

AJIT & VIVEK
Chartered Accountants

Bangalore
~~05th September, 2014~~
30th AUGUST, 2014

The Dy Director of Income Tax(Exemption)
Circle 17(1),
C R Building , III Floor,
Queen's Road
Bangalore 560 001

Respected Sir/Madam,

Sub: Hearing under section 143(2) of the Income-Tax Act,1961
Ref: Digital Green Trust(PAN: AABTD1303N).F.No.F-39/Scrutiny/DDIT(E)/C-17(1)/2014-15 dated 20/05/2014 received on 24/05/2014 , Hearings dated 01st August,2014 and 18th August,2014


This is with reference to your query on the application of accumulated/set apart amount within the meaning of section 11(2) reflected in the return filed for the A.Y 2012-13(F Y 2011-12) on 25th September,2012. We wish to state the following:

1. The amount of Rs. 42,65,435.00 shown as the accumulated/set apart amount within the meaning of section 11(2) for the A.Y 2011-12(F.Y 2010 -11) and being applied during the A.Y 2012-13(F Y 2011-12) is being wrongly reflected in the return, as the same has been adjusted only in return file for the A.Y 2013-14(F Y 2012-13). And the same can be seen in the return filed for the A.Y 2013-14.
2. The amount of Rs. 42,65,435.00 stated as to be accumulated and to be applied for the A.Y 2011-12(F.Y 2010 -11)is also not correct. The amount to be applied is Rs. 9,10,058.00 as confirmed by the Assessment order dated 20/12/13. The amount of Rs. 42,65,435.00 included both the accumulation under section 11(2) and accumulation under section 11(1)(a) as per the original return filed.

Kindly consider the above and do the necessary



Thanking You,

Yours Sincerely,
For DIGITAL GREEN TRUST


Ajit Pai B.H.
Authorised Representative



Recd
[Signature]

FORM ITR-V		INDIAN INCOME TAX RETURN VERIFICATION FORM (Where the data of the Return of Income in Form ITR-1 (SAHAJ), ITR-2, ITR-3, ITR-4S (SUGAM), ITR-4, ITR-5, ITR-7 transmitted electronically without digital signature) . (Please see Rule 12 of the Income-tax Rules, 1962)			Assessment Year 2014 - 15
PERSONAL INFORMATION AND THE DATE OF ELECTRONIC TRANSMISSION	Name DIGITAL GREEN TRUST		PAN AABTD1303N		
	Flat/Door/Block No T4,4TH FLOOR,	Name Of Premises/Building/Village SWISS COMPLEX		Form No. which has been electronically transmitted ITR-7	
	Road/Street/Post Office RACE COURSE ROAD	Area/Locality BANGALORE			
	Town/City/District BANGALORE	State KARNATAKA	Pin 560001	Status AOP(Trusts)	
	Designation of AO (Ward / Circle) DD/ADIT TRUST CIRCLE		Original or Revised ORIGINAL		
	E-filing Acknowledgement Number 345924000050914		Date(DD-MM-YYYY) 05-09-2014		
	COMPUTATION OF INCOME AND TAX THEREON				
	1	Gross Total Income	1	0	
2	Deductions under Chapter-VI-A	2	0		
3	Total Income	3	0		
a	Current Year loss, if any	3a	0		
4	Net Tax Payable	4	0		
5	Interest Payable	5	0		
6	Total Tax and Interest Payable	6	0		
7	Taxes Paid				
a	Advance Tax	7a	0		
b	TDS	7b	675917		
c	TCS	7c	0		
d	Self Assessment Tax	7d	0		
e	Total Taxes Paid (7a+7b+7c+7d)	7e	675917		
8	Tax Payable (6-7e)	8	0		
9	Refund (7e-6)	9	675920		
VERIFICATION					
I, <u>TEJESH SHAH</u> son/ daughter of <u>HASMUKH P SHAH</u> , holding Permanent Account Number <u>BNWPS2052Q</u> solemnly declare to the best of my knowledge and belief, the information given in the return and the schedules thereto which have been transmitted electronically by me vide acknowledgement number mentioned above is correct and complete and that the amount of total income and other particulars shown therein are truly stated and are in accordance with the provisions of the Income-tax Act, 1961, in respect of income chargeable to income-tax for the previous year relevant to the assessment year 2014-15. I further declare that I am making this return in my capacity as <u>TRUSTEE</u> and I am also competent to make this return and verify it.					
Sign here				Date	12-08-2014
				Place	BANGALORE
If the return has been prepared by a Tax Return Preparer (TRP) give further details as below:					
Identification No. of TRP		Name of TRP		Counter Signature of TRP	
For Office Use Only					
Receipt No		Filed from IP address		115.242.67.90	
Date					
Seal and signature of receiving official					
 AABTD1303N0734592400005091473BAAB186249540F06EF67AD070E2D111CD96D34					

Please send the duly signed Form ITR-V to "Income Tax Department - CPC, Post Bag No - 1, Electronic City Post Office, Bengaluru - 560100, Karnataka", by ORDINARY POST OR SPEED POST ONLY, within 120 days from date of transmitting the data electronically. Form ITR-V shall not be received in any other office of the Income-tax Department or in any other manner. The confirmation of receipt of this Form ITR-V at ITD-CPC will be sent to the e-mail address RIKIN@DIGITALGREEN.ORG

DIGITAL GREEN TRUST

digitalGREEN Trust

EXTRACT OF MINUTES OF THE BOARD OF TRUSTEES OF DIGITAL GREEN TRUST HELD ON TUESDAY , 5TH September ,2014 AT 12.00 PM AT THE REGISTERED OFFICE OF THE TRUST AT FLAT NO.T4, #33, SWISS COMPLEX, RACE COURSE ROAD, BANGALORE - 560 001.

The Board of Trustees were informed that as the Trust was in the process of implementation of the NRLM in the states of Andhra Pradesh and Bihar and there will be a fund requirement for creating the Infrastructure and the Resources towards the same and funds have been set aside to meet the requirement. And this accumulation also requires compliance under section 11(2) of the Income tax Act, 1961 by filing of Form No 10 with assessing officer of the Trust within the due date of filing of the Income Tax Return for that year.

The Board proposed and recommended the passing of the following resolution.

“RESOLVED THAT the Board recommends that out of the income of the trust for the previous year relevant to the Assessment Year 2014-15 an amount of Rs.2,61,84,050.00 may be accumulated till the previous year ended 31st March,2019 to have sufficient funds for carrying out the following business of the trust

1. The object of the trust is to use technology to Farmers to educate farmers of best practices and methods to increase the yield.
2. To create the necessary infrastructure and the resources to implement the NRLM schemes in the state of Andhra Pradesh and Bihar.



T. H. Shah

Trustee

DIGITAL GREEN TRUST

Flat No.T4, 4th Floor, # 33, Race Course Road, Swiss Complex, Bangalore 560 001

Amount (in Rs.)

BALANCE SHEET AS AT MARCH 31,		2014		2013	
	Sch.				
SOURCES OF FUNDS					
CORPUS FUNDS		-	-	-	-
OTHER FUNDS	1	83,279,513		36,749,012	
TOTAL		83,279,513		36,749,012	
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	2	9,598,388		7,770,631	
Less : Accumulated Depreciation		3,063,657		1,546,358	
Net Block		6,534,731		6,224,273	
INVESTMENTS (at cost)					
CURRENT ASSETS LOANS AND ADVANCES (A)					
Cash & Bank Balances	3	68,591,346		27,150,162	
Loans & Advances	4	11,235,931		5,873,168	
		79,827,278		33,023,330	
CURRENT LIABILITIES AND PROVISIONS (B)					
Current Liabilities & Provisions	5	3,082,495		2,498,591	
		3,082,495		2,498,591	
NET CURRENT ASSETS (A-B)	TOTAL	76,744,782		30,524,739	
		83,279,513		36,749,012	

Accounting Policies and Notes to Accounts 11

As per our report of even dated
For Ajit and Vivek,
Chartered Accountants

Bangalore,

Date: 5th September 2014

Ajit Pai B.H
Partner

M.No 204576 : Firm Reg No- 073135



Trustee

Trustee

DIGITAL GREEN TRUST
Flat No.T4,4th Floor, # 33, Race Course Road, Swiss Complex, Bangalore 560 001
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31-03-2014

<u>RECEIPTS</u>	<u>AMOUNT</u>	<u>PAYMENTS</u>	<u>AMOUNT</u>
To Opening Balance		By Administration expenses	
Bank Accounts:		General and other Insurance	63,851
Axis Bank, FCRA Account	3,176,521	Finance Charges	133,759
Axis Bank, Savings Bank Account	2,324,572	Office Maintenance Expenses	2,166,748
Fixed Deposits	21,592,760		2,364,358
Cash-in-hand	56,309		
	27,150,162		
To Indirect Incomes		By Personal Expenses	
Interest Income	3,098,245	Medical Expenses	496,177
	3,098,245	Staff Welfare Expenses	715,585
			1,211,762
To Direct Incomes		By Programme Cost	
Foreign Donations	139,139,029	Professional and consultancy charges	7,272,109
Local Donations	33,165,358	Project expenses	12,109,841
	172,304,387	Communication Expenses	2,961,967
		Office Rent Expenses	12,026,192
		Salaries and Benefits	59,569,423
		Travel Expenses	20,687,061
			114,626,592
		By Sub-Grants and Advances	
		Sub-Grant Expenses	6,208,062
		Sub Grant Advances	1,122,413
			7,330,475
		By Opening payables	
		Opening Payables paid during the year	2,306,990
			2,306,990
		By Fixed assets	
			1,827,757
			1,827,757
		By Loans and Advances	
		Rent advance	2,418,508
		Employees travel and Other advances	1,875,005
			4,293,514
		By Closing Balance	
		Bank Accounts:	
		Axis Bank, FCRA Account	4,191,309
		Axis Bank, Savings Bank Account	2,271,270
		Fixed Deposits	62,019,290
		Cash-in-hand	109,477
			68,591,346
TOTAL	202,552,794	TOTAL	202,552,794

T H Shah
Trustee

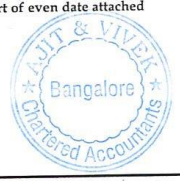
[Signature]
Trustee

Place:
Date: 5th September, 2014



As per our Report of even date attached

[Signature]
Ajit Pai B.H.
Partner
M.No 204576
FRN No 07313S



DIGITAL GREEN TRUST

Flat No.T4, 4th Floor, # 33, Race Course Road, Swiss Complex, Bangalore 560 001

Amount (in Rs.)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014		2014	2013
INCOME	Sch.		
Contributions/Grants received	6	172,703,505	103,510,178
Interest from Investments/Deposits	7	3,412,544	688,224
Other Receipts		-	-
TOTAL (A)		176,116,049	104,198,402
EXPENDITURE			
Programme Cost	8	99,935,861	65,370,978
Administration Expenses	9	21,924,326	10,850,837
Sub - Grants	10	6,208,062	
		128,068,249	76,221,815
Non - Cash Charges			
Depreciation/ Assets Written Off	2	1,517,301	1,359,751
TOTAL (B)		129,585,550	77,581,566
Carry forward donation for the future expenses (A-B)		46,530,499	26,616,835
		176,116,049	104,198,402

Accounting Policies and Notes to Accounts 11

As per our report of even dated
For Ajit and Vivek,
Chartered Accountants

Bangalore,

Date: 5th September 2014

Ajit Pai
Ajit Pai B.H

Partner

M.No 204576 : Firm Reg No- 07313S



T. Shah

Trustee

[Signature]
Trustee

Schedules to Balance Sheet for FY 2013-14

Schedule 1 :- Other Funds		
Particulars	2014	2013
Reserves & Surplus		
Opening balance	36,749,014	10,132,177
Carry forward donation for the future expenses	46,530,499	26,616,835
TOTAL	83,279,513	36,749,012

Schedule 3 :- Cash & Bank Balances		
Particulars	2014	2013
Cash at Bank		
Axis Bank, Savings Bank Account	2,271,270	2,324,572
Axis Bank,FCRA Account	4,191,309	3,176,521
Fixed Deposits	62,019,290	21,592,760
Cash in Hand	109,477	56,309
TOTAL	68,591,346	27,150,162

Schedule 4 :- Loans & Advances		
Particulars	2014	2013
Rental and other security Deposits	7,057,588	4,681,030
Electricity advance	-	15,000
Sub-Grant Advances	1,122,413	-
Vendor and Employee Advances	1,858,363	655,488
TDS receivable	1,197,567	521,650
		-
TOTAL	11,235,931	5,873,168

Schedule 5 :- Current Liabilities & Provisions		
Particulars	2014	2013
Rent Payable	-	27,000
Accrued Expenses	1,622,457	-
Audit Fee Payable	151,686	101,124
Advance Received	-	37,500
Salary Payable	122,371	90,012
TDS Payable	1,185,981	631,494
Provident Fund Payable	-	587,972
Professional Tax Payable	-	9,600
Provisions for Expenses		
TOTAL	3,082,495	2,498,591



Schedules to Income & Expenditure Account for FY 2013-14

Schedule 6 :- Contributions/Grants received	
Particulars	Amount (Rs)
Donation From Digital Green Foundation and International Finance Corporation	139,139,029
Local Donations	33,564,476
TOTAL	172,703,505

Schedule 7 :- Income from Investments/Deposits	
Particulars	Amount (Rs)
Interest income	
Interest on Savings Bank	269,567
Interest on FD	3,142,977
TOTAL	3,412,544

Schedule 8 :- Programme Cost	
Particulars	Amount (Rs)
Salaries	44,474,745
Employee Benefits	7,067,727
Travel expenses	21,237,041
Professional and consultancy charges	7,011,708
Project expenses	13,293,394
Field Offices Rent and Maintenance	3,856,423
Communication Expenses	2,994,825
TOTAL	99,935,861

Schedule 9 :- Administration Expenses	
Particulars	Amount (Rs)
Salaries	8,704,902
Employee Benefits	1,789,663
Professional and consultancy charges	615,171
Head Office Rent Expenses	10,512,254
Audit Fees	168,540
Finance Charges	133,795
TOTAL	21,924,326

Schedule 10 :- Sub-Grants	
Particulars	Amount (Rs)
Project Concern International	1,842,027
Access Development Services	2,130,488
Voluntary Association for Rural Reconstruction and Appropriate Technology	1,053,024
Peoples Action for National Integration	1,182,523
Total	6,208,062



FIXED ASSETS

F.Y.2013-14

SCHEDULE 2

Assets	Gross as on 01-04-2013	Additions during the year		Deletions	Gross as on 31-3-2014	Rate	Depreciation as on 01-04-2013	Depreciation for the year	Net as on 31-03-2014
		< 180 Days	> 180 Days						
Computers	1,603,293	239,410	259,435	-	2,102,138	60%	1,005,453	586,187.73	510,497
Furniture & Fixtures	500,040	539,275	218,698	-	1,258,014	10%	67,935	92,044	1,098,034
Office Equipment	5,667,298	342,952	227,987	-	6,238,237	15%	472,969	839,069	4,926,199
TOTAL	7,770,631	1,121,637	706,120	-	9,598,388		1,546,357	1,517,301	6,534,730



**INCOME-TAX DEPARTMENT****ITNS-65**

1	NAME OF THE ASSESSEE	Digital Green Trust
2	ADDRESS	T4, 4 th Cross, Swiss Complex, Race Course Road, Bangalore-560098.
3	PAN/GIR NO.	AABTD1303N
4	DISTRICT/WARD/CIRCLE	DDIT (E), CIRCLE 17(1)
5	STATUS (a) If HUF, is higher rate of tax Applicable. (b) If Company, Domestic/Other	AOP (Trust)
6	ASSESSMENT YEAR	2012-13
7	WHETHER RESIDENT/RESIDENT but not ordinarily resident /N.R	Resident
8	METHOD OF ACCOUNTING	NA
9	PREVIOUS YEAR	2011-12
10	NATURE OF BUSINESS(S)	NA
11	DATE(S) OF HEARING	24.09.2013, 01.08.2014, 18.08.2014 & 28.08.2014
12	DATE OF ORDER	28.08.2014
13	SECTION & SUB-SECTION UNDER : WHICH THE ASSESSMENT IS MADE	143(3) of the I T Act, 1961

ASSESSMENT ORDER

1. The assessee trust filed its return of income for the Asst. Year 2012-13 on 25.09.2012 declaring Nil income after claiming exemption u/s 11 of the I.T. Act, 1961. The Return was processed on 28.03.2014 resulting in a refund of Rs.2,24,640 which was issued to the assessee. The case has been selected for scrutiny by CASS. Notice u/s 143(2) was issued on 13.09.2013 which was duly served on the assessee.

2. Subsequently, a detailed questionnaire along with the notice u/s. 142(1) r.w.s. 129 dated 20.05.2014 were issued and duly served on the assessee. In response to the above notices, Mr. Ajit Pai, CA and Authorized Representative of the assessee trust appeared for hearing. The AR appeared for hearing from time to time and produced the details called for and case was discussed.



3. The trust has been granted registration u/s 12A by the DIT (Exemptions), Bangalore vide NO.DIT(E)BLR/12A/D-381/AABTD1303N/ITO(E)-1/Vol 2009-10 vide order dated 27.07.2009. The trust has also got registration under FC(R)A 1976 vide registration No. 094421449 and has filed annual accounts for the AY. 2012-13 on 24.12.2012.

4. The objects of the trust are:

- a) To Develop and promote a cost effective and scalable agricultural extension system that would allow farmers in rural areas to benefit from a better human and content resources of experts. The objective will involve the innovative use of off the shelf IT Components education in all fields by providing facilities/amenities and/or by rendering consultancy and all assistance (for benefits of student community) including workshops, conferences, seminars, group discussions, either directly or through institutions/others.
- b) To promote the use of Media mostly Visual Media to deliver high quality agricultural training from existing best practices from Existing Institutions and organizations.
- c) To provide opportunities and facilities for research work in the field of agriculture
- d) To open, establish and maintain libraries, information centres, data banks, laboratories, research centres, and the like for the benefits of farmers.
- e) To organize seminars, lectures, symposia, conferences, and the like for purposes of promotion of agriculture and diffusion of knowledge.

5. During the course of scrutiny proceedings, the AR was asked to submit various details with reference to audited accounts for the year 2011-12 relevant to the Asst. Year 2012-13, details of income, and application of funds, fixed deposits and investments, AIR information, donations etc which have been submitted and perused.



6. After verification of return of income and details furnished by the assessee on a random test-check basis and discussion with the assessee's representative, the assessment for Asst-Year 2012-13 is concluded as under:

COMPUTATION OF NET SURPLUS OF THE TRUST (Amount in Rupees)

A.Y 2012-13	Amount (in Rs.)
Income from other sources	
Interest on Saving Bank	5,40,378
Contributions received	3,23,30,604
Gross Total Income	3,28,70,982
Application of Income	
Revenue Expenditure excluding depreciation	2,74,88,076
Purchase of fixed assets	1,24,940
Total application of Income	2,76,13,016
Balance Income	52,57,966
Less: Accumulation u/s 11(2) as per the Form.No.10 filed by the assessee	51,98,123
Less: Accumulation u/s 11(1)(a) to the extent of the available income	59,843
Balance Taxable Income	NIL

Tax on the above

NIL

Issue Demand Notice & challan accordingly.



K.J. Divya
(DR. K. J. DIVYA)

Deputy Director of Income-tax (Exemption)
Circle 17(1), Bangalore

NOTICE OF DEMAND UNDER SECTION 156 OF THE INCOME TAX ACT, 1961

No. DGT/C-17(1)/2014-15

Office of the
Deputy Director of Income Tax (Exemption),
Circle-17(1), 3rd Floor, C R Buildings,
Queen's Road, Bangalore – 560 001.

To

Digital Green Trust,
T4, 4th Cross, Swiss Complex,
Race Course Road,
Bangalore-560098.

1. This is to give you notice that for the Assessment Year 2012-13 a sum of Rs NIL details of which are given, has been determined to be payable by you.
2. The amount should be paid to the Manager, Authorised Bank/ State Bank of India, Reserve Bank of India at Bangalore within 30 days of the service of this notice. The previous approval of the Deputy Commissioner of Income-tax has been obtained for allowing a period of less than 30 days for the payment of the above sum. 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 and one-half per cent for every month or part of a month from the date commencing after and 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 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 229, 231 and 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 Deputy Commissioner (Appeals) of Income-tax / Commissioner of Income-tax (Appeals), Bangalore within thirty days of the receipts of this notice, in Form No.35, duly stamped and verified as laid down in that form.
7. The amount has become due as a result of the order of the Deputy Commissioner (Appeals) Income-tax/Commissioner of Income-tax (Appeals)/Chief Commissioner of Income-tax _____ under section 143(3) of the Income-tax Act, 1961. If you intend to appeal against the aforesaid order, you may present an appeal under Part B of Chapter XX of the said act to the Income-tax Appellate Tribunal _____ within sixty days of the receipts of that order, in Form No.36, duly stamped and verified as laid down in that form.

(SEAL)

Dated: 28.08.2014

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.

3. If you intend to seek extension of time for payment of the amount or propose to make the payment by instalments, that application for such extension, or as the case may be, permission to pay by instalments should be made to the Assessing Officer before the expiry of the period specified in paragraph 2. Any request received after the expiry of the said period will not be entertained in view of the specific provisions of section 220(3).



(ASSESSING OFFICER)

(डॉ. क.ज. दिव्या)
(Dr. K.J. DIVYA)

अधिकार उप निदेशक (अनुत्)
Dy. Director of Income-tax (Exemptions)