-11 (55 to 59 *per cent*), the pendency of grievances has jumped from 7,619 to 11,305. Disposal of grievances within stipulated period was not satisfactory except in eighteen stations.

CBDT stated (February 2014) that

1. *Majority of grievances received in the department relate to refund and rectification matters which are ultimately to be attended and resolved at the level of Assessing Officer (AO), and it takes time for the grievance to percolate to that level. However, it has made efforts to sensitise field formations for quick response to the grievances received by them.*
2. *In CCIT Jaipur, efforts are being made to dispose of the grievances in time. In CCIT-I Ahmedabad, generally, the grievances are disposed of within reasonable period. According to them, in some cases delay is unavoidable due to reasons which are not entirely in the control of the concerned A.O and active involvement of the petitioner is required.*

Audit noticed that out of 7,167 pending grievances as on 31 March 2012 *(Appendix 13)*, 3,732 grievances (52 *per cent*) are pending for more than one year. In these cases maximum delay ranged upto 11 years. Therefore, CBDT's reply regarding sensitizing field formations for quick response is not convincing.

5.6.2.2 Delays due to forwarding of grievances to incorrect jurisdiction of AOs

We noticed cases where grievances were addressed to AOs not concerned with the same, due to which redressal of grievances by the concerned AOs took more time. Table 5.1 illustrates delays due to forwarding of grievances on account of grant of refund to incorrect jurisdiction of AOs during FY 2011-12.

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[42] Chandigarh, Ludhiana, Raipur, Jalpaiguri, Odisha, Sambalpur, Bhopal, Indore, Jaipur, Udaipur, Ahmadabad, Bangalore, Puducherry, Madurai, Kottayam, Kozhikode, Ajmer & Jodhpur

[43] Allahabad, Kanpur, Guwahati, Shillong, Ghaziabad, Lucknow, Amritsar and Bareilly

Table 5.1: Illustrations of grievances forwarded to incorrect/non concerned AO					
CCsIT	**Name of petitioner, AY**	**Date of receipt in grievance cell**	**Date of addressing to incorrect AO**	**Date of final disposal from correct AO**	**Delay in days**
CCIT-Bangalore	Sanjeeva Kumar, AY 2008-09	06 Sep 11	13 Sep 11	20 Aug 13	652
CCIT-Bangalore	Swati Packaging Pvt. Ltd., AY 2008-09	09 Jan 12	01 Feb 12	01 Aug 12	143
CCIT-Bangalore	N. K. Balasubramanian, AY 2008-09	13 July 11	28 July 11	03 Feb 12	145
CCIT-Bangalore	Ittina Health Care Pvt. Ltd., AY 2007-08 and AY 2008-09	19 Mar 12	20 Mar 12	08 Aug 12	81
CCIT-Bangalore	Human Interface Consulting Pvt. Ltd., AY 2009-10	31 Jan 12	02 Feb 12	09 Apr 12	09

CBDT replied (February 2014) for above cases as under:

1. *Sanjeeva Kumar: Grievance Cell took time in sending the grievance petition to the correct AO from September 2011 to August 2013 (23 Months). Grievance Cell forwarded the case at the levels of Addl. CIT, CIT & CCIT for monitoring.*
2. *Swati Packaging Pvt. Ltd: Income of the assessee was below ₹ one lakh, ACIT C 12(3) forwarded the grievance petition to the correct AO (ITO W 12(2)) in August 2012 after six months.*
3. *In remaining three cases time taken by the incorrect AO to the correct AO in sending the grievance petition was attributed to territorial jurisdiction determined by 5th letter of PAN or otherwise.*

Audit is of the view that reasons for such delays enumerated by CBDT are of administrative nature and these could have been minimized with proper mechanisms.

5.6.2.3 Age wise analysis of time taken in disposal of grievances

We could analyse only 3,941 grievances disposed of beyond the stipulated period of two months in 37 CCsIT/CsIT as shown in *Appendix 14*. Out of 3,941 grievances, there were 376 grievances where ITD disposed the matter one year beyond the stipulated period while in 92 grievances, it was beyond two years.

CBDT stated (February 2014) that delay was attributable to the reasons that requisite information was generally not received either from the assessee or any other agency, in the absence of which redressal of grievance petition may not have been possible.

Audit is of the view that time limit of 60 days fixed by the ITD itself for redressal of grievances should be strictly followed by streamlining its administrative mechanisms.

5.6.2.4 Pendency of grievances as on 31 March 2012

Pendency of grievances as on 31 March 2012 was analysed for 10,816 grievances in 43 CCsIT/CsITs *(Appendix 15)* as against 11,305 grievances pending in 52 CCsIT/CsITs as shown in *Appendix 12*. Further, age wise analysis of 7,167 pending grievances as shown in *Appendix 13* revealed that in 26 CCsIT/CsITs, grievances were pending for disposal from 2 days to more than 10 years beyond stipulated period of 60 days as on 31 March 2012. Table 5.2 shows illustrations of pending grievances beyond stipulated period during FY 2011-12.

Table 5.2: Illustrations of pending grievances beyond stipulated period

CCIT	Cases of pending Grievances for disposal by concerned AOs for more than two months				
	Petitioner, AY	**Nature of grievance**	**Date of grievance received in Cell**	**Date of grievance received by concerned AOs**	**Delay in months beyond stipulated two months as on 31 March 2012**
CCIT, Odisha	Gourang Banerjee, AY 1999-2000 and AY 2002-03	Non-receipt of refund	06 May 2009	12 May 2009	33
CCIT-I, Kolkata	Shruti Khaitan AY 2005-06	Refund	31 Jan 2007	07 Feb 2007	60
CCIT-I, Patna	Brahmanand Pandey	Refund	01 Apr 2011	NA	10
CCIT, Allahabad	Bishop Gorge School	NA	NA	20 April 2007	57
CIT-I Chennai	Pradeep Dadha Agencies, AY 1997-98	NA	06 Jan 2005	Dec 2011	84
CCIT, Himachal Pradesh	Roshan Lal Sharma AY 2006-07	Refund	01 Apr 2011	27 Apr 2011	10

There were 1,948 grievances pending for more than one year and upto two years while 1,784 grievances were pending for more than two years. So the number of cases which were pending for more than one year was more than half of the total pending cases. ITD needs to pay greater attention to old pending cases.

CBDT stated (February 2014) that in CCIT Jaipur, pendency shown is correct. In CCIT Panchkula, the reasons of pendency of grievance petition beyond the stipulated period can be ascertained only after receipt of report from the field offices.

CBDT may ensure that grievances are addressed timely by effective administrative mechanisms.

5.6.3 Utilization of feedback received from the public

As per para 2.1 of chapter 14 of MOP, one of the objectives of grievance redressal machinery is to gain insight into the working of the system through the feedback received from the public with a view to effecting appropriate changes in the system.

In response to audit query, CBDT replied (February 2014) that no formal study had been conducted by the grievance cell to gain insight into the working of the system through the feedback received from the public.

Audit is of the view that as per its objective the CBDT should take appropriate action to utilize the feedback received from the public to strengthen the redressal system.

5.6.4 Utilization of grievances for vigilance action

As per para 2.1 of chapter 14 of MOP, one of the objectives of grievance redressal machinery is to use public grievance as an input for the functioning of the department's vigilance machinery.

In response to audit query, CBDT replied (February 2014) that the grievances received in Grievance Cell involving vigilance angle are forwarded to the Vigilance Division for consideration/appropriate necessary action. No further follow up action is taken by the Grievance Cell on such grievances. Grievance Cell is not aware of the utilization of information from the public grievances forwarded to the Vigilance Division for the purpose of vigilance actions and the outcome of such action.

Audit is of the view that without follow up of the information with the vigilance, forwarding of such information to vigilance is of no use. CBDT may take appropriate action in this regard.

5.7 Conclusion

We noticed that ITD disposed of an average of 59 *per cent* of the grievances within stipulated period during FY 2011-12. Only in 18 Grievance Cells, the disposal of grievances within stipulated period was more than 60 *per cent*. In eight Grievance Cells, percentage of disposal ranged from 3.8 to 22.5 only.

The average percentage of disposal of grievances within the stipulated period during FY 2010-11 and FY 2011-12 was 55 and 59 *per cent* respectively. We noticed 7,167 instances of grievances which were pending for disposal by the concerned AOs as on 31 March 2012. The pendency of these grievances ranged from two days to more than 10 years beyond stipulated period of 60 days as on 31 March 2012.

The internal control for monitoring of redressal of grievances in ITD was not proper as prescribed registers/monthly reporting system was deficient. Due to improper maintenance of Grievance Register, vital information such as nature of grievance, grievance code etc. is not captured leading to delay in redressal.

CBDT stated (February 2014) that it will be ensured that the percentage of disposal would increase in future.

Grievance redressal is one of the most important aspects of ITD functions. Promptness and sensitivity in this regard projects the overall impression of the department in public. Therefore, disposal of grievances should not increase in quantitative terms only but it should also be ensured that satisfaction, dignity and rights of the petitioners are given due importance and priority. The pendency of grievances ranging from few days to upto 11 years shows that there are various flaws in the system and in the administrative mechanism which needs immediate attention.

New Delhi
Dated: 30 May 2014

(SWARUP NANDKEOLYAR)
Director General (Direct Taxes)

Countersigned

New Delhi
Dated: 30 May 2014

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

Appendix 1 (Reference: paragraph 1.2.3)

Details of Tax Administration

					(₹ in crore)
1. Collection[44]	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**
i) Corporate Tax	2,13,395	2,44,725	2,98,688	3,22,816	3,56,326
ii) Income Tax	1,06,075	1,22,417	1,39,102	1,64,525	1,96,843
iii) Other Direct Tax	14,387	10,452	8,205	6,646	5,820
iv) Total Direct Tax Collection	3,33,857	3,77,594	4,45,995	4,93,987	5,58,989
2. Assessee profile[45]					**(No. in lakh)**
i) Non-corporate assessees	323.2	337.2	332.0	357.61	367.87
ii) Corporate assessees	3.3	3.7	3.8	5.85	5.90
Total assessees	**326.5**	**340.9**	**335.8**	**363.46**	**373.77**
3. Stages of collection[46]					
a. Pre-assessment collection					**(₹ in crore)**
i) Tax deducted at source	1,28,230	1,45,736	1,68,669	1,98,680	2,10,654
ii) Advance tax	1,43,332	1,73,417	2,12,538	2,51,526	2,75,794
iii) Self assessment Tax	30,779	32,507	36,887	27,648	39,470
Total pre-assessment collection	**3,02,341**	**3,51,660**	**4,18,094**	**4,77,853**	**5,25,918**
b. Post-assessment collection					
i) Regular assessment	21,337	33,274	51,838	51,512	62,418
ii) Other receipts[47]	34,851	39,779	43,966	50,134	48,596
Total post-assessment collection	**56,188**	**73,053**	**95,804**	**1,01,646**	**1,11,014**
Pre-assessment collection as *per cent* of gross collection (minus other taxes)	84.3	82.8	81.4	82.5	82.6
4. Position of Assessments[45]					**(Number)**
i) Scrutiny assessments due for disposal	9,53,767	8,70,620	8,47,196	7,74,807	5,93,761
ii) Scrutiny assessments completed (*per cent*)	5,38,505 (56.5)	4,29,585 (49.3)	4,55,213 (53.7)	3,69,320 (47.67)	3,08,398 (51.94)
iii) Non-scrutiny assessments due for processing	4,74,18,334	5,12,97,750	5,22,76,829	3,92,32,628	2,90,37,299
iv) Non-scrutiny assessments processed (*per cent*)	2,30,18,693 (48.5)	2,78,16,036 (54.2)	3,06,36,718 (58.6)	2,77,21,088 (70.66)	1,70,47,634 (58.71)
v) No. of officers deployed for assessment duty[45]	3,106	3,605	3,687	3,737	3,657

[44] Source: Union Finance Accounts of respective year.

[45] Source : Directorate General of Income Tax (Logistics), Research & Statistics Wing, New Delhi.

[46] Source: Tax collection figures – Pr. Chief Controller of Accounts, CBDT, New Delhi.

[47] The figures of other receipts are shown including surcharge and cess.

5. Direct refund cases[45]					**(no. in lakh)**
	2008-09	**2009-10**	**2010-11**	**2011-12**	**2012-13**
i) Claims due for disposal	42.2	48.0	59.9	52.83	38.84
ii) Claims disposed of (*per cent*)	26.7 (63.3)	28.6 (59.6)	40.4 (67.4)	40.33 (76.33)	27.65 (71.2)
iii) No. of claims pending	15.5	19.4	19.5	12.50	11.2
6. Refunds and Interest on refunds					**(₹ in crore)**
i) Refunds[48]	**39,097**	**57,101**	**75,169**	**93,814**	**83,766**
ii) Interest on refunds[45]	5,778	6,876	10,499	6,486	6,666
iii) Interest as *per cent* of refunds	14.8	12.0	13.9	6.9	8.0
7. Efficiency of collection[49]					**(₹ in crore)**
i) Demand of earlier year's pending collection	93,344	1,81,612	2,02,859	2,65,040	4,09,456
ii) Current year's demand pending collection	1,07,932	47,420	88,770	1,43,378	76,724
Total demand pending	**2,01,276**	**2,29,032**	**2,91,629**	**4,08,418**	**4,86,180**
8. Position of appeals at CIT(A) levels[45]					**(Number)**
i) Appeals due for disposal	2,24,382	2,60,700	2,57,656	3,06,134	2,84,439
ii) Appeals disposed of (*per cent*)	66,351 (29.6)	79,709 (30.6)	70,474 (27.4)	75,518 (24.67)	85,049 (29.90)
iii) Appeals pending	1,58,031	1,80,991	1,87,182	2,30,616	1,99,390
iv) Amount locked up in appeal	1,99,101	2,20,148	1,98,088[50]	2,42,182	2,59,556
9. Tax Recovery Officers[45]					**(₹ in crore)**
i) Total certified demand	31,496.8	98,444.6	1,11,065.4	1,23,288.08	1,60,582.32
ii) Certified demand recovered (*per cent*)	4,035.8 (12.8)	3,322.3 (3.4)	4,074.6 (3.7)	9,756.39 (7.91)	6,764.65 (4.21)
iii) Certified Demand pending (*per cent*)	27,461.0 (87.2)	95,122.4 (96.6)	1,06,990.8 (96.3)	1,13,531.7 (92.09)	1,53,817.7 (95.79)
10. Cost of collection[48]					**(₹ in crore)**
Cost of collection	2,286	2,774	2,698	2,976	3,283

48 Source: Tax collection figures – Pr. Chief Controller of Accounts, CBDT, New Delhi.

49 Source: CAP I Demand & Collection Statement along with Analysis for the month of March 2013.

50 The Department initially intimated the figure as ₹ 2,93,548 crore. Subsequently, after the Audit Report no. 27 of 2011-12 was placed in the Parliament, the CBDT intimated (March 2014), this figure as ₹ 198,088 crore.

Appendix 2 (Reference: Paragraph 1.3)

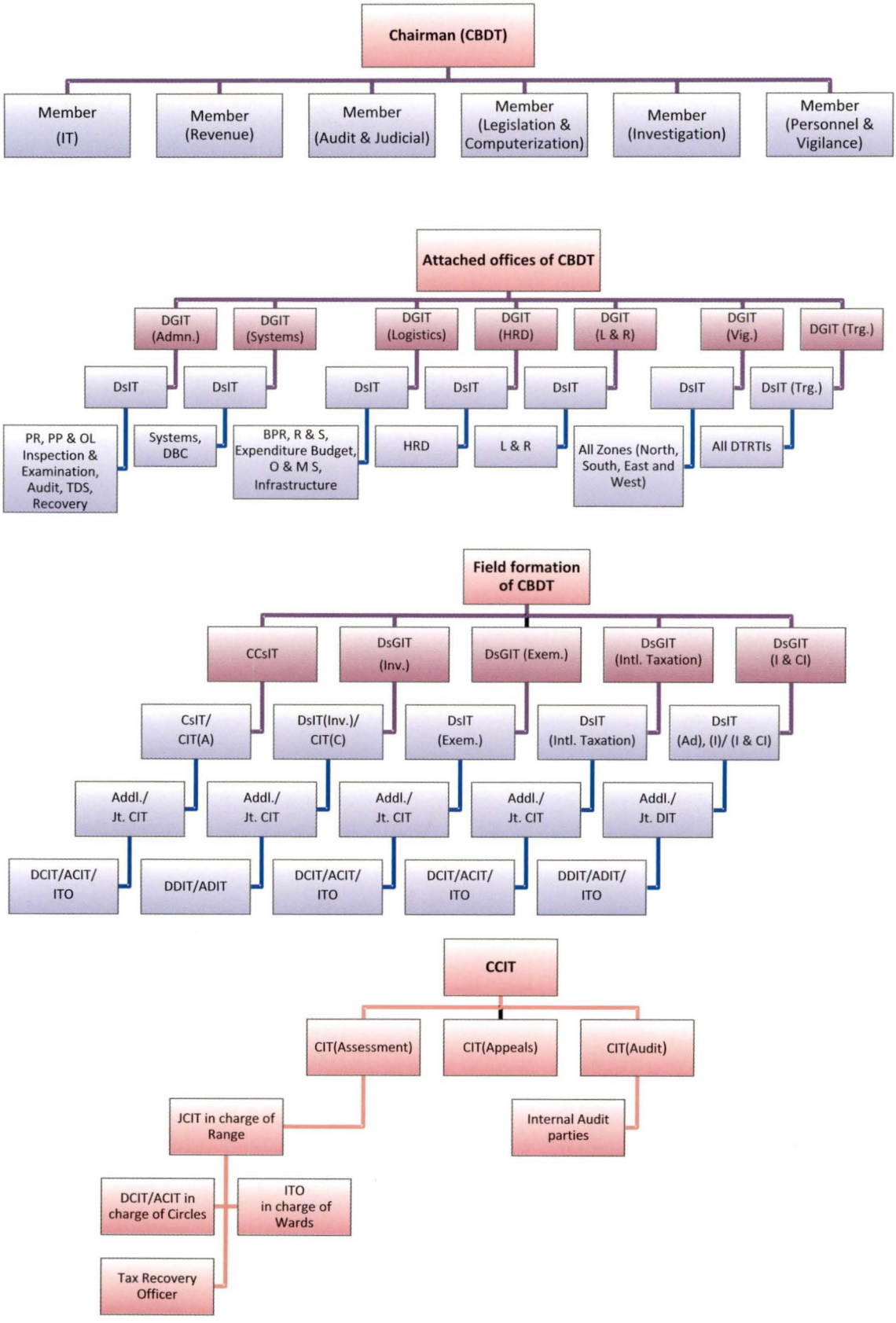
Key processes in taxation	
Receipt of Returns	All the assessee having income above prescribed limits have to file Income Tax Return (ITR) annually. Assessee (individual, HUF, firm, corporate body etc.) is liable to pay income tax and file ITR. CBDT has prescribed different forms of ITR for different categories of assessees and redesigned to enable enclosures less returns and online filing of ITR. Filing of TDS returns in electronic format have been made mandatory.
Summary assessment	Designated AO checks ITR for arithmetical accuracy, internal consistency etc. The summary assessment takes place with available data in ITR and without calling for record and information from the assessee. Thus summary assessment is non intrusive in nature. After processing, if there is any demand due from the assessee, it is intimated through demand notices. In case of excess payment of tax, the refunds are issued manually or through the Refund Banker Scheme.
Scrutiny assessment	AO retrieves all record and information related to assessee available with ITD and additionally calls for record and information from the assessee to satisfy himself that no income has been unaccounted and tax has been computed correctly. The Act prescribes time lines for issue of notices and completion of assessment proceedings. The AO finalises the assessment proceedings. The Act also provides for subsequent rectification of assessment orders *suo motu* or on the request of the assessee through reassessment, best judgement assessment and revision of earlier assessments.
Pre-assessment Collection	Every assessee is legally expected to assess his income tax liabilities and pay through advance tax and self assessment tax. Law also requires certain paying authorities in public and private sectors (TDS deductors) to deduct a certain percentage of payment made to individuals or corporate etc. and deposit the same in the Government's account. Another way of collecting tax is through designated authorities called TCS authorities who collect from certain individuals/corporate getting certain contracts/lease rights from public authorities. The collection of income tax through these four mechanisms - advance tax, self assessment tax, TDS and TCS is called pre-assessment mode of tax collections.
Post assessment collections	Taxes are collected on the demand raised by the department on the basis of processing of returns and assessments made. If taxes are not paid within the prescribed date from issue of demand notice, the assessees are considered defaulters and collection of demand are made through the tax recovery procedure provided under the Act.
Appeal process	An aggrieved assessee can appeal to the Commissioner of Income Tax (Appeals) against the order of an AO who shall comply with the directions given in the appellate order. Further, appeal is also permitted to be made on questions of fact and law to Income Tax Appellate Tribunal against the orders passed by appellate authorities. An appeal can be preferred to High Court under section 260A if any issue has not been considered or wrongly considered by the Appellate Tribunal and also to the Apex court under section 261 in any case which the High court certifies to be fit one for appeal thereto.
Refund	Where the amount of tax paid exceeds the amount of tax payable, the assessees are entitled to a refund of the excess amount. Simple

	interest at the prescribed rate is payable on the amount of such refund. Refund is also admissible (alongwith interest) as a result of any order passed in appeal or other proceedings.
Settlement Commission	The Settlement Commission is an Alternative Dispute Resolution (ADR) body mandated to resolve tax disputes in respect of Indian Income Tax and Wealth Tax Laws between the ITD and litigating tax payer deriving mandate from Chapter XIXA of the Act. The Settlement Commission allows taxpayers to disclose additional income, over and above what has been already disclosed before the ITD. The applicant has to pay full amount of tax and interest on the additional income disclosed before the Commission, before filing the application. The Commission upon deciding the admissibility, passes the order of settlement within 18 months from the date of initiation process, after giving opportunity to both parties. On or after 01 June 2007, the benefit of the settlement mechanism can be availed by a taxpayer only once in a life-time.
Recovery of tax arrears	On receipt of demand from AO, the assessee is required to pay within 30 days or any other time limit prescribed by AO If the recovery is not affected within a year of raising the demand, the AO is required to send the details of arrear cases to Tax Recovery Officer (TRO) for drawing up of Tax Recovery Certificates (TRC) after ensuring that all possible measures have been taken for recovery of demand.
Penalty and Prosecution	In order to ensure compliance of the provisions of Act and to have a deterrent effect for violations, the Act provides for exhaustive procedures for the imposition of penalty and initiation of prosecution. The levy of many penalty provisions is discretionary in nature and can be waived-off by the competent authority.
Audit	ITD has an Internal Audit Mechanism which is responsible for checking the assessments made by the AOs.
Role and responsibilities of DOR	DOR is one of the five departments under the Ministry of Finance. DOR functions under the overall direction and control of the Secretary (Revenue). DOR exercises control in taxation matters relating to all Direct and Indirect taxes through two statutory Boards namely, Central Board of Direct Taxes (CBDT) and Central Board of Excise and Customs (CBEC).
	Besides two Boards, DoR has 18 attached/subordinate offices under its jurisdiction. Some attached/subordinate offices relevant to administration of Direct Taxes are Enforcement Directorate, Central Economic Intelligence Bureau (CEIB), Financial Intelligence Unit, India (FIU-IND), Income Tax Settlement Commission (ITSC), Authority for Advance Rulings (AAR) for Income Tax, Income Tax Ombudsman etc.
	DoR administered around 20 Acts including Acts pertaining to Direct taxes, namely, Income Tax Act, 1961, Wealth Tax Act, 1957; Chapter VII of Finance (no. 2) Act, 2004 (relating to Levy of Securities Transactions Tax) etc. The other Acts relevant for an effective administration of direct taxes, namely, the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 {SAFEM (FOP) A}; the Foreign Exchange Management Act, 1999 (FEMA); Prevention of Money Laundering Act, 2002 (PMLA); the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA); etc. are also administered by DoR.
	The Enforcement Directorate (ED) implements two Acts FEMA and PMLA. Financial Intelligence Unit-India (FIU-IND), a central national agency under DOR is responsible for receiving, processing, analyzing

	and disseminating information related to suspicious financial transactions. It receives prescribed information from various entities in financial sector and in appropriate cases, disseminates information to relevant intelligence/law enforcement agencies which include CBDT, CBEC and Enforcement Directorate etc.
	The Central Economic Intelligence Bureau (CEIB) is entrusted with maintaining the Secretariat for the Economic Intelligence Council (EIC) and a repository of economic intelligence (ECOINT) for coordinating and strengthening the economic intelligence and enforcement activities.
	The Financial Action Task Force (FATF) is an inter-governmental body dedicated for development of standards for combating money laundering and terrorist-financing.
CBDT and its field formations	CBDT created by Central Boards of Revenue Act, 1963, is the apex body entrusted with the responsibility of administering direct tax laws as well as providing essential inputs for policy and planning on direct taxes in India. It is the cadre controlling authority for ITD.
	The members of CBDT in addition to their assigned responsibilities also take decision collectively on policy issues, set up and structure of ITD, method and procedures of work, measures for disposal of assessments, collection of taxes, detection of tax evasion, recruitment, training and other service matters.
	CBDT consists of Chairman and six members who are responsible for specified functional areas (legislation, computerization, revenue, personnel & vigilance, audit, judicial) and supervision and monitoring of specified zonal field formations.
	CBDT has seven attached offices (DGsIT - Administration, Systems, Vigilance, Training, Legal & Research, Logistics and HRD). The field formation of CBDT consists of four Directorates (DGsIT– Investigation, Exemption, International Taxation and Intelligence & Criminal Investigation) and regions headed by officer at the level of Chief Commissioner of Income Tax (CCIT). The typical organizational structure of zonal CCIT is in *Appendix 3*.
Filing of ITR	CBDT has notified Income Tax Returns (ITR) for various classes of assessees and redesigned to enable enclosures-less returns and online filing of ITR. Timelines for filling of ITR have been fixed for all categories of assessees. Manual ITRs are digitised before processing. Filing of TDS returns in electronic format have been made mandatory. Similarly, e-filing is mandatory for companies; and extended that to other assessees whose income exceeded ₹ five lakh.

Appendix 3 (Reference: Paragraph 1.3)

Organizational set-up of CBDT, its attached offices and field formation



Appendix 4 (Reference: Paragraph 1.4.2)

Tax rates for Corporate and Non-corporate assessees

A. Income-Tax Rates[51] for Individuals, HUFs, AOPs & BOIs

Taxable Income	Assessment year 2008-09 (rates in *per cent*)		
	Resident women	Resident senior citizen[52]	Any other
First ₹ 1,10,000	Nil	Nil	Nil
Next ₹ 35000	Nil	Nil	10
Next ₹ 5,000	10	Nil	10
Next ₹ 45,000	20	Nil	20
Next ₹ 55,000	20	20	20
Over ₹ 2,50,000	30	30	30

Taxable Income	Assessment year 2009-10 (rates in *per cent*)		
	Resident women	Resident senior citizen[52]	Any other
First ₹ 1,50,000	Nil	Nil	Nil
Next ₹ 30000	Nil	Nil	10
Next ₹ 45,000	10	Nil	10
Next ₹ 75,000	10	10	10
Next ₹ 2,00,000	20	20	20
Over ₹ 5,00,000	30	30	30

Taxable Income	Assessment year 2010-11 (rates in *per cent*)		
	Resident women	Resident senior citizen[52]	Any other
First ₹ 1,60,000	Nil	Nil	Nil
Next ₹ 30000	Nil	Nil	10
Next ₹ 50,000	10	Nil	10
Next ₹ 60,000	10	10	10
Next ₹ 2,00,000	20	20	20
Over ₹ 5,00,000	30	30	30

Taxable Income	Assessment year 2011-12 (rates in *per cent*)		
	Resident women	Resident senior citizen[52]	Any other
First ₹ 1,60,000	Nil	Nil	Nil
Next ₹ 30,000	Nil	Nil	10
Next ₹ 50,000	10	Nil	10
Next ₹ 2,60,000	10	10	10
Next ₹ 3,00,000	20	20	20
Over ₹ 8,00,000	30	30	30

[51] Certain incomes of non-resident Indians are taxable at the flat rate of 20 *per cent* [for details refer Income Tax Act, 1961]

[52] 65 years or more at any time during the previous year

Taxable Income	Assessment year 2012-13 (rates in *per cent*)			
	Resident women	Resident senior citizen[53]	Resident super senior citizen[54]	Any other
First ₹ 1,80,000	Nil	Nil	Nil	Nil
Next ₹ 10000	Nil	Nil	Nil	10
Next ₹ 60,000	10	Nil	Nil	10
Next ₹ 2,50,000	10	10	Nil	10
Next ₹ 3,00,000	20	20	20	20
Over ₹ 8,00,000	30	30	30	30

B. Union surcharge on income-tax

a) For the assessment year 2008-09 and 2009-10: 10 *per cent* of income-tax if taxable income exceeds ₹ ten lakh (surcharge is payable whether the taxpayer is resident or non-resident).

b) For the assessment year 2010-11 to 2012-13: Nil.

C. Education cess :

Two *per cent* of income-tax and surcharge for the assessment years 2008-09 to 2012-13.

D. Secondary and higher education cess :

One *per cent* of income-tax and surcharge for the assessment years 2008-09 to 2012-13.

E. Income-Tax Rates for Firms (PFAS)

	Assessment years (rates in *per cent*)	
	2008-09 and 2009-10	2010-11 to 2012-13
Income-tax	30	30
Surcharge (as a percentage of income- tax)	10[55]	Nil
Total	33	30
Education cess (as a percentage of income-tax and surcharge)	3	0.9
Total Tax	**33.99**	**30.9**

- **Alternate minimum tax in the case limited liability partnership** – For the assessment year 2012-13, tax payable by a limited liability partnership cannot be less than 18.5 *per cent* (plus education cess plus secondary higher education cess, effective rate 19.055 *per cent*) of "adjusted total income" as per section 115JC.

[53] 60 years or more at any time during the previous year but less than 80 years on the last day of the previous year.

[54] 80 years or more at any time during the previous year

[55] For assessment years 2008-09 and 2009-10, surcharge is applicable only if net income exceeds ₹ one crore.

F. Income-Tax rates for Companies

		Assessment years 2008-09 to 2012-13
a.	In the case of a domestic company	30
b.	In the case of a foreign company :	
i.	royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after March 31, 1961; or fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after February 29, 1964, but before April 1, 1976 and where such agreement has, in either case been approved by the Central Government.	50
ii.	Other income	40

Union surcharge on income-tax:

For the AY(s) 2008-09 to 2010-11 (if net income exceeds ₹ one crore): 10 *per cent* of income-tax in the case of a domestic company and two and half *per cent* of income-tax in the case of a foreign company;

For the AY 2011-12 (if net income exceeds ₹ one crore): Seven and half *per cent* of income-tax in the case of a domestic company and two and half *per cent* of income-tax in the case of foreign company.

For the AY 2012-13 (if net income exceeds ₹ one crore): Five *per cent* of income-tax in the case of a domestic company and two *per cent* of income-tax in the case of foreign company.

Education cess: Two *per cent* of income-tax and surcharge for the AYs 2008-09 to 2012-13.

Secondary and higher education cess: One per cent of income-tax and surcharge for the assessment years 2008-09 to 2012-13.

G. Income-Tax Rates for Co-Operative Societies

For the assessment years 2008-09 to 2012-13 – first ₹ 10,000: 10 *per cent* , next ₹ 10,000 : 20 *per cent* and balance : 35 *per cent*.

Union surcharge on income-tax –

Assessment year	Surcharge (as *per cent* of income-tax)
2008-09 to 2012-13	nil

Education cess : Two *per cent* of income-tax and surcharge for the assessment years 2008-09 to 2011-12; 'Nil' for assessment year 2012-13.

Secondary and higher education cess: One *per cent* of income-tax for the assessment years 2008-09 to 2011-12; 'Nil' for assessment year 2012-13.

Appendix 5 (Reference Paragraph: 2.3.2)

₹ in lakh

Sl. No.	CAG DP No.	State	CIT Charge	Name of assessee	AYs	Main Category	Sub Categories	Total Tax Effect	Status of Ministry/ITD's Response
1.	02-CT	Karnataka	CIT-I, Bangalore	M/s Kare Investment(P) Limited	2009-10	**Quality of Assessments**	**Arithmetical errors in computation of income and tax**	157.51	Accepted and remedial action taken
2.	20-CT	Uttar Pradesh	CIT-II, Agra	M/s Chitavalsah Jute Mills Ltd.	2009-10			27.37	-do-
3.	26-CT	Maharashtra	CIT-I, Kolhapur	M/s The Sangli Bank Limited	2007-08			8725.00	Reply not received
4.	27-CT	Maharashtra	CIT-VII, Mumbai	M/s Siemens Information Systems Limited	2007-08			6574.00	Accepted and remedial action taken
5.	31-CT	Maharashtra	CIT-VII, Mumbai	M/s Shree Swami Samarth Trading Enterprises Private Limited Company	2009-10			159.00	-do-
6.	37-CT	Maharashtra	CIT-III, Mumbai	M/s Small Industries Development Bank of India (SIDBI)	2007-08			2165.72	-do-
7.	43-CT	Delhi	DIT-II (Intl. Taxation), Delhi	M/s Raytheon Company	2002-03			417.00	-do-
8.	44-CT	Delhi	CIT-V, Delhi	M/s R.P. Milk made Products Pvt. Limited	2008-09			95.13	Remedial action taken
9.	45-CT	Delhi	CIT-V, Delhi	M/s Rajeev Paper Mills Ltd.	2007-08			60.20	-do-
10.	47-CT	Delhi	DIT-I, Delhi	M/s Coca-Cola India Inc.	2004-05			183.47	Accepted and remedial action taken
11.	57-CT	Delhi	CIT-I, Delhi	M/s Alchemist Hospitals Limited	2008-09			244.76	-do-
12.	60-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s Coca Cola India Inc.	2007-08			557.84	Remedial action taken
13.	63-CT	Delhi	-do-	M/s Amadeus I.T. Group S.A.	2008-09			1159.36	Remedial action taken
14.	72-CT	Delhi	CIT-V ,Delhi	M/s National Buildings Construction Corporation Ltd.	2003-04			79.39	Reply not received
15.	75-CT	Gujarat	CIT-II, Baroda	M/s Uttar Gujarat Vij Company Limited	2008-09			1052.52	Remedial action taken
16.	77-CT	Gujarat	CIT-I, Ahmedabad	M/s Adani Power Limited	2009-10			30.09	Remedial action taken
17.	83-CT	Tamil Nadu	CIT-III, Chennai	M/s Olympus Elevator Private Limited	2009-10			131.68	Accepted and remedial action taken
18.	84-CT	Maharashtra	CIT-VI, Mumbai	M/s Depuy Medical Private Limited Company	2008-09			56.15	-do-

19.	85-CT	Maharashtra	CIT-VI, Mumbai	M/s HDFC Standard Life Insurance Company Limited	2008-09			482.00	-do-
20.	92-CT	Maharashtra	CIT-VII, Mumbai	M/s Spykar Lifestyles Private Limited	2009-10			84.14	-do-
21.	93-CT	Maharashtra	Central-I, Mumbai	M/s Roofit Industries Limited Company	2008-09			134.00	-do-
22.	94-CT	Maharashtra	CIT-V, Mumbai	M/s National Aviation Co. of India Limited	2007-08			2032.15	Accepted
23.	96-CT	Maharashtra	CIT-LTU, Mumbai	M/s ACC Limited	2007-08			114.00	Accepted and remedial action taken
24.	98-CT	Maharashtra	CIT-VII, Mumbai	M/s Tata Tele Services (Maharashtra) Limited	2007-08			6735.0	-do-
25.	102-CT	Maharashtra	CIT-I, Pune	M/s B.F. Utilities Limited	2008-09			846.00	-do-
26.	109-CT	Maharashtra	CIT-III, Mumbai	M/s Elpro International Limited	2009-10			428.92	Accepted
27.	113-CT	Karnataka	CIT-III, Bangalore	M/s Maini Precision Products Private Limited	2009-10			306.26	Accepted and remedial action taken
28.	120-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s Bentley Nevada LLC	2005-06			74.02	Remedial action taken
29.	126-CT	Maharashtra	CIT-IV, Central, Mumbai	M/s Five Star Shipping Co Private Limited	2009-10			137.29	Accepted and remedial action taken
30.	127-CT	Maharashtra	CIT-I, Mumbai	M/s Ganesh Benzoplast Ltd.	2008-09			69.08	-do-
31.	131-CT	Maharashtra	CIT- Central IV, Mumbai	M/s Bermaco Energy System Limited	2010-11			339.90	-do-
32.	151-CT	Karnataka	CIT-III, Bangalorre	M/s Unnathi Projects Limited	2006-07			359.35	-do-
33.	157-CT	Delhi	CIT-VI, Delhi	M/s Taj Milk Foods Limited	2009-10			117.65	Remedial action taken
34.	164-CT	West Bengal	CIT-II Kolkata	M/s The West Bengal Power Development Corporation Ltd.	2004-05			433.90	Remedial action initiated
35.	169-CT	West Bengal	CIT-II, Kolkata	M/s Coal India Limited	2004-05			60.27	Reply not received
36.	173-CT	West Bengal	CIT-IV, Kolkata	M/s Kundu Developers & Realtors(P) Limited	2009-10			114.61	Remedial action taken
37.	187-CT	Tamil Nadu	CIT-I, Chennai	M/s Cholamandalam Investments and Finance Company Limited	2009-10			51.32	Remedial action taken
38.	199-CT	Tamil Nadu	CIT-III ,Chennai	M/s Midas Communication Technologies Private Limited	2008-09			172.36	Accepted and remedial action initiated

39.	202-CT	Andhra Pradesh	CIT-IV, Hyderabad	M/s National Mineral Development Corporation Limited	2006-07			424.04	-do-
40.	204-CT	Madhya Pradesh	CIT-II, Indore	M/s State Bank of India	2009-10			130.00	Remedial action taken
41.	207-CT	Delhi	CIT-V, Delhi	M/s Quatrro Business Support Service Private Ltd.	2008-09			218.73	Reply not received
42.	211-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s Lummus Technology Heat Transfer B.V	2007-08			140.48	Remedial action taken
43.	212-CT	Delhi	DIT-I, Delhi	M/s Bentley Nevada LLC	2003-04 to 06-07			343.96	Remedial action taken
44.	218-CT	West Bengal	CIT-II, Kolkata	M/s Hindustan Copper Limited	2002-03			259.67	Reply not received
45.	219-CT	West Bengal	CIT-IV, Kolkata	M/s Mohima Developers (P) Limited	2009-10			71.05	Remedial action taken
46.	221-CT	West Bengal	CIT-IV, Kolkata	M/s Shakambhari Ispat and Power Limited	2009-10			570.45	Remedial action taken
47.	222-CT	West Bengal	CIT-II, Kolkata	M/s West Bengal Infrastructure Development Finance Corporation Ltd.	2009-10			598.38	Remedial action taken
48.	225-CT	West Bengal	CIT-IV, Kolkata	M/s SDV International Logistics Limited	2008-09			267.90	-do-
49.	230-CT	West Bengal	CIT-IV, Kolkata	M/s JCT Ltd.	2009-10			87.72	-do-
50.	232-CT	Delhi	CIT-Central-I, Delhi	M/s India Lease Development Limited	2002-03			52.06	Remedial action taken
51.	237-CT	Delhi	CIT-V, Delhi	M/s PepsiCo India Holdings Private Limited	2008-09			185.75	Reply not received
52.	239-CT	Delhi	CIT-V, Delhi	M/s NTPC Limited	2009-10			17975.88	Reply not received
53.	254-CT	Maharashtra	CIT-VIII, Mumbai	M/s Home Solutions Retail (I) Limited	2008-09			516.12	Accepted and remedial action taken
54.	269-CT	Andhra Pradesh	CIT-Central, Hyderabad	M/s B.S. Transcom Limited	2004-05			207.33	-do-
55.	273-CT	Andhra Pradesh	CIT-Central, Hyderabad	M/s Engineers Syndicate (India) Private Limited	2004-05			56.89	-do-
56.	278-CT	Andhra Pradesh	CIT-Tirupathi	M/s Zuari Cements Limited	2007-08			890.00	Reply not received
57.	293-CT	Delhi	CIT-IV, Delhi	M/s IBN 18 Broadcast Ltd.	2009-10			199.62	Reply not received
58.	295-CT	Delhi	CIT-III, Delhi	M/s SBI Cards & Payment Services Private Limited	2002-03			185.99	Remedial action taken

59.	299-CT	Jammu and Kashmir	CIT-Jammu and Kashmir	M/s J & K Handicrafts (S&E) Corporation Limited	2008-09			101.00	Reply not received
60.	314-CT	Goa	CIT-I, Panaji	M/s Salgaocar Mining Industries Private Limited	2009-10			78.44	Accepted and remedial action taken
61.	321-CT	Tamil Nadu	CIT-III, Chennai	M/s V. S. Net Limited	2007-08			57.90	Remedial action taken
62.	04-CT	Karnataka	CIT-III Bangalore	M/s TELCO Construction Equipment Company Limited	2008-09		**Mistakes in levy of interest**	57.75	Accepted and remedial action taken
63.	06-CT	Karnataka	CIT-Central, Bangalore	M/s Obulapuram Mining Co. Pvt. Ltd.	2010-11			333.57	-do-
64.	18-CT	Uttar Pradesh	CIT, Meerut	M/s Sejai International Limited	1999-2000			55.81	-do-
65.	19-CT	Uttar Pradesh	CIT-II, Kanpur	M/s Shri Laxmi Cotsyn Limited	2009-10			33.14	-do-
66.	24-CT	Maharashtra	CIT-Central-II, Mumbai	M/s Growmore Leasing & Investment Pvt. Limited	2006-07			53.30	-do-
67.	28-CT	Maharashtra	CIT-Central-II, Mumbai	M/s Growmore Research and Assets Management Limited	2006-07			78.86	Remedial action taken
68.	30-CT	Maharashtra	CIT-IV, Central Mumbai	M/s Orbit Constructions & Realtors Private Ltd. Company	2007-08			207.00	Accepted and remedial action taken
69.	40-CT	Maharashtra	CIT-II, Mumbai	M/s Mahindra & Mahindra Ltd.	2007-08			82.94	Remedial action taken
70.	42-CT	Maharashtra	CIT-IX, Mumbai	M/s Otis Elevator Company (India) Limited Company	2008-09			62.57	Accepted and remedial action taken
71.	48-CT	Delhi	CIT-I, Delhi	M/s Bengal Unitech Universal Infrastructure Private Limited	2009-10			92.07	Remedial action taken
72.	56-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s GE Nuovo Pignone SPA	2007-08			67.59	Accepted and remedial action taken
73.	59-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s Adobe Systems Software Ireland Ltd.	2008-09			149.23	Remedial action taken
74.	62-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s Huawei Technologies Co. Limited	2008-09			423.63	Remedial action taken
75.	65-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s Adobe Systems Software Ireland Limited	2008-09			348.19	Remedial action taken
76.	67-CT	Delhi	CIT-I, Delhi	M/s Nirman Overseas Private Limited	2006-07			480.72	Accepted and remedial action taken
77.	81-CT	Gujarat	CIT-Valsad	M/s Bilag Industries Pvt. Ltd.	2005-06			25.34	Remedial action taken
78.	88-CT	Maharashtra	CIT-XI, Mumbai	M/s Star India Private Limited	2007-08			143.92	Remedial action taken
79.	105-CT	Maharashtra	CIT-III, Pune	M/s Runwal Multihousing Private Limited	2003-04			114.00	Accepted and remedial action taken

80.	119-CT	Delhi	DIT-II (Intl. Taxation), Delhi	M/s Motorola Inc. (MINC)	1997-98			59.38	Remedial action taken
81.	124-CT	Maharashtra	CIT-V, Pune	M/s Atlas Copco India Limited	2006-07			96.07	Accepted and remedial action taken
82.	138-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s BBC World News Limited	2008-09			88.89	-do-
83.	144-CT	Madhya Pradesh	CIT-I, Indore	M/s Zoom Developers Private Limited	2003-04 to 09-10			455.88	Reply not received
84.	155-CT	Delhi	CIT-II, Delhi	M/s Mahajan Industries Private Limited	2009-10			51.81	Accepted and remedial action taken
85.	159-CT	Delhi	DIT-I (Intl Taxation), Delhi	M/s Ericsson AB	2007-08			516.00	Remedial action taken
86.	172-CT	West Bengal	CIT-I, Kolkata	M/s Xenitis Technolab (P) Ltd.	2007-08			134.59	Remedial action taken
87.	181-CT	Andhra Pradesh	CIT-Central Hyderabad	M/s Madhucon Project Limited	2007-08			157.92	Accepted and remedial action taken
88.	192-CT	Maharashtra	CIT-I, Pune	M/s Bank of Maharashtra	2009-10			292.24	Accepted
89.	194-CT	Maharashtra	CIT-IV, Mumbai	M/s CLSA India Limited	2008-09			361.75	Accepted and remedial action taken
90.	236-CT	Delhi	CIT-III, Delhi	M/s HBN Dairies and Allied Limited	2009-10			117.27	Remedial action taken
91.	279-CT	Tamil Nadu	CIT-LTU, Chennai	M/s United India Insurance Co Limited	2009-10			74.88	Remedial action taken
92.	290-CT	Tamil Nadu	CIT-LTU, Chennai	M/s Cholamandalam MS General Insurance Company Limited	2008-09			242.94	Remedial action taken
93.	292-CT	Delhi	CIT-I, Delhi	M/s Aspect Software Inc.	2008-09			91.69	Remedial action taken
94.	296-CT	Delhi	CIT-IV, Delhi	M/s Deutsche Post Bank Home Finance Limited	2007-08			118.97	Reply not received
95.	303-CT	Tamil Nadu	CIT-VI, Chennai	M Sterling Infotech Limited	2007-08			110.66	Reply not received
96.	35-CT	Maharashtra	CIT-V, Mumbai	M/s Jet Airways India Limited	2005-06		**Excess or irregular refunds/ interest on refunds**	93.41	Accepted
97.	73-CT	Delhi	CIT-III	M/s Siemens Product Lifecycle Management Software India Private Limited	2007-08			61.06	Remedial action taken
98.	87-CT	Maharashtra	CIT-IX, Mumbai	M/s Otis Elevator Company (India) Limited	2008-09			82.16	Accepted and remedial action taken
99.	99-CT	Maharashtra	CIT-III, Mumbai	M/s ICICI Bank Limited.	2002-03			1164.00	-do-

100.	108-CT	Maharashtra	CIT-VIII, Mumbai	M/s Birla Sunlife Asset Management Company Limited	2009-10			59.80	Accepted and remedial action taken
101.	178-CT	Gujarat	CIT-II, Ahmedabad	M/s Gujarat Paguthan Energy Corporation Private Limited	1999-2000			152.32	Remedial action taken
102.	180-CT	Kerala	CIT-I, Kochi	M/s The Federal Bank Limited	2009-10			1266.00	Accepted
103.	213-CT	Delhi	CIT-I, Delhi	M/s Ericsson A B	2006-07 & 07-08			550.53	Remedial action taken
104.	214-CT	West Bengal	CIT-II, Kolkata	M/s Birla Corporation Limited	2007-08			70.00	Remedial action taken
105.	281-CT	Tamil Nadu	CIT-LTU, Chennai	M/s Neyveli Lignite Corporation Limited	1999-2000			235.87	Reply not received
106.	07-CT	Karnataka	CIT-III Bangalore	M/s Network Solutions (P) Limited	2009-10		**Incorrect application of rate of tax and surcharge**	80.87	Accepted and remedial action taken
107.	33-CT	Maharashtra	CIT-V, Mumbai	M/s Jet Airways India Limited	2005-06			90.04	Accepted
108.	54-CT	Delhi	DIT-I, Delhi	M/s Galileo Nederland BV (now M/s Travelport Global Distribution system BV)	2008-09			94.27	Accepted and remedial action taken
109.	68-CT	Delhi	CIT-III, Delhi	M/s Salora International Limited	2008-09			220.25	Remedial action taken
110.	69-CT	Delhi	CIT-II, Delhi	M/s M V Marketing Private Limited company	2003-04			178.03	Accepted and remedial action taken
111.	229-CT	West Bengal	CIT-II, Kolkata	M/s United Bank of India	2003-04			156.09	Remedial action taken
112.	264-CT	Andhra Pradesh	CIT-II, Hyderabad	M/s EP Industrial & Agro Chemicals(P) Limited	2007-08			120.29	Accepted and remedial action taken
113.	38-CT	Maharashtra	CIT-LTU, Mumbai	M/s Industrial Development Bank of India Limited	2008-09		**Mistakes in Assessment while giving effect to appellate order**	6102.45	Reply not received
114.	39-CT	Maharashtra	CIT-II, Mumbai	M/s HDFC Bank Limited	2009-2010			792.22	Accepted and remedial action taken
115.	76-CT	Gujarat	CIT-I, Ahmedabad	M/s Gujarat Paguthan Energy Corporation Private Limited (now CLP India Private Limited)	2000-2001			655.45	-do-
116.	79-CT	Gujarat	CIT-I, Baroda	M/s Gujarat State Fertilizers and Chemicals Limited	2008-09			102.04	Remedial action taken
117.	100-CT	Maharashtra	CIT-VII, Mumbai	M/s Tata Tele Services (Maharashtra) Limited.	2005-06 & 06-07			151.00	Accepted and remedial action taken
118.	142-CT	Maharashtra	CIT-I, Mumbai	M/s Cox & Kings (India) Limited	2005-06			130.64	-do-

119.	176-CT	Gujarat	CIT-II, Ahmedabad	M/s Atul Limited	2003-04			26.22	-do-
120.	195-CT	Maharashtra	CIT-II, Nashik	M/s Tulsi Extrusions Private Limited	2007-08			180.20	Reply not received
121.	255-CT	Maharashtra	CIT-II, Mumbai	M/s Bharat Petroleum Corporation Limited	2004-05			231.49	Accepted and remedial action taken
122.	308-CT	Uttarakhand	CIT-Haldwani	M/s Kumaon Mandal Vikas Nigam Limited	2008-09			25.50	-do-
123.	01-CT	Karnataka	CIT-III Bangalore	M/s Micro Land Limited	2008-09	**Administration of tax concession/ exemption/ deduction**	**Irregularities in allowing depreciation / business losses/ capital losses**	63.73	Accepted and remedial action taken
124.	09-CT	Karnataka	CIT-III Bangalore	M/s Sigma Aldrich Chemicals Private Limited	2008-09			50.67	Accepted and remedial action initiated
125.	10-CT	Tamil Nadu	CIT-III, Chennai	M/s VSL India Limited	2008-09			97.69	Remedial action taken
126.	12-CT	Tamil Nadu	CIT-I, Chennai	M/s Boss Profiles Pvt. Ltd.	2007-08			171.10	Remedial action taken
127.	13-CT	Tamil Nadu	CIT-I, Chennai	M/s Gangadharam Appliances Limited	2007-08			117.00	Remedial action taken
128.	14-CT	Tamil Nadu	CIT-I, Coimbatore	M/s Madras Spinners Limited	2007-08			87.77	Accepted and remedial action taken
129.	16-CT	Gujarat	CIT-I, Ahmedabad	M/s Adani Agro Private Ltd.	2006-07			3125.66	Remedial action taken
130.	32-CT	Maharashtra	CIT-X, Mumbai	M/s Konkan Railway Corporation Limited	2009-10			90.20	Remedial action taken
131.	34-CT	Maharashtra	CIT-6, Mumbai	M/s Corbel Estate and Investment Private Limited Company	2009-10			928.00	Accepted and remedial action taken
132.	41-CT	Maharashtra	CIT-V, Mumbai	M/s Gagan Trading Company Limited	2009-10			1578.32	Reply not received
133.	49-CT	Delhi	CIT-I, Delhi	M/s Cybersys Infotech Limited	2009-10			96.10	Accepted and remedial action taken
134.	50-CT	Delhi	CIT-III, Delhi	M/s Samsung Telecommunications India Private Limited	2007-08			55.97	-do-
135.	61-CT	Delhi	CIT-I, Delhi	M/s Bharti Infratel Limited	2009-10			5345.64	-do-
136.	80-CT	Gujarat	CIT-Central-I, Ahmadabad	M/s NCP Enterprises Private Limited	2010-11			163.75	Remedial action taken
137.	91-CT	Maharashtra	CIT(Central)-IV, Mumbai	M/s Five Star Shipping Company Private Limited	2009-10			147.93	Accepted and remedial action taken
138.	103-CT	Maharashtra	CIT Central-III, Mumbai	M/s Prism Cement Limited	2008-09			57.07	Remedial action taken

139.	107-CT	Maharashtra	CIT-VI, Mumbai	M/s Destimoney Enterprises Private Limited	2008-09			321.00	Accepted and remedial action taken
140.	116-CT	Tamil Nadu	CIT-III, Hyderabad	M/s Remi Electricals India Ltd.	2007-08			109.28	-do-
141.	118-CT	Delhi	CIT-II, Delhi	M/s Living Media India Limited	2009-10			557.55	Remedial action taken
142.	121-CT	Punjab	CIT-II, Jalandhar	M/s Patel Hospital Private Limited	2008-09			25.14	Accepted and remedial action taken
143.	128-CT	Maharashtra	CIT-VIII, Mumbai	M/s Oceanic Transport Private Limited	2007-08			138.98	Remedial action taken
144.	129-CT	Maharashtra	CIT-VIII, Mumbai	M/s Hotel Leela Venture Ltd.	2007-08			195.85	-do-
145.	130-CT	Maharashtra	CIT-VII, Mumbai	M/s Sabero Organics Gujarat Limited	2009-10			132.10	Accepted and remedial action taken
146.	134-CT	West Bengal	CIT-III, Kolkata	M/s Tirumala Iron(P) Ltd.	2009-10			100.00	-do-
147.	135-CT	West Bengal	CIT-IV, Kolkata	M/s Vantage Advertising(P) Limited	2008-09			86.62	Reply not received
148.	141-CT	Maharashtra	CIT Central-II, Mumbai	M/s Radhakrishna Shipping Private Limited	2006-07			68.36	Accepted and remedial action taken
149.	147-CT	Rajasthan	CIT-II, Jaipur	M/s Rajasthan State Mines & Minerals Limited	2008-09			36.57	-do-
150.	152-CT	Andhra Pradesh	CIT-II, Hyderabad	M/s Golkonda Finance & Trading (P) Limited	2006-07			85.38	Accepted and remedial action initiated
151.	153-CT	Assam	CIT-II, Guwahati	M/s Assam Roofings Private Limited	2008-09			122.51	Remedial action taken
152.	154-CT	Delhi	CIT-III, Delhi	M/s Shriram Pistons and Rings Limited	2006-07			393.18	Reply not received
153.	162-CT	West Bengal	CIT-IV, Kolkata	M/s Calcutta State Transport Corporation	2009-10			814.35	Reply not received
154.	163-CT	West Bengal	CIT-I, Kolkata	M/s West Bengal State Electricity Transmission Company Limited	2008-09			654.94	Accepted and remedial action taken
155.	165-CT	West Bengal	CIT-IV, Kolkata	M/s ER Textiles Limited	2007-08			89.31	Remedial action taken
156.	168-CT	West Bengal	CIT-IV, Kolkata	M/s Calcutta State Transport Corporation	2009-10			93.72	Reply not received
157.	179-CT	Gujarat	CIT-I, Vadodara	M/s Bell Granito Ceramica Limited	2006-07			70.32	Accepted and remedial action taken
158.	183-CT	Tamil Nadu	CIT-LTU, Chennai	M/s Wheels India Limited	2009-10			236.27	Remedial action taken
159.	184-CT	Tamil Nadu	CIT-II, Chennai	M/s Empee Breweries Ltd.	2006-07			136.00	-do-
160.	186-CT	Tamil Nadu	CIT-II, Chennai	M/s Kasthuri and Sons Limited	2006-07			597.53	Remedial action taken

161.	200-CT	Andhra Pradesh	CIT-II, Hyderabad	M/s HCG Investments and Impex Limited	2006-07			78.80	Accepted and remedial action taken
162.	216-CT	West Bengal	CIT-I, Kolkata	M/s Burn Standard Company Limited	2009-10			301.02	Reply not received
163.	220-CT	West Bengal	CIT-I, Kolkata	The Tinplate Company of India Limited	2006-07			283.77	Remedial action taken
164.	223-CT	West Bengal	CIT-IV, Kolkata	M/s JCT Limited	2009-10			1428.14	-do-
165.	227-CT	West Bengal	CIT-II, Kolkata	M/s W.B. Infrastructure Development Finance Corporation Limited	2009-10			865.04	-do-
166.	234-CT	Delhi	CIT-V, Delhi	M/s Rass Infratech Private Limited	2007-08			58.69	Accepted and remedial action taken
167.	244-CT	Gujarat	CIT-Gandhinagar	M/s Sardar Sarovar Narmada Nigam Limited	2006-07			1140.57	Remedial action taken
168.	246-CT	Gujarat	CIT-I, Vadodara	M/s Gujarat Alkalies & Chemicals Limited	2008-09			42.95	-do-
169.	249-CT	Maharashtra	CIT-II, Nashik	M/s Khandesh Builders Pvt. Limited	2008-09			104.08	Remedial action taken
170.	250-CT	Maharashtra	CIT-III, Mumbai	M/s Bhumika Trading Private Limited	2009-10			159.73	-do-
171.	259-CT	West Bengal	CIT-II, Kolkata	M/s Descon Limited	2009-10			78.10	-do-
172.	265-CT	Andhra Pradesh	CIT-IV, Hyderabad	M/s Pokarna Limited	2006-07			141.41	Accepted and remedial action taken
173.	270-CT	Andhra Pradesh	CIT-Central, Hyderabad	M/s Bollineni Castings and Steel Limited	2007-08 to 09-10			184.29	-do-
174.	276-CT	Andhra Pradesh	CIT-Central, Hyderabad	M/s NCL Industries Limited	2003-04			162.73	Accepted and remedial action taken
175.	277-CT	Andhra Pradesh	CIT-Tirupathi	M/s Sudalagunta Sugars Limited	2006-07			1315.51	Reply not received
176.	280-CT	Tamil Nadu	CIT-V, Chennai	M/s Poompuhar Shipping Corporation Limited	2007-08			275.77	Remedial action taken
177.	282-CT	Tamil Nadu	CIT-IV, Chennai	M/s Mascon Global Limited	2005-06			62.00	-do-
178.	286-CT	Tamil Nadu	CIT-III, Chennai	M/s Tamil Nadu Industrial Development Corporation Ltd.	2009-10			634.34	Reply not received
179.	288-CT	Tamil Nadu	CIT-II, Chennai	M/s Thanjavur Shipping Mills Limited	2008-09			117.60	Accepted and remedial action taken

180.	291-CT	Delhi	CIT-II, Delhi	M/s Metzeler Automotive Profiles India Private Ltd.	2008-09			106.58	Remedial action taken
181.	294-CT	Delhi	CIT-Central-I, Delhi	M/s Monnet Ispat & Energy Limited	2005-06			137.62	-do-
182.	297-CT	Chandigarh-UT	Chandigarh-I	M/s S. R. Industries Limited	2006-07			43.40	-do-
183.	298-CT	Chandigarh-UT	Chandigarh-I	M/s S. R. Industries Limited	2007-08			62.23	-do-
184.	310-CT	West Bengal	CIT-III, Kolkata	M/s RKBK Fiscal Services(P) Ltd.	2009-10			186.77	Reply not received
185.	315-CT	Maharashtra	CIT-VI, Mumbai	M/s Ganjam Trading Company Private Limited	2007-08			146.05	Accepted and remedial action taken
186.	316-CT	Maharashtra	CIT-V, Pune	M/s Kinetic Engineering Ltd.	2007-08			936.40	-do-
187.	317-CT	Andhra Pradesh	CIT-I, Visakhapatnam	M/s Alu Fluoride Limited	2007-08			69.92	Remedial action taken
188.	328-CT	Tamil Nadu	CIT-III, Chennai	M/s Tamil Nadu Civil supplies Corporation Ltd.	2009-10			440.00	Remedial action taken
189.	03-CT	Karnataka	CIT-III Bangalore	M/s Subhash Kabini Power Corporation Limited	2009-10		**Irregular exemptions/ deductions/ rebates/ relief**	173.47	Accepted and remedial action initiated.
190.	11-CT	Tamil Nadu	CIT-II, Madurai	M/s International Agricultural Processing Pvt. Limited	2007-08			60.09	Remedial action taken
191.	22-CT	Maharashtra	CIT-VI, Mumbai	M/s Century Textiles & Industries Limited	2007-08			211.70	Accepted and remedial action taken
192.	82-CT	Tamil Nadu	CIT-V, Chennai	M/s PPN Power Generating Company Limited	2008-09			216.11	Reply not received
193.	89-CT	Maharashtra	CIT-II, Mumbai	M/s Bank of India	2003-04			1961.00	Accepted and remedial action taken
194.	95-CT	Maharashtra	CIT-VII, Mumbai	M/s Vigneshwara Exports Limited	2006-07			415.00	Accepted and remedial action taken for AY 2006-07 and initiated for AY 2007-08
195.	117-CT	Delhi	CIT-II, Delhi	M/s Multispeed Gears Private Limited	2008-09			60.76	Reply not received
196.	125-CT	Maharashtra	CIT-V, Pune	M/s Kalyani Hayes Lemmerz Limited	2007-08			215.12	Accepted and remedial action taken
197.	133-CT	West Bengal	CIT-II, Kolkata	M/s Mackintosh Burn Limited	2009-10			67.57	Reply not received
198.	137-CT	Rajasthan	CIT-II, Jaipur	M/s Rajasthan State Mines & Minerals Limited Company	2008-09			246.00	Accepted and remedial action initiated
199.	171-CT	West Bengal	CIT-II, Kolkata	M/s R.P. Infosystem (P) Limited	2009-10			1177.00	Remedial action taken

200.	188-CT	Tamil Nadu	CIT-Salem	M/s Summer India Textile Mills (P) Limited	2006-07 and 2007-08			361.77	Remedial action taken for AY 2006-07 and initiated for AY 2007-08
201.	190-CT	Maharashtra	CIT-II, Mumbai	M/s Tech Mahindra Limited	2007-08			15394.90	Remedial action taken
202.	215-CT	West Bengal	CIT-II, Kolkata	M/s Allahabad Bank	2008-09			1692.96	-do-
203.	226-CT	West Bengal	CIT-I, Kolkata	M/s Tirupati Build-Con.(P) Limited	2007-08			91.91	Remedial action taken
204.	228-CT	West Bengal	CIT Central-III, Kolkata	M/s Todays Writing Products Limited	2007-08			212.98	Remedial action taken
205.	233-CT	Delhi	CIT-IV, Delhi	M/s Elymer International Private Limited	2007-08			80.91	Not Accepted
206.	240-CT	Maharashtra	CIT-VIII, Mumbai	M/s Cardcon Builders Private Limited	2006-07			237.05	Accepted and remedial action taken
207.	241-CT	Maharashtra	CIT-VII, Mumbai	M/S Navin Fluorine International Limited	2009-10			1988.06	Accepted
208.	253-CT	Maharashtra	CIT-II, Mumbai	M/s Indusind Bank Limited	2006-07 & 07-08			670.37	Accepted and remedial action taken
209.	257-CT	Maharashtra	CIT-III, Mumbai	M/s ICICI Securities Primary Dealership Limited	2007-08			261.79	-do-
210.	271-CT	Andhra Pradesh	CIT-I, Hyderabad	M/s Celestial Biolabs Limited	2006-07			139.33	-do-
211.	272-CT	Andhra Pradesh	CIT-III, Hyderabad	M/s VNS Makro Technologies Limited	2006-07			97.26	-do-
212.	285-CT	Tamil Nadu	CIT-VI, Chennai	M/s SSL TTK Limited	2008-09			146.27	Reply not received
213.	304-CT	Maharashtra	CIT-III, Mumbai	M/s Asian Electronics Limited	2007-08			242.53	Accepted
214.	305-CT	Maharashtra	CIT-VI, Mumbai	M/s Classic Stripes Private Limited	2004-05			67.21	Accepted and remedial action taken
215.	312-CT	Haryana	CIT-Hisar	M/s Vegan Colloids Limited Siwani (Bhiwani)	2008-09			29.99	Not Accepted
216.	313-CT	Goa	CIT-Panaji	M/s Borkar Packaging Private Limited	2003-04			59.51	Accepted and remedial action taken
217.	318-CT	Andhra Pradesh	CIT-IV, Hyderabad	M/s Navabharath Ventures Limited	2006-07			1137.24	Remedial action taken
218.	319-CT	Andhra Pradesh	CIT-III, Hyderabad	M/s Visu International Limited	2006-07			241.62	-do-
219.	321-CT	Tamil Nadu	CIT-I, Madurai	M/s Peacock Apparels Private Limited	2007-08 to 08-09			131.00	Not Accepted
220.	323-CT	Tamil Nadu	CIT-V, Chennai	M/s Polyhose India Private Ltd.	2007-08			539.57	Not Accepted

221.	324-CT	Tamil Nadu	CIT-III, Chennai	M/s Zylog Systems Limited	2008-09			2846.72	Not Accepted
222.	330-CT	Tamil Nadu	CIT-IV, Chennai	M/s Mega Soft Limited	2006-07, to 08-09			1718.00	Not Accepted but remedial action taken
223.	332-CT	Tamil Nadu	CIT-LTU, Chennai	M/s United India Insurance Company Limited	2006-07 to 08-09			600.07	-do-
224.	333-CT	Gujarat	CIT-II, Ahmedabad	M/s Kadam Exports Private Limited	2006-07			49.23	Remedial action taken
225.	08-CT	Karnataka	CIT-Mangalore	M/s Corporation Bank	2010-11		**Incorrect allowance of business expenditure**	1680.67	Accepted and remedial action initiated
226.	52-CT	Delhi	CIT-IV, Delhi	M/s Interarch Building Products Private Limited	2007-08			60.69	Accepted and remedial action taken
227.	55-CT	Delhi	CIT-I, Delhi	M/s Bharti Infratel Limited.	2008-09			102.29	-do-
228.	64-CT	Delhi	CIT-IV, Delhi Central	M/s Delhi Transport Corporation	2006-07			183.26	-do-
229.	74-CT	Gujarat	CIT-Gandhinagar	M/s Gujarat State Petroleum Corporation Ltd.	2007-08			67.70	Remedial action taken
230.	86-CT	Maharashtra	CIT-VI, Mumbai	M/s AIG Global Asset Management Company (I) Private Limited	2008-09			130.10	Accepted and remedial action taken
231.	90-CT	Maharashtra	CIT-I, Mumbai,	M/s The New India Assurance Company Limited	2001-02			146.00	-do-
232.	101-CT	Maharashtra	CIT-IX, Mumbai	M/s NESCO Limited Company.	2008-09			294.00	Accepted and remedial action taken
233.	111-CT	Maharashtra	CIT-VII, Mumbai	M/s People Infocom Private Limited	2007-08			64.69	Remedial action taken
234.	132-CT	Bihar	CIT-I, Patna	M/s Bihar State Beverages Corporation Limited	2009-10			44.12	Accepted and remedial action taken
235.	136-CT	Rajasthan	CIT-II, Jaipur	M/s Rajasthan Finance Corporation Company	2007-8, 2008-09			203.00	-do-
236.	143-CT	Maharashtra	CIT-X, Mumbai	M/s Janta Glass Works Limited	2008-09			113.06	Accepted and remedial action initiated
237.	145-CT	Madhya Pradesh	CIT-Bhopal	M/s Madhya Pradesh Kshetriya Vidut Vitran Company Limited	2007-08			1568.00	Remedial action taken
238.	149-CT	Tamil Nadu	CIT-II, Chennai	M/s Infrastructure Development Finance Company Limited	2007-08			522.14	Remedial action taken
239.	150-CT	Tamil Nadu	CIT-LTU, Chennai	M/s Saint Gobain India Limited	2007-08			193.62	Not Accepted and remedial action taken

240.	160-CT	Delhi	CIT-II, Delhi	M/s LVMH Watch and Jewellery India Private Ltd.	2006-07			64.93	Remedial action taken
241.	175-CT	West Bengal	CIT-III, Kolkata	M/s Tyre Corporation of India Limited	2006-07			66.96	Remedial action taken
242.	177-CT	Gujarat	CIT-II, Ahmedabad	M/s J.P. Infrastructure Pvt. Ltd. (Now known as J.P. Iscon Ltd.)	2007-08			96.32	Remedial action taken
243.	191-CT	Maharashtra	CIT-III, Mumbai	M/s SICOM Limited	2009-10			86.98	Remedial action taken
244.	193-CT	Maharashtra	CIT-Central II, Mumbai	M/s Oricon Enterprises Limited	2007-08			54.99	Accepted and remedial action initiated
245.	198-CT	Tamil Nadu	CIT-V, Chennai	M/s Southern Petrochemicals Industries Corporation Limited	2005-06			213.40	Remedial action taken
246.	201-CT	Andhra Pradesh	CIT-III, Hyderabad	M/s Regency Ceramics Limited	2009-10			225.56	Accepted and remedial action initiated
247.	203-CT	Andhra Pradesh	CIT-IV, Hyderabad	M/s Moschip Semi Conductor Technology Limited	2007-08 & 08-09			634.00	Accepted and remedial action taken
248.	205-CT	Gujarat	CIT-II, Surat	M/s Taha Wires Private Limited	2006-07			63.07	Remedial action taken
249.	206-CT	Odisha	CIT-Bhubaneswar	M/s Orissa Power Transmission Corporation	2008-09			681.00	Accepted
250.	224-CT	West Bengal	CIT-IV, Kolkata	M/s Hindustan Gum & Chemicals Limited	2008-09			65.38	Accepted and Remedial action taken
251.	248-CT	Odisha	CIT-Bhubaneswar	M/s Tata Sponge Iron	2009-10			49.41	Accepted
252.	251-CT	Odisha	CIT-Bhubaneswar	M/s Orissa Forest Development Corporation	2009-10			42.97	Reply not received
253.	260-CT	West Bengal	CIT(C)-II, Kolkata	M/s Hindusthan Storage Distribution Co. Limited	2006-07 & 07-08			244.10	Remedial action taken
254.	262-CT	West Bengal	CIT-III, Kolkata	M/s ITC Limited	2006-07			295.78	Not Accepted
255.	263-CT	Rajasthan	CIT-Udaipur	M/s Hindustan Zinc Limited	2008-09			2419.47	Not Accepted
256.	266-CT	Andhra Pradesh	CIT-III, Hyderabad	M/s VST Industries Limited	2006-07			1935.00	Remedial action taken
257.	267-CT	Andhra Pradesh	CIT-III, Hyderabad	M/s Saritha Steel and Industries Limited	2008-09			67.48	Accepted and remedial action taken
258.	275-CT	Andhra Pradesh	CIT-I, Vishakhapatnam	M/s Bharat Heavy Plates & Vessels Limited	2006-07			75.79	-do-
259.	283-CT	Tamil Nadu	CIT-IV, Chennai	M/s Sun TV Network Limited	2008-09			1131.19	Remedial action taken
260.	289-CT	Tamil Nadu	CIT-III, Chennai	M/s Poompuhar Shipping Corporation Limited	2007-08 to 08-09			1737.51	Remedial action taken

261.	301-CT	Tamil Nadu	CIT-III, Chennai	M/s Mascon Global Limited	2003-04, 2005-06 & 06-07			7996.63	Remedial action taken
262.	302-CT	Tamil Nadu	CIT-I, Chennai	M/s Ambadi Enterprises Ltd.	2008-09			88.37	Remedial action taken
263.	306-CT	Odisha	CIT-Sambalpur	M/s Mahanadi Coal Fields	2008-09			285.00	Accepted
264.	307-CT	Odisha	CIT-Sambalpur	M/s Mahanadi Coal Fields	2008-09			199.00	Accepted
265.	325-CT	Tamil Nadu	CIT-III, Chennai	M/s Tamil Nadu Electricity Board	2006-07			1422.00	Remedial action taken
266.	327-CT	Tamil Nadu	CIT-LTU, Chennai	M/s Indian Overseas Bank	2006-07			579.97	Remedial action taken
267.	331-CT	Tamil Nadu	CIT-IV, Chennai	M/s Medtech Products Limited	2007-08			194.85	Remedial action taken
268.	334-CT	West Bengal	CIT-III Kolkata	ITC Ltd.	2005-06			13511.00	Not Accepted but remedial action taken
269.	05-CT	Karnataka	CIT-LTU, Bangalore	M/s Praxair (India) (P) Ltd	2007-08 & 08-09	**Income escaping assessments due to omissions**	**Income not assessed/ under assessed under special provision**	213.56	Accepted and remedial action taken
270.	15-CT	Gujarat	CIT-I, Baroda	M/s Aarav Reality Private Ltd.	2009-10			28.41	-do-
271.	23-CT	Maharashtra	CIT-VI, Mumbai	M/s Churu Trading Co. Pvt. Ltd.	2007-08			103.62	Accepted and remedial action taken
272.	25-CT	Maharashtra	CIT-X, Mumbai	M/s Sonu Realtors Private Ltd.	2008-09			196.00	Accepted
273.	29-CT	Maharashtra	Mumbai CIT-X,	M/s BSEL Infrastructure Realty Private Limited	2006-07 & 07-08			56.39	Remedial action taken
274.	104-CT	Maharashtra	CIT-VI, Mumbai	M/s Gesco Corporation Limited (Now Mahindra Gesco Developer Limited	2003-04			122.47	Remedial action taken
275.	106-CT	Maharashtra	CIT Central-III ,Mumbai	M/s Ackruti City Limited (Formerly Akruti Nirman Ltd.)	2009-10			113.22	Accepted and remedial action taken
276.	139-CT	Maharashtra	CIT-II, Mumbai	M/s Dena Bank	2007-08			5750.00	Accepted
277.	161-CT	Gujarat	CIT-I, Ahmedabad	M/s Gujarat Paguthan Energy Corporation Private Limited (Now CLP India Private Limited)	2001-02			238.86	Remedial action taken
278.	167-CT	West Bengal	CIT-II, Kolkata	M/s National Insurance Company Limited	2007-08			1263.79	Remedial action taken
279.	185-CT	Tamil Nadu	CIT-IV, Chennai	M/s Medtech Products Limited	2007-08			759.18	Reply not received
280.	196-CT	Maharashtra	CIT-V,Mumbai	M/s Radiant Shipping Limited	2001-02			64.98	Accepted and remedial action taken
281.	242-CT	Maharashtra	CIT-II, Mumbai	M/s Pivotal Securities Private Limited	2008-09			193.54	Remedial action taken

282.	245-CT	Gujarat	CIT-IV, Ahmedabad	M/s Suzlon Energy Limited	2007-08			29.89	Remedial action taken
283.	256-CT	Maharashtra	CIT-VII, Mumbai	M/s Siemens Information Systems Limited	2004-05			194.55	Accepted and remedial action taken
284.	268-CT	Andhra Pradesh	CIT-IV, Hyderabad	M/s PLR Project(P) Limited	2008-09			97.90	-do-
285.	300-CT	Goa	CIT-Panaji, Goa	M/s Teracom (P) Limited	2009-10			52.01	Accepted
286.	70-CT	Delhi	CIT-V, Delhi	M/s PSB Housing Finance Ltd.	2004-05		**Income not assessed under normal provision**	97.67	Reply not received
287.	78-CT	Gujarat	CIT-I, Baroda	M/s Gujarat State Fertilizers & Chemicals Limited	2008-09			54.57	Remedial action taken
288.	112-CT	Maharashtra	CIT-VIII, Mumbai	M/s Pfizer Limited	2005-06			99.74	Accepted and remedial action taken
289.	115-CT	Kerala	CIT-I Kochi	M/s Cochin International Airport Limited	2009-10			117.95	Reply not received
290.	146-CT	Rajasthan	CIT-II, Jaipur	M/s Rajasthan Rajya Vidyut Utapadan Nigam Limited	2007-08			2875.00	Reply not received
291.	170-CT	West Bengal	CIT-I, Kolkata	M/s Nitson Amitsu(P) Limited	2007-08			59.43	Remedial action taken
292.	231-CT	West Bengal	CIT-II, Kolkata	M/s Craftech Udyoug (P) Ltd.	2006-07			62.23	-do-
293.	247-CT	Gujarat	CIT Gandhinagar	M/s Gujarat State Land Development Corporation Ltd.	2008-09			144.46	-do-
294.	252-CT	Odisha	CIT-Sambalpur	M/s Bonai Industries Company	2008-09			253.00	Accepted
295.	258-CT	Maharashtra	CIT-IV,Kolkata	M/s The Structural Water Proofing Co. Private Limited	2007-08			78.23	Remedial action taken
296.	287-CT	Tamil Nadu	CIT-V, Chennai	M/s Ratha Holdings Company Private Limited	2009-10			2794.08	Not Accepted
297.	311-CT	Odisha	CIT-Sambalpur	M/s Mahanadi Coal Fields	2009-10			1783.90	Reply not received
298.	320-CT	Tamil Nadu	CIT-LTU, Chennai	M/s Neyveli Lignite Corporation Limited	2007-08			3972.00	Accepted and remedial action initiated
299.	326-CT	Tamil Nadu	CIT-V, Chennai	M/s Southern Petrochemicals Industries Corporation Limited	2005-06 & 06-07			900.00	Remedial action taken
300.	329-CT	Tamil Nadu	CIT-LTU, Chennai	M/s Indian Overseas Bank	2006-07			387.98	-do-
301.	36-CT	Maharashtra	DIT-2, Mumbai	M/s T Rowe Price Emerging Markets Stock Fund Company	2007-08		**Incorrect classification and computation**	144.00	Accepted and remedial action taken
302.	114-CT	Karnataka	CIT-LTU Bangalore	M/s Canara Bank	2007-08			724.35	Accepted and remedial action initiated

303.	189-CT	Maharashtra	CIT-I, Pune	M/s Gopisons Developers Private Limited	2006-07		**of capital gains**	51.83	Remedial action taken
304.	197-CT	Maharashtra	CIT Central-II, Mumbai	M/s Oricon Enterprises Limited	2007-08			1101.25	Reply not received
305.	21-CT	West Bengal	CIT-Asansol	M/s Eastern Coalfields Limited	2008-09	**Over-charge of tax/ interest**	**Over-charge of tax**	4194.00	Reply not received
306.	46-CT	Delhi	DIT-II (Intl. Taxation), Delhi	M/s Rolls Royce Plc.	2007-08			55.50	Accepted and remedial action taken
307.	53-CT	Delhi	DIT-I, Delhi	M/s GE Nuovo Pegnone SPA	2008-09			54.85	-do-
308.	58-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s GE Energy Management Services Inc.	2008-09			257.10	-do-
309.	66-CT	Delhi	CIT-III, Delhi	M/s Schneider Electric India Private Limited	2007-08			243.06	Accepted and remedial action taken
310.	97-CT	Maharashtra	CIT-X, Mumbai	M/s Maharashtra State Power Generation Company Limited	2008-09			1403.00	-do-
311.	122-CT	Haryana	CIT- Panchkhula	M/s Uttar Haryana Bijli Vitran Nigam Limited	2006-07			494.63	Accepted and remedial action taken
312.	123-CT	Haryana	CIT-Panchkhula	M/s Haryana Vidhyut Prasaran Nigam Limited	2006-07			69.18	-do-
313.	148-CT	Rajasthan	CIT-II, Jaipur	M/s Highland House Pvt. LTd.	2001-02			31.34	Reply not received
314.	156-CT	Delhi	CIT-I (Intl Taxation), Delhi	M/s Bentley Nevada LLC	2002-03			55.98	Remedial action taken
315.	166-CT	West Bengal	CIT-Asansol	M/s Eastern Coalfields Limited	2008-09			439.13	Reply not received
316.	182-CT	Andhra Pradesh	CIT-Central Hyderabad	M/s Goman Agro Farms(P) Limited	2008-09			91.7	Accepted and remedial action taken
317.	208-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s China Trust Commercial Bank Company Limited	2007-08			51.19	Remedial action taken
318.	209-CT	Delhi	DIT-I (Intl. Taxation), Delhi	M/s Meinhardt Singapore Private Limited	2002-03			79.87	Remedial action taken
319.	238-CT	Assam	CIT-II, Guwahati	M/s Numaligarh Refinery Ltd.	2010-11			177.69	Reply not received
320.	243-CT	Gujarat	CIT-I, Central, Ahmedabad	M/s Saumya Construction Private Limited	2006-07			81.32	Remedial action taken
321.	274-CT	Andhra Pradesh	CIT-IV, Hyderabad	M/s M. S. Aggarwal Foundries(P) Limited	2009-10			56.04	Accepted and remedial action initiated
322.	309-CT	West Bengal	CIT-IV, Kolkata	M/s Gujrat NRE Coke Limited	2004-05			366.62	Remedial action taken
323.	17-CT	Gujarat	CIT, Valsad	M/s Bilag Industries Pvt. Ltd.	2005-06		**Over-charge of interest**	54.90	Remedial action taken
324.	51-CT	Delhi	CIT-III, Delhi	M/s Samsung Telecommunications India Private Limited	2007-08			84.40	Accepted and remedial action taken

325.	71-CT	Delhi	CIT-V, Delhi	M/s Reservation Data Maintenance India Private Ltd.	2004-05			81.60	Remedial action taken
326.	110-CT	Maharashtra	CIT-VII, Mumbai	M/s UCB India Private Limited	2003-04			56.64	Accepted and remedial action taken
327.	158-CT	Delhi	CIT-V, Delhi	M/s Rathi Ispat Limited	2005-06			3239.09	-do-
328.	210-CT	Delhi	CIT-I, Central, Delhi	M/s URI Civil Private Limited	2009-10			51.71	Remedial action taken
329.	217-CT	West Bengal	CIT-IV, Kolkata	M/s JHV Sugar Limited	2006-07			78.67	-do-
330.	235-CT	Delhi	CIT-LTU, Delhi	M/s Mahanagar Telephone Nigam Limited	2008-09			2280.56	-do-
331.	261-CT	West Bengal	CIT-I, Kolkata	M/s Xenities Technolab Private Limited	2007-08			319.16	-do-
332.	284-CT	Tamil Nadu	CIT-I, Chennai	M/s Das Lagerways Wind Turbines Limited	1998-99 to 01-02			1757.34	Accepted and remedial action taken
333.	26-IT	Gujarat	CIT-I, Surat	Natverlal P Patel	2009-10	**Quality of assessment**	**Arithmetical errors in computation of income and tax**	21.26	Action taken
334.	87-IT	Haryana	CIT-Faridabad	Smt. Chhaya Sinha	2006-07			26.47	Reply not received
335.	103-IT	Punjab	CIT-Patiala	M/s The Patiala Distt. Coop. Milkfood Prod. Union Ltd.	2008-09			11.03	Accepted and action taken
336.	06-IT	Bihar	CIT I, Patna	Bihar Combined Entrance Competitive Examination Board Patna	2005-06		**Incorrect application of rate of tax, surcharge etc.**	13.62	Accepted and action taken
337.	33-IT	Chhattisgarh	CIT-TDS, Bhopal	Dy. Director Mining, Raipur	2006-07 & 08-09			31.09	Accepted and action taken
338.	70-IT	Andhra Pradesh	CIT-Central, Hyderabad	Priya Aqua Farms	2001-02			28.26	-do-
339.	94-IT	Maharashtra	ADIT(IT)2(2) Mumbai	M/s Virginia Retirement System	2007-08			40.32	-do-
340.	04-IT	Karnataka	CIT Central Bangalore	Shri G. Ravi Achar	2004-05, 2006-07 to 09-10		**Mistakes in levy of interest**	41.39	Accepted and action taken
341.	08-IT	Gujarat	CIT-V, Ahmedabad	Shree Deepak Chouksi	2006-07			21.31	Accepted and action taken
342.	09-IT	Uttar Pradesh	CIT-Central Kanpur	Praveen Kumar Singal	2004-05			53.44	Action taken
343.	10-IT	Uttar Pradesh	CIT-Ghaziabad	Navjyoti Vikas Sansthan	2006-07			25.61	Accepted and action taken

344.	14-IT	West Bengal	CIT-XIX, Kolkata	Price Water House	2006-07			22.3	Accepted and action taken
345.	21-IT	Gujarat	CIT-Central-I, Ahmedabad	Shri Sunil kumar P. Patel	2009-10			46.64	Action taken
346.	22-IT	Gujarat	CIT-II, Baroda	Gujarat Co-Operative Milk Marketing Federation Ltd.	2007-08			27.32	Action taken
347.	27-IT	Gujarat	CIT-I, Ahmedabad	Shri Sudhir J. Vaid	2002-03			63.35	Action taken
348.	32-IT	Madhya Pradesh	CIT-Gwalior	Shri Chironji Lal Shivhare Proprietor M/s C.P. Industries	2003-04 & 08-09			2154.01	Action taken
349.	37-IT	Karnataka	CIT-III, Bangalore	Shri H. R. Ravichandra	2009-10			209.57	Accepted and action taken
350.	39-IT	Punjab	ITO-W-6(i) Mohali	The Defence Services Cooperative Housing Society	2008-09			364.11	-do-
351.	42-IT	Maharashtra	CIT-Central, Pune	Maharashtra Academy of Engineering and Educational Research	2008-09			38.06	-do-
352.	45-IT	Maharashtra	CIT-Central III, Mumbai	Sh. Mohan Hotchand Khanchandani	2006-07			69.95	-do-
353.	49-IT	Uttar Pradesh	CIT-Varanasi	Narendra Educational Welfare Society	2005-06			26.17	-do-
354.	51-IT	Uttar Pradesh	CIT-I, Lucknow	U. P. Cooperative Bank Ltd.	2007-08			16.66	-do-
355.	55-IT	Bihar	CIT-I, Patna	Madhya Bihar Gramin Bank Patna	2008-09			94.96	-do-
356.	59-IT	Madhya Pradesh	CIT-Gwalior	The Hindustan Sakh Sahakarita Maryadit, Gwalior	2008-09			341	Action taken
357.	68-IT	Gujarat	CIT-II, Surat	Mohammed Altaf M Jarullah	2008-09			13.14	Accepted and action taken
358.	69-IT	Gujarat	CIT-VI, Ahmedabad	Nilesh M Parekh	2001-02 to 03-04			10.25	Action taken
359.	72-IT	Madhya Pradesh	CIT-Bhopal	M.P. Rajya Open School	2007-08			47.16	Accepted and action taken
360.	74-IT	Delhi	CIT-Central-II	Sh. Manoj Kumar	2005-06 to 09-10			605.86	-do-
361.	78-IT	Gujarat	CIT-III, Ahmedabad	Shri Prakash Bhogilal Patel	2003-04			75.12	Accepted and action taken
362.	88-IT	Himachal Pradesh	CIT Shimla	The Kangra Central Co-operative Bank Ltd.	2007-08			16.47	Action taken and amount recovered
363.	90-IT	Punjab	CIT-I Ludhiana	M/s S.E. Exports Ludhiana	2008-09			28.73	Action taken
364.	92-IT	Punjab	CIT(C) Gurgaon	Jawahar Lal Jain	2008-09			17.64	Action taken

365.	100-IT	Gujarat	CIT-III, Ahmedabad	Shri Vasantkumar Thakore	2003-04			75.12	Accepted and action taken
366.	101-IT	Gujarat	CIT-I, Rajkot	Kandla Port Trust	2004-05			102.44	Action taken and amount recovered
367.	25-IT	Gujarat	CIT-Central I, Ahmedabad	Shri Shreyansh S Shah	2006-07		**Mistake in assessments while giving effect to appellate orders**	55.21	Action taken
368.	67-IT	Gujarat	CIT-III, Vadodara	Prakash B Dhebar	1994-95			158.73	Action taken
369.	81-IT	Maharashtra	CIT-Aurangabad	M/s Bhaurao Chavan Sahakari sakhar Karkhana Ltd.	1999-2000			56.03	Accepted and action taken
370.	82-IT	Maharashtra	CIT-Aurangabad	M/s Osmanabad Janta Sahakari Bank Ltd.	2007-08			28.27	Accepted and action taken
371.	29-IT	Tamil Nadu	CIT-I, Madurai	Kanyakumari Market Committee	2007-08	**Administration of tax concession/ exemptions/ deduction**	**Irregular exemptions/ deduction/relief given to individuals**	51.92	Action taken
372.	58-IT	Maharashtra	CIT-II, Thane	Taloja C.E.T.P. Society Ltd.	2007-08		**Irregular exemptions/ deduction/ relief given to Trusts/ Firms/ Societies**	24.81	Accepted and action initiated
373.	95-IT	Maharashtra	CIT-I, Pune	M/s Janata Sahakari Bank Ltd.	2005-06			157.64	Accepted and action taken
374.	107-IT	Punjab	CIT-Amritsar	M/s Bishan Steel Industries, Amritsar	2009-10			13.3	Action initiated
375.	05-IT	Karnataka	CIT Hubli	M/s The Karnataka Central Co-operative Bank Ltd.	2008-09		**Incorrect allowance of Business Expenditure**	58.16	Accepted and action initiated
376.	28-IT	Tamil Nadu	CIT-I, Salem	Salem District Central Cooperative Bank Ltd.	2007-08 & 08-09			557	Reply not received
377.	41-IT	Assam	CIT-II, Guwahati	Assam Gramin Vikash Bank	2009-10			164	Reply not received
378.	46-IT	Maharashtra	DCIT-Cir -1(2) Pune	Sant Tukaram Sahakari Sakhar Karkhana Ltd.	2006-07			25.29	Accepted and action taken
379.	47-IT	Maharashtra	CIT-Aurangabad	Terana Shetkari SSK Ltd.	2009-10			93.54	Accepted and action taken
380.	48-IT	Maharashtra	CIT-I, Thane	Shri Mangaturam Kandoi	2006-07			23.26	-do-
381.	54-IT	Bihar	CIT-Bhagalpur	The Bhagalpiur Central Cooperative Bank ltd.	2008-09			140.68	Accepted and amount recovered
382.	63-IT	Rajasthan	CIT-Jaipur	Manoj Kumar Johri	2009-10			12.21	Action taken
383.	64-IT	Rajasthan	CIT-Ajmer	Urban Co-operative Bank Ltd. Ajmer (Cooperative Society)	2008-09			14.67	Accepted and action taken

384.	85-IT	Maharashtra	CIT-V Pune	Shree sadguru Jangali Maharaj Sahakari Bank Ltd.	2005-06 & 06-07			221	Partially accepted and action taken
385.	93-IT	Maharashtra	CIT-III/Pune	M/s Yashwantrao Mohite Krishna Sahkari Karkhana Ltd.	2007-08			83.29	Accepted and action taken
386.	105-IT	Punjab	CIT-Ludhiana	Sh. Dharminder Sharma	2007-08			91.47	Action taken
387.	108-IT	Tamil Nadu	CIT-II Madurai	M/s Tirunelveli District Central Cooperative Bank Ltd.	2008-09			264	Action initiated
388.	02-IT	Karnataka	CIT Central	P. Vijay Kumar	2009-10		**Irregularities in allowing depreciation / business losses/ Capital losses**	68.98	Accepted and action taken
389.	03-IT	Karnataka	CIT Belgaum	M/s The Hukkeri Rual Electric Co-operative Society Ltd.	2007-08			28.61	Accepted and action taken
390.	07-IT	Kerala	CIT-Trivandrum	Kerala State Co-operative Bank Ltd.	2009-10			643	Partially accepted and action taken
391.	11-IT	Uttar Pradesh	CIT-Allahabad	Allahabad District Coopereative Bank	2005-06			110.9	Action taken
392.	16-IT	Maharashtra	CIT-II, Kolhapur	Yashwant Co-op Processors Ltd.	2006-07			41.62	Accepted and action taken
393.	17-IT	Maharashtra	CIT-I, Pune	The Mula Pravara Electric Cooperative Society Ltd.	2007-08			54.3	Action taken
394.	20-IT	Gujarat	CIT-Valsad	Valsad Sahakari Khand Udyog Mandoli Ltd.	2008-09, & 09-10			447.07	Action taken
395.	23-IT	Gujarat	CIT-IV, Ahmedabad	Sharad S. Gupta	2006-07			19.77	Action taken
396.	24-IT	Gujarat	CIT-III, Ahmedabad	Indo German Tool Room	2007-08 & 08-09			143.92	Action taken
397.	34-IT	Bihar	CIT-I Bhagalpur	Koshi Kshetriya Gramin Bank	2008-09			1056	Action taken
398.	40-IT	Haryana	CIT-Panchkula	Chaman Vatika Education Society	2007-08			18.04	Accepted and action taken
399.	56-IT	Maharashtra	CIT-Aurangabad	Shri Vithal Sahakari Sakhar Karkhana Ltd.	2009-10			445.97	Accepted and action taken
400.	62-IT	Rajasthan	CIT-II-Jaipur	Central Co-operative Bank ltd.	2009-10			10.56	Accepted
401.	76-IT	Maharashtra	CIT-I, Kolhapur	M/s Sarvodaya Sahakari Sakhar Karkhana Ltd.	2006-07			39.99	Accepted and action taken
402.	83-IT	Maharashtra	DIT(IT)Mumbai	M/s Oppenheimer Developing Markets Fund	2007-08			386	Action taken
403.	96-IT	Maharashtra	CIT-II-Kolhapur	The Ichalkaranji Cooperative Spinning Mills Ltd.	2009-10			173.78	Accepted and action taken
404.	98-IT	Maharashtra	CIT-Aurangabad	Shri Rameswar Sahakari Sakar Karkhana Ltd.	2007-08			103.03	Accepted and partially action taken

405.	102-IT	Gujarat	CIT-I, Baroda	Petrofils Co-Operative Limited	2006-07			2218.2	Action taken
406.	35-IT	Tamil Nadu	CIT-II, Madurai	Smt. K. Rajam	2007-08	**Income escaping assessment due to omission**	**Incorrect classification and computation of capital gains**	31.24	Accepted and action taken
407.	43-IT	Maharashtra	CIT-IV, Mumbai	Mrs. Anahaita Nalin Shah	2008-09			35.01	-do-
408.	53-IT	Delhi	CIT-II, Central	Smt. Indu Seth	2008-09			30.51	Action taken
409.	57-IT	Maharashtra	DIT(IT)Mumbai	M/s Oppenheimer Developing Markets Fund	2007-08			52.05	Accepted and action taken
410.	79-IT	Gujarat	CIT-I, Ahmedabad	The Bhagyodaya Co-operative Bank Ltd.	2009-10			13.85	Accepted and action taken
411.	109-IT	Tamil Nadu	CIT-IV, Chennai	Shri Arjun Parthasarathy and Rajiv Parthasarathy	2009-10			586	Action taken
412.	110-IT	Gujarat	CIT-VI, Ahmedabad	Smt. Mallika Chirag Patel	2006-07			14	Action taken
413.	01-IT	Karnataka	CIT Davangere	Shri SS Bakkesh	2007-08		**Incorrect Computation of Income**	28.5	Accepted and action taken
414.	12-IT	West Bengal	CIT-III, Kolkata	Sanjay Budhia	2006-07			85.5	Accepted and action initiated
415.	13-IT	West Bengal	CIT-Central-III, Kolkata	Smt. Minu Budhia	2008-09			55.23	Accepted and action initiated
416.	18-IT	Delhi	CIT-Central-I	Shri Devi Dass Garg	2004-05 to 06-07			191	Action taken
417.	19-IT	Delhi	CIT-Central-I	Amita Garg	2004-05 & 06-07			71.19	Action taken
418.	36-IT	Tamil Nadu	CIT-I, Coimbatore	The Coimbatore City Cooperative Bank Ltd.	2008-09			75.92	Action initiated
419.	38-IT	Andhra Pradesh	CIT-Vijaywada	Sri Popuri Ankineedu	2007-08			126.13	Accepted and action taken
420.	44-IT	Maharashtra	CIT-Aurangabad	Narsinh Sahakari Sakhar Karkhana Ltd.	2008-09			187.9	Accepted and action taken
421.	52-IT	Uttar Pradesh	CIT-Muzaffarnagar	Muzaffarnagar District Cooperative Development Federation Ltd.	2007-08			18.18	Action taken
422.	65-IT	Rajasthan	CIT-II-Jodhpur	The Jalore Central Co-operative Bank Ltd. Jalore	2007-08			12.69	Partially accepted and action taken
423.	71-IT	Andhra Pradesh	CIT-Rajahmundry	Suma Estates & Builders	2007-08			27.71	Accepted and action taken
424.	73-IT	Rajasthan	CIT-II, Jaipur	Pushp Enterprises, Jaipur	2008-09			46.4	-do-
425.	77-IT	Maharashtra	CIT-19, Mumbai	Shri Mohan Nathumal Karnani	2008-09			45.32	-do-

426.	80-IT	Gujarat	CIT-Surat	Shri Thulsidharan Bhaskaran	2007-08			17.9	Action taken
427.	84-IT	Maharashtra	CIT-I Pune	M/s Ganesh Sahakari Sakhar Karkhana Ltd.	2007-08			456	Accepted and action taken
428.	86-IT	Haryana	CIT-Hisar	Hari Singh	2007-08			16.35	Action taken
429.	89-IT	Punjab	CIT-II Amritsar	Parvinder Kaur Chhabra	2009-10			52.15	Action initiated
430.	97-IT	Maharashtra	DIT(IT)Mumbai	M/s Trustees of Mineworkers Pension Scheme (MPS) Ltd.	2006-07			131.37	Accepted and action taken
431.	99-IT	Maharashtra	CIT-12, Mumbai	L & T Hochtief Seabird	2006-07			185.6	Action taken
432.	15-IT	West Bengal	CIT-Asansol	Atindra Nath Choubey	2006-07		**Omission in implementing provisions of TDS/TCS**	26.12	Accepted and action taken
433.	50-IT	Uttar Pradesh	CIT-Ghaziabad	ABR Educational Foundation	2008-09			16.42	-do-
434.	61-IT	Chhattisgarh	CIT-Raipur	Chhattisgarh Rajyahathkargha Vikas & Vipanan Sahakari Sangh Maryadit, Raipur	2005-06			27.31	Action taken
435.	75-IT	Delhi	CIT-IX	Ashish Kohli	2006-07			58.81	Action taken
436.	01-WT	Bihar	CIT-1 Patna	M/s Security & Intelligence Services (India) Ltd	2008-09		**Non-levy and short levy of wealth tax**	2.67	Accepted and action initiated
437.	02-WT	West Bengal	Central -III, Kolkata	LNOP Products (P) Ltd	2008-09			8.38	Accepted and action taken
438.	03-WT	West Bengal	Central-III, Kolkata	Ramjilal Bathwal	2007-08 & 08-09			2.55	-do-
439.	04-WT	West Bengal	Central-III, Kolkata	Dinesh N Thacker	2006-07 & 07-08			2.66	-do-
440.	05-WT	Maharashtra	CIT-Central-III, Mumbai	Dinshaw Trapinex Builders Pvt. Ltd.	2005-06 & 06-07			2.21	Action taken
441.	06-WT	Gujarat	CIT-IV, Ahmedabad	Dineshchandra R Agrawal Infracon Private Limited	2006-07			1.39	Action taken and amount recovered
442.	07-WT	Andhra Pradesh	CIT-III, Hyderabad	Vishu Group Services Private Ltd.	2007-08			3.43	Accepted and action taken
443.	08-WT	Andhra Pradesh	CIT-III, Hyderabad	Shri S. Srinivas Reddy	2007-08 & 08-09			11.42	Accepted and action taken
444.	09-WT	Tamil Nadu	CIT-II, Madurai	M/s Ramco Systems Ltd.	2007-08			7.65	-do-
445.	10-WT	Tamil Nadu	CIT-II, Madurai	Shri Kanagasabapathy	2009-10			7.95	Accepted and action initiated
446.	11-WT	Maharashtra	CIT-XII Mumbai	Smt. Sunita Kantilal Vardhan	2007-08 & 08-09			7.41	Accepted and action taken
447.	12-WT	Maharashtra	CIT-Central- IV Mumbai	Shri Krishana Structures P. Ltd	2007-08			2.42	Reply not received

448.	13-WT	Andhra Pradesh	CIT-I Hyderabad	Shri M. Ravinder	2008-09 & 09-10			87.97	Accepted and action taken
449.	14-WT	Andhra Pradesh	CIT-Central Hyderabad	Shri Bhaskara Rao	2006-07 to 10-11			6.86	-do-
450.	15-WT	West Bengal	CIT-III, Kolkata	Veerprabhu Marketting Ltd.	2006-07			4.13	-do-
451.	16-WT	Andhra Pradesh	CIT-Central Hyderabad	Shri K. Babu Rao	2005-06 to 09-10			22.71	Accepted and action taken
452.	17-WT	Madhya Pradesh	CIT-I, Indore	Shri Dinesh Chand Dave Prop. M/s Kargil Bullion, Indore	2007-08			6.33	Action taken
453.	30-IT	Delhi	CIT-Central-II	Shiri Subodh kumar Gupta	2010-11	**Others**	**Over charge of tax/ interest**	32.49	Accepted and action taken
454.	31-IT	Madhya Pradesh	CIT-Gwalior	Shri Naveen Shivhare	2008-09			897.88	Action taken
455.	60-IT	Madhya Pradesh	CIT-Gwalior	The Gwalior Citizen Sakh Sahakarita Maryadit, Gwalior	2005-06			329	Action taken
456.	66-IT	Delhi	CIT-VIII, Delhi	Shri Amarjit Singh Puri	2007-08			21.48	Accepted and action taken
457.	91-IT	Chandigarh	CIT-Central Circle-I	Pritam Singh	2007-08			29.29	Action taken
458.	104-IT	Punjab	CIT-Patiala	Sh. Raj Kumar Wadhwa	2007-08			28.35	Accepted and action taken
459.	106-IT	Punjab	CIT-Chandigarh	M/s Maha Prbhu Ram Mulkh Hi Tech Education Society	2007-08 to 09-10			42.48	Action taken

Appendix 6 (Reference: Paragraph 2.3.2)

Category wise details of observations in respect of Draft Paragraphs sent to Ministry		
Sub category	**Cases**	**Tax Effect (₹ in crore)**
A. Quality of assessments	**160**	**825.19**
a. Arithmetical errors in computation of income and tax	64	586.47
b. Incorrect application of rate of tax, surcharge etc.	11	10.53
c. Non/short levy of interest/penalty for delay in submission of returns, delay in payment of tax etc.	61	103.89
d. Excess or irregular refunds/interest on refunds	10	37.35
e. Mistake in assessment while giving effect to appellate orders	14	86.95
B. Administration of tax concessions/exemptions/deductions	**181**	**1,085.54**
a. Irregular exemptions/deductions/relief given to Corporate	36	338.42
b. Irregular exemptions/deductions/relief given to Trusts/Firms/Societies	3	1.96
c. Irregular exemptions/deductions/relief given to individuals	1	0.52
d. Incorrect allowance of Business Expenditure	57	416.49
e. Irregularities in allowing depreciation/business losses/Capital losses	84	328.15
C. Income escaping assessment due to omissions	**83**	**280.90**
a. Under Special Provisions including MAT/Tonnage Tax etc.	17	94.78
b. Incorrect classification and Computation of Capital Gains	11	27.84
c. Incorrect Computation of Income	34	155.11
d. Omission in implementing provisions of TDS/TCS	4	1.29
e. Non/short levy of wealth tax	17	1.88
D. Others	**35**	**175.87**
Over charge of tax/interest	**35**	**175.87**
Total	**459**	**2,367.50**

Appendix 7 (Reference: Paragraph 2.5.1)

State	Assessments completed during 2011-12	Assessments checked in audit during 2012-13	Assessments with errors	Total revenue effect of the audit observations made in the scrutiny assessments (₹ in crore)	Percentage of assessments with errors (Col. 4/ Col. 3x100)
1	2	3	4	5	6
Andhra Pradesh	21,537	19,398	1,618	567.79	8
Assam	1,122	1,100	125	10.12	11
Bihar	927	794	167	12.89	21
Chhattisgarh	2,862	2,589	212	19.46	8
Goa	885	871	75	15.07	9
Gujarat	23,061	21,966	1,870	643.49	9
Haryana	3,845	3,839	521	49.98	14
Himachal Pradesh	780	563	147	1.87	26
Jammu & Kashmir	65	51	20	36.93	39
Jharkhand	770	758	86	5.10	11
Karnataka	16,517	15,781	848	878.12	5
Kerala	5,441	4,898	583	298.24	12
Madhya Pradesh	6,134	5,889	279	272.50	5
Odisha	3,480	3,213	411	884.14	13
Punjab	8,260	7,672	552	46.55	7
UT Chandigarh	1,716	1,594	161	39.42	10
Rajasthan	12,844	12,244	869	133.92	7
Tamil Nadu	26,411	20,820	2,808	4,016.50	13
Uttar Pradesh	10,732	10,163	783	240.89	8
Uttaranchal	804	772	48	1.69	6
Delhi	29,605	26,977	1,010	11,194.98	4
Maharashtra	32,458	31,312	1,552	2,007.14	5
West Bengal	22,354	21,960	2,283	2,285.72	10
Total	**2,32,610**	**2,15,224**	**17,028**	**23,662.51**	**7.9**

Appendix 8 (Reference: Paragraph 2.5.4)

Category wise details of underassessment in respect of Income tax and Corporation tax detected during local audit (₹ in crore)

Sub category	Cases	Tax effect
A. Quality of assessments	**4,527**	**2,407.35**
a. Arithmetical errors in computation of income and tax	1,840	1,453.20
b. Incorrect application of rate of tax, surcharge etc.	236	17.43
c. Non/short levy of interest/penalty for delay in submission of returns, delay in payment of tax etc.	2,147	685.13
d. Excess or irregular refunds/interest on refunds	227	127.13
e. Mistake in assessment while giving effect to appellate orders	77	124.46
B. Administration of tax concessions/exemptions/ deductions	**6,906**	**7,298.76**
a. Irregular exemptions/deductions/relief given to Corporates	567	1,026.34
b. Irregular exemption/deductions/relief given to Trusts/Firms/Societies	564	677.12
c. Irregular exemptions/deductions/relief given to individuals	631	68.70
d. Incorrect allowance of Business Expenditure	3,901	3,972.55
e. Irregularities in allowing depreciation/business losses/Capital losses	1,239	1,549.94
f. Incorrect allowance of DTAT relief	4	4.11
C. Income escaping assessments due to omissions	**2,620**	**2,148.37**
a. Under Special Provisions including MAT/ Tonnage Tax etc.	187	191.51
b. Unexplained investments/cash credits etc.	490	536.07
c. Incorrect classification and Computation of Capital Gains	560	255.33
d. Incorrect estimation of arm's length price	7	0.17
e. Omission to club income of spouse, minor child etc.	79	36.48
f. Incorrect computation of Income from House Property	150	4.00
g. Incorrect computation of salary income	44	6.67
h. Omission in implementing provisions of TDS/TCS	1,103	1,118.14
D. Others	**2,812**	**745.15**
Total	**16,865**	**12,599.63**

Appendix 9 (Reference: Paragraph 2.10.2)

Cases where remedial action has become time barred in FY 12		
State	**Audit observations where remedial action became time barred**	
	Cases	**Tax effect (₹ in crore)**
Andhra Pradesh	62	8.40
Assam	16	4.80
Bihar	25	2.80
Chhattisgarh	13	0.71
Goa	0	0
Gujarat	353	170.99
Haryana	39	0.52
Himachal Pradesh	0	0
Jammu & Kashmir	18	0.88
Jharkhand	10	0.35
Karnataka	16	14.79
Kerala	0	0
Madhya Pradesh	15	2.27
Odisha	45	39.35
Punjab	89	6.73
UT Chandigarh	9	0.24
Rajasthan	57	0.93
Tamil Nadu	806	404.96
Uttar Pradesh	109	26.70
Uttaranchal	0	0
Delhi	0	0
Maharashtra	418	200.14
West Bengal	107	14.31
Total	**2,207**	**899.87**

Appendix 10 (Reference paragraph: 5.5)

Region	Selection of Grievance Cells					
	Total number of units in jurisdiction of Audit office			Total number of units selected for audit		
	CCIT	CIT	Assessment units	CCIT	CIT	Assessment units
Andhra Pradesh	5	22	246	2	12	149
Odisha	1	3	39	1	2	0
Punjab, Haryana, Himachal Pradesh and Jammu & Kashmir	5	20	301	5	10	110
Maharashtra	20	59	810	15	28	250
Karnataka	9	16	249	7	9	90
West Bengal	11	66	613	3	32	32
North-East Region	2	5	76	2	5	7
Delhi	22	60	298	3	3	15
Chhatisgarh	1	2	33	0	0	9
Gwalior	2	3	33	2	3	33
Gujarat	8	22	317	5	7	97
Rajasthan	4	12	144	4	7	96
Uttar Pradesh	5	18	163	5	8	102
Uttarakhand	1	1	14	1	1	12
Bihar	3	14	113	1	2	0
Tamilnadu & Kerala	15	33	379	11	20	158
Total	**114**	**356**	**3,828**	**67**	**149**	**1,160**

Note:-In Odisha and Bihar, no Assessment unit was selected.

Appendix 11 (Reference paragraph: 5.6.1)

Status of Grievances (As on 31.03.2012) for FY 2010-11				
Name of CCIT Charge	**Total grievances received (Manual & Online)**	**Total grievances disposed off (Manual & Online)**	**No. of cases Pending**	**Disposal of grievances in *per cent***
CCIT-Chandigarh	364	341	23	93.7
CCIT-Amritsar	308	66	242	21.4
CCIT-Ludhiana	3,956	3,699	257	93.5
CCIT-Panchkula	171	35	136	20.5
CCIT-Himachal Pradesh	33	10	23	30.3
CCIT-I Bangalore	740	563	177	76.1
CCIT-II Bangalore	490	330	160	67.3
CCIT-Hubali	22	5	17	22.7
Regional Grievance Cell (CCIT-I), Kolkata	4,250	1,449	2,801	34.1
RGO/PGP(CCIT-I), Durgapur	9	0	9	0.0
CCIT- Guwahati	41	5	36	12.2
CCIT-Shillong	18	10	8	55.6
Central Grievance Cell (CBDT) (Delhi Region)	271	13	258	4.8
CIT (Helpline), O/o the CCIT-I, Delhi	548	517	31	94.3
CCIT-Raipur	18	18	0	100.0
CCIT-Bhopal	261	260	1	99.6
CCIT-Indore	35	35	0	100.0
CCIT-I(CCA) Ahmedabad	290	206	84	71.0
CCIT-II Ahmedabad	574	380	194	66.2
CCIT-III Ahmedabad	311	227	84	73.0
CCIT-IV Ahmedabad	243	152	91	62.6
DIT (Exemp) Ahmedabad	28	13	15	46.4
CCIT-Rajkot	553	241	312	43.6
CCIT-Baroda	163	99	64	60.7
CCIT-Surat	895	439	456	49.1
CCIT-Jaipur	578	391	187	67.6
CIT-I Jaipur	183	108	75	59.0
CIT-II Jaipur	98	39	59	39.8
CCIT-Udaipur	12	12	0	100.0
CIT-Udaipur	6	6	0	100.0
CIT-Ajmer	8	8	0	100.0
CCIT-Jodhpur	41	16	25	39.0
CIT-I Jodhpur	20	19	1	95.0
CCIT-Allahabad	226	13	213	5.8
CCIT-Bareilly	57	1	56	1.8
CCIT-Ghaziabad	213	69	144	32.4
CCIT-Kanpur	380	10	370	2.6
CCIT-Lucknow	227	40	187	17.6
CCIT-Dehradun	39	7	32	17.9
CCIT-I Patna	165	68	97	41.2
CCIT Chennai	803	185	618	23.0
CIT Coimbatore	88	77	11	87.5
CIT Salem	40	25	15	62.5
CCIT Madurai	62	29	33	46.8
CCIT VI Puducherry	19	19	0	100.0
CIT Kottayam	83	69	14	83.1
CIT Kozhikode	16	13	3	81.3
Total 47	**17,956**	**10,337**	**7,619**	**55.40**

Appendix 12 (Reference paragraph: 5.6.1 and 5.6.2.4)

Status of Grievances (As on 31.03.2012) for FY 2011-12				
Name of CCIT Charge	**Total grievances received (Manual & Online)**	**Total grievances disposed off (Manual & Online)**	**No. of cases Pending**	**Disposal of grievances in *per cent***
CCIT-Odisha	75	52	23	69.3
CIT-Sambalpur	32	21	11	65.6
CCIT-Chandigarh	1,029	977	52	94.9
CCIT-Amritsar	441	96	345	21.8
CCIT-Ludhiana	7,325	5,877	1,448	80.2
CCIT-Panchkula	339	154	185	45.4
CCIT-Himachal Pradesh	124	75	49	60.5
CCIT-3 Mumbai	68	48	20	70.6
CCIT-I Bangalore	1,327	929	398	70.0
CCIT-II Bangalore	404	314	90	77.7
CCIT-Hubali	66	32	34	48.5
RG Cell (CCIT-I), Kolkata	3,751	1,070	2,681	28.5
RGO/PGP(CCIT-I), Durgapur	15	7	8	46.7
RGC/PGO (CCIT-I), Jalpaiguri	7	6	1	85.7
CCIT-Guwahati	86	11	75	12.8
CCIT-Shillong	15	3	12	20.0
Central Grievance Cell (CBDT) (Delhi Region)	687	423	264	61.6
CIT (Helpline), CCIT-I, Delhi	1,198	842	356	70.3
CCIT-Raipur	410	406	4	99.0
CCIT-Bhopal	111	111	0	100.0
CCIT-Indore	113	93	20	82.3
CCIT-I(CCA) Ahmedabad	459	294	165	64.1
CCIT-II Ahmedabad	1,043	641	402	61.5
CCIT-III Ahmedabad	561	327	234	58.3
CCIT-IV Ahmedabad	548	444	104	81.0
DIT (Exemp) Ahmedabad	47	16	31	34.0
CCIT-Rajkot	782	362	420	46.3
CCIT-Baroda	302	168	134	55.6
CCIT-Surat	910	289	621	31.8
CCIT-Jaipur	968	614	354	63.4
CIT-I Jaipur	254	131	123	51.6
CIT-II Jaipur	156	48	108	30.8
CIT-III Jaipur	12	12	0	100.0
CCIT-Udaipur	90	90	0	100.0
CIT-Udaipur	21	16	5	76.2
CIT-Ajmer	6	6	0	100.0
CCIT-Jodhpur	93	65	28	69.9
CIT-I Jodhpur	31	31	0	100.0
CCIT-Allahabad	292	11	281	3.8
CCIT-Bareilly	111	25	86	22.5
CCIT-Ghaziabad	375	52	323	13.9
CCIT-Kanpur	525	20	505	3.8
CCIT-Lucknow	426	61	365	14.3
CCIT-Dehradun	143	43	100	30.1
CCIT-I Patna	204	93	111	45.6
CCIT-Chennai	1,066	459	607	43.1
CIT-Coimbatore	139	52	87	37.4
CIT-Salem	22	11	11	50.0
CIT II Madurai	73	63	10	86.3
CCIT VI Puducherry	40	40	0	100.0
CIT-Kottayam	62	50	12	80.6
CIT-Kozhikode	17	15	2	88.2
Total 52	**27,401**	**16,096**	**11,305**	**58.80**

Appendix 13 (Reference paragraph: 5.6.2.1 and 5.6.2.4)

Age-wise analysis of Pending Grievances for disposal as on 31.03.2012

Name of CCIT Charge	Total cases pending for disposal	Range of pendency	No. of cases where pendency was more than one year but less than two years	No. of cases where pendency was more than two years	Remarks
CCIT Visakhapattanam	8	2 to 11 Years	0	8	Eight cases still pending since 2001
CCIT Hyderabad	4	2 to 11 Years	0	4	
CCIT Odisha	34	2 to 33 months	5	18	
CCIT-Himachal Pradesh	37	23 days to 47 months	8	6	case files pending for more than two years were not produced
CCIT-Bangalore	321	11 months to 17 months	2	0	data based on three cases examined in details.
RG Cell (CCIT-I), Kolkata	2,681	2 days to 128 months	1,529	767	
CCIT-Allahabad	281	1 to 57 months	45	136	
CCIT-Bareilly	86	5 days to 100 months	0	50	
CCIT-Ghaziabad	323	7 days to 60 months	35	35	
CCIT-Kanpur	505	13 days to 99 months	68	256	
CCIT-Lucknow	365	4 to 45 months	62	87	
CCIT-Dehradun	100	27 days to 22 months	21	1	
CCIT-I Patna	54	13 to 24 months	54	0	
CCIT Chennai	607	3 to 124 months	119	415	
CIT II Madurai	1	42 months	0	1	
CIT Kottayam	12	2 to 8 months	0	0	
CIT Kozhikode	2	7 to 10 months	0	0	
CCIT Raipur	4	0	0	0	Information provided was incomplete
CCIT-I, Ahmedabad	165	0	0	0	-do-
CCIT-II, Ahmedabad	402	0	0	0	-do-
CCIT-Vadodara	134	0	0	0	-do-
CCIT-Surat	621	0	0	0	-do-
CCIT-Rajkot	420	0	0	0	-do-
CCIT-Amritsar	0	0	0	0	Information not Provided by department
CCIT-Ludhiana	0	0	0	0	-do-
CCIT-Panchkula	0	0	0	0	-do-
Total 26	**7,167**		**1,948**	**1,784**	

Appendix 14 (Reference paragraph: 5.6.2.3)

Agewise analysis of disposal of Grievances delayed beyond stipulated period of two months				
Name of CCIT Charge	**Total cases disposed off beyond stipulated period**	**Range of delay**	**No. of cases where delay was more than one year but less than two years**	**No. of cases where delay was more than two years**
CCIT-Hyderabad	45	2 days to 12 months	0	0
CCIT-Odisha	22	2 to 56 months	16	2
CCIT-Amritsar	0	0	0	0
CCIT-Ludhiana	0	0	0	0
CCIT-Panchkula	0	0	0	0
CCIT-Himachal Pradesh	20	20 days to 16 months	2	0
CCIT-3 Mumbai	37	20 months to five years	11	7
CCIT-Bangalore	321	one month to 21 month	0	1
RG Cell (CCIT-I), Kolkata	1,070	one day to 79 months	70	55
RGO/PGO (CCIT-Durgapur)	4	three months to 16 months	1	0
RGO/PGO (CCIT-Jalpaiguri)	4	21 days to 87 days	0	0
CCIT-I (CIT-XI) Ward-33(4), Delhi	1	18 days to 29 months	0	1
CCIT-I (CIT-XI) Ward-32(2), Delhi	1			
CCIT-I (CIT-XIV) Circle-42(1), Delhi	1			
CCIT-I (CIT-XI) Ward-33(4), Delhi	1			
CCIT-I (CIT-II) Ward-6(1), Delhi	1			
CCIT-I (CIT-II) Ward-5(1), Delhi	1			
CCIT-I (CIT-XI) Circle-33(1), Delhi	1			
CCIT-I (CIT-XIV) Circle-42(1), Delhi	1			
CCIT-I, Ahmedabad	294	Not available		
CCIT-II, Ahmedabad	641	Not available		
CCIT-Vadodara	168	Not available		
CCIT-Surat	289	Not available		
CCIT-Rajkot	362	Not available		
CIT-Allahabad, Bareilly, Ghaziabad, Aligarh, Muzaffarnagar, Noida & Meerut	136	Five months to 24 months	72	0
CCIT Dehradun	22	Data incomplete		
CCIT-I Patna	19	four to 27 months	5	2
CCIT Chennai	460	three to 43 months	190	21
CIT II Madurai	2	Three to four months	0	0
CIT Kottayam	12	12 to 34 months	9	3
CIT Kozhikode	5	Two to six months	0	0
Total 37	**3,941**		**376**	**92**

Note: In case of CCIT-Amritsar, CCIT-Ludhiana, CCIT-Panchkula, zero denotes that they did not provide the Information.

Appendix 15 (Reference paragraph: 5.6.2.4)

Pendency of grievances (As on 31.03.2012)						
Name of CCIT Charge		**Total pending Grievances**	**Pending less that six months beyond stipulated period**	**Pending more than six months beyond stipulated period but less than one year**	**Pending more than one year but less than two years beyond stipulated period**	**Pending more than two years beyond stipulated period**
CCIT-Hyderabad		129	125	0	4	0
CCIT-Vishakhapattanam		23	15	0	0	8
CCIT-Odisha		23	5	2	5	11
CIT-Sambalpur		11	3	1	0	7
CCIT-Amritsar		345	69	49	80	147
CCIT-Ludhiana		1,448	1,448	0	0	0
CCIT-Panchkula		321	199	100	10	12
CCIT-Himachal Pradesh		37	16	7	8	6
CCIT-3 Mumbai		121	25	73	19	4
CCIT-I Bangalore		488	100	388	0	0
CCIT-Hubali		34	0	34	0	0
RGC (CCIT-I Kolkata)		2,681	143	242	1,529	767
RGO/PGO (CCIT Durgapur)		8	2	1	5	0
RGC/PGO (CCIT Jalpaiguri)		1	1	0	0	0
CCIT-Guwahati		75	34	19	20	2
CCIT-Shillong		12	2	2	8	0
CCIT-Raipur		4	4	0	0	0
CCIT-I(CCA) Ahmedabad		33	3	9	18	3
CCIT-II Ahmedabad		402	293	48	41	20
CCIT-III Ahmedabad		234	177	40	16	1
CCIT-IV Ahmedabad		104	82	22	0	0
DIT (Exemp) Ahmedabad		31	12	10	9	0
CCIT-Rajkot		420	218	134	9	59
CCIT-Baroda		134	53	53	17	11
CCIT-Surat		621	230	118	252	21
CCIT-Jaipur		354	126	80	70	78
CIT-I Jaipur		123	78	45	0	0
CIT-II Jaipur		108	30	15	33	30
CIT-Udaipur		5	4	0	1	0
CCIT-Jodhpur		53	0	0	28	25
CIT-I Jodhpur		1	0	0	0	1
CCIT-Allahabad		281	70	30	45	136
CCIT-Bareilly		86	27	9	0	50
CCIT-Ghaziabad		323	206	47	35	35
CCIT-Kanpur		505	141	40	68	256
CCIT-Lucknow		365	169	47	62	87
CCIT-Dehradun		100	68	10	21	1
CCIT Chennai		607	56	34	123	394
CIT Coimbatore		98	0	0	87	11
CIT Salem		26	7	5	14	0
CIT Madurai		10	9	0	0	1
CIT Kottayam		26	5	10	6	5
CIT Kozhikode		5	5	0	0	0
Total	**43**	**10,816**	**4,260**	**1,724**	**2,643**	**2,189**