

**INCOME TAX DEPARTMENT**

1.	Name of assessee	:	M/s Alternative For Rural Movement(ARM)
2.	Address	:	A/Pot- Baliapal, Dist-Balator- 756026
3.	P.A.N./G.I.R. No	:	AAATA-4360P
4.	District/Ward/Circle	:	ITO(Exemptions),Cuttack
5.	Status	:	(AOP)Trust
6.	Asst. Year	:	2013-14
7.	Previous Year	:	2012-13
8.	Whether resident/Resident but not ordinarily resident/Non-resident.	:	Resident
9.	Method of accounting	:	-
10.	Nature of Business(es)	:	Charitable
11.	Date(s) of hearing	:	As per order sheet
12.	Date of order	:	30.12.2015
13.	Section and sub-section under which the assessment is made	:	U/s. 143(3)

*IA-34/2015-16*

**ASSESSMENT ORDER**

The assessee society is registered under Societies of Registration Act of 1860 on 16.12.1989. Some of the objectives the Society are:

1. To educate and assist rural poor to realize their creative facilities for their economic, social and cultural improvement and betterment.
2. To assist the rural poor to establish organization of the rural poor, youth and women for achieving objective.
3. To provide assistance and guidance and service to organization of the poor, including youth and women promoted by the society or other bodies with similar objectives.
4. To provide training facilities for volunteer, office bearers, employees and managers of voluntary organization.
5. To prepare plans for area development or undertake to prepare such on behalf of State Government Philanthropic Organizations and many other as enumerated in the memorandum of association.





The trust has been granted Registration u/s 12AA of the I.T. Act by the Ld. CIT, Orissa, Bhubaneswar with a direction regarding applicability of provisions of section 11 & 12 with effect from 01.04.1996. The society also granted registration under Foreign Contribution (Regulation) Act 1976 on 17.06,1992. Return of income for the assessment year 2013-14 was furnished on 20.11.2013 showing total of income of Rs Nil. The return was processed u/s 143(1) of the I.T.Act on 13.06.2014 accepting the returned income. Subsequently the case was selected for scrutiny through CASS and statutory notice u/s 143(2) of the I.T. Act was duly served on the assessee. Meanwhile, the new jurisdiction order came into existence with effect from 15.11.2014. In view of which the undersigned has exercised jurisdiction over the case. Accordingly, a notice u/s 142(1) of the I.T. Act along with a questionnaire was issued and duly served on the assessee. In response to the said notice, Sri Dusmanta Kumar Rout, Accountant of the trust appeared from time to time and the case was heard.

The Memorandum of Association/bye laws vis-à-vis the activities undertaken by the assessee society during the relevant previous year, books of accounts, bills and vouchers and other relevant documents have been produced and examined. The audited statement of accounts for the year ending on 31.03.2013 reflects total income and expenditure from its activities is reproduced hereunder.

1. Total income	Rs 2,66,88,801.49
2. Total expenditure( Rev Rs.2,58,46,045.49+Capital Rs.11,78,123.00)	<u>Rs.2,70,24,168.49</u>
Excess of expenditure over income	Rs. 3,35,367.00

It is evident from the above that the assessee trust has applied more than 85% of its income towards charitable purposes during the relevant previous year 2012-13. Thus, the assessee is eligible for claim of exemption u/s 11(1)(a) of the I.T. Act. The total income of the assessee trust is determined subject to following consideration.

### **Depreciation**

In the audited income and expenditure account the assessee has claimed/debited expenses under the head "depreciation" of Rs.8,42,756/-. During the course of assessment proceedings, was asked to explain why the claim of depreciation of Rs.8,42,756/- should not be disallowed in computing the total income as the expenditure on capital assets has already been allowed as application of income and exempted u/s 11 of the I.T. Act. The assessee could not explain the matter and agreed to the proposed addition of Rs.8,42,756/-. Therefore the claim of expenses under the head "depreciation" of Rs.8,42,756/- is disallowed and added to the total income.

Taking into consideration of the above facts, the total income of the assessee and the tax payable thereon is determined as under.

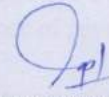


Income as per Income and Expenditure account	Rs.2,66,88,801.49
Less: Expenses incurred	<u>Rs.2,70,24,168.49</u>
Excess expenditure over income	Rs. 3,35,367.00
Add: Depreciation as discussed above	<u>Rs 8,42,756.00</u>
Excess income over expenditure	Rs. 5,07,389.00
Less: Exempt u/s.11(1) of the I.T. Act	<u>Rs .5,07,389.00</u>
<b>Total income</b>	<b>Rs NIL</b>

Assessed u/s.143(3) of the I.T Act, 1961 on a total income of Rs NIL

**CALCULATION OF TAX AND INTEREST**

Tax due and paid Rs NIL  
Issued Demand Notice, copy of order & challan to the assessee.



(S.K.SAMAL)  
Income Tax Officer (Exemptions)  
Cuttack.

(एम के. सामल/S. K. Samal)  
आयकर अधिकारी (छूट)  
Income Tax Officer (Exemptions)  
कटक /Cuttack





## Notice of Demand under section 156 of the Income Tax Act, 1961

To

PAN – AAATA-4360P

Status –(AOP)Trust

**M/s Alternative for Rural Movement(ARM),**  
Baliapal, Dist- Balasore -756 026

1. This is to give you notice that for the assessment year **2013-14** a sum of **Rs. NIL** details of which are given in the tax calculation sheet annexed to your assessment order, has been determined to be payable by you.
2. The amount should be paid to the manager, authorized bank/State Bank of India. Reserve Bank of India at Cuttack within 30 days of the service of this notice. A challan is enclosed for the purpose of payment.
3. If you do not pay the amount within the period specified above, you shall be liable to pay simple; interest at one per cent for every month or part of a month from the date commencing after end of the period aforesaid in accordance with Section 220(2).
4. If you do not pay the amount of the tax within the period specified above, penalty (which may be as much as the amount of tax in arrear) may be imposed upon you after giving you a reasonable opportunity of being heard in accordance with Section 221.
5. If you do not pay the amount within the period specified above, proceedings for the recovery thereof will be taken in accordance with Sections 222 to 227, 229, 232 of the Income Tax Act, 1961.
6. If you intend to appeal against the assessment/fine/penalty, you may present an appeal under Part A of Chapter XX of the Income Tax Act, 1961, to the Commissioner of Income Tax (Appeals), Cuttack within thirty days of the receipt of this notice, in Form No.35, duly stamped and verified as laid down in that form.

Place-Cuttack  
Date-30.12.2015

I(A)-34/2015-16

(S.K.SAMAL)

Income Tax Officer(Exemptions)  
Cuttack

(एम के. सामल/S. K. Samal)

आयकर अधिकारी (छूट)  
Income Tax Officer (Exemptions)  
कटक /Cuttack

### Notes:

1. Delete inappropriate paragraphs and words.
2. If you wish to pay the amount by cheque, the cheque should be drawn in favour of the Manager, authorized bank/State Bank of India/Reserve Bank of India.

If you intend to seek extension of time for payment of the amount or propose to make the payment by installments, the application for such extension, or as the case may be, permission to pay by installments, should be made to the Assessing Officer before

