INCOME TAX DEPARTMENT

I.T.N.S. - 65.

1	Name of Assessee: M/s. Pawan Projects Pvt. Ltd.	6	Assessment Year: 2007-08
2	Address: Suit No. 21&22, 2nd Floor, Chitrakoot, 230A, AJC Bose Rd. Kolkata-700 020.	7	Whether Resident/Resident but not Ordinarily resident/ Non-resident: Resident
3	P.A.N./G.I.R. No. AABCP6821A/ Ward-10(2)/ Kolkata	8	Method of accounting: Mercantile
4	District/Ward/Circle: Ward-10(2), Kol.	9	Previous year: 2006-07
5	Status: Company (a) If HUF, is higher rate of tax applicable ? (b) If company, whether (i) Domestic/Others : Domestic (ii) Public substantially interested/ Public not substantially interested: Public not substantially interested (iii)Industrial/Non-industrial : Non Industrial (iv) Section 108/other than section 108.	10	Nature of Business: Purchase and sale of Quartz & Watches.
		11	Date(s) of hearing: As per note sheet.
		12	Date of order: 27/08/2009.
		13	Section and sub-section under which the assessment is made: U/s. 143(3)

ASSESSMENT ORDER

The Income Tax Return of the company for assessment year 2007-08 was filed on 19/01/2008, declaring the total income Rs. 81,870/-. The return was processed u/s. 143(1) on 19/09/2008. Subsequently, the case was selected for regular assessment u/s. 143(3). Notice u/s. 143(2) dated 16/09/2008 and 142(1) dated 01/07/2009 were duly issued and served.

In compliance to notice issued, Mr. B.K. Chowdhury, the Authorised Representative (A/R) of the assessee company, appeared on the date(s) of hearing. Furnished details with documents in compliance to the notices issued which are examined.

Preliminary Expense:

The assessee in its P. & L. Account debited a sum of Rs.1,248/- towards preliminary expenses written off. In course of examination of e-Return it is seen that the incorporation of the assessee company took place on 02/01/1995 i.e. financial year 1994-95 and relevant assessment year 1995-96.

The provisions of Section 35D of the I.T. Act has two limbs. The first limb is applicable to any of the assessee if such capital expenditure incurred prior to commencement of the business. This prior period expenses has been categorized in two parts. According to proviso below the Section 35D it is clearly mentioned that if the commencement of the business takes place prior to 1.4.1998 in that case the preliminary expenses can be written of within a period of 10 years. If the commencement has taken place after 1.4.1998 in that case preliminary expenses is to be written of within a period of 5 years. In the instant case commencement of the business took place with effect from 02/01/1995 i.e. in the financial year 1994-95. Since the present assessment year and the relevant previous year is more than 10 years of commencement of the business, such preliminary expenses is not allowed to write off and added to the total income of the assessee.

Contd......2.

On examination, it is observed that the assessee company, during the previous year, earned income only from sale of Quartz and watches.

Considering the above, the assessed income of the company is as follows:

	Total income as per return of the assessee			Rs. 81,870/-
Add:	Preliminary Expenses as discussed above			Rs. 1,248/-
			Total Income	Rs. 83,118/-
			R/o	Rs. 83,120/-

Calculation of Tax:

	Tax on above			Rs. 24,936/-
Add:	Surcharge			Rs. 2,494/-
Add:	Education Cess			Rs. 549/-
			Total Tax	Rs. 27,979/-
Less:	**Prepaid Taxes:**			
	Advance Tax	Rs. 14,220/-		
	TDS	Rs. 19,998/-		
	Self	Rs. 448/-		Rs. 34,866/-
			Refundable	Rs. 6,887/-
Add:	Interest u/s. 244A			Rs. 952/-
				Rs. 7,839/-
Less:	Refund already issued			Rs. 160/-
			Net Refundable	Rs. 7,679/-
			R/o	Rs. 7,680/-

Assessed u/s. 143(3). Demand Notice and copy of the order are being issued to the assessee company.

(UTPAL BARAI)
I.T.O., WARD-10(2), KOLKATA

Income Tax Officer
WARD - 10(2)