

Wishing you all



HAPPY NEW YEAR

TODAY, IS THE FIRST BLANK PAGE OF A 365 PAGE BOOK.

WRITE A GOOD ONE.

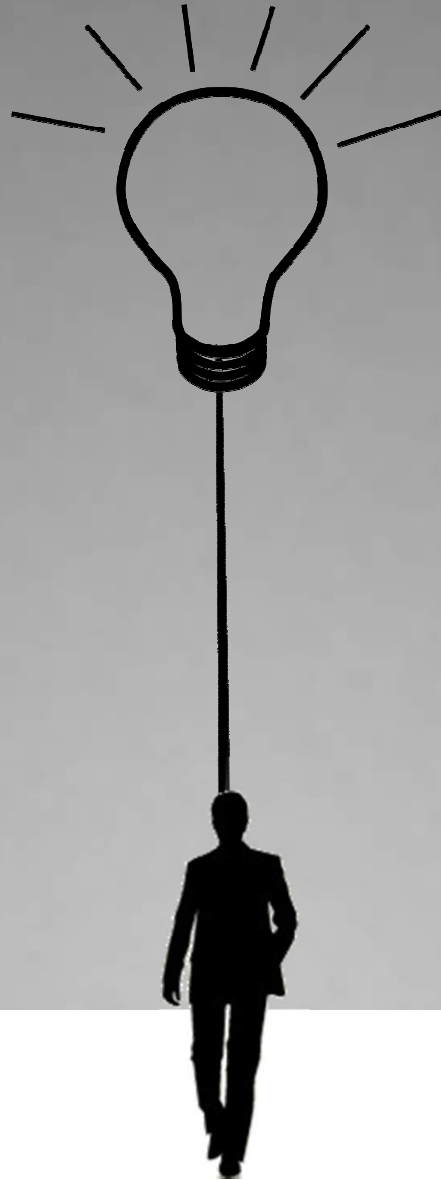


**b**usiness  
**HIVE**

Volume bHIVE 1 \*\* January 2016 \*\* Issue 01



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## Editorial Note

We wish all our readers a very happy, healthy, peaceful and prosperous 2016. Thank you for your support and we look forward to another exciting year ahead.

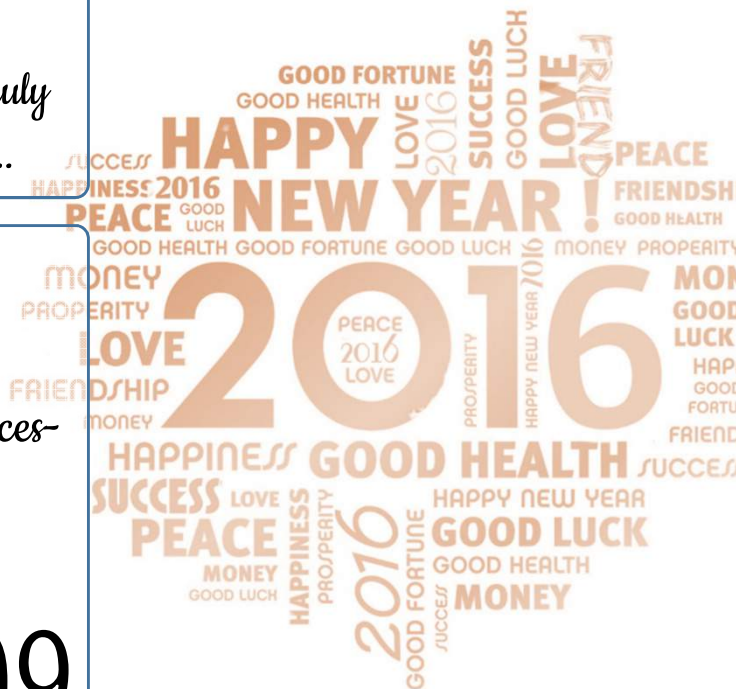
Your generosity and support have been the key ingredients to our success. So this New Year we wish to thank you for all the cooperation and hope to continue the association for a long time to come.

We hope that this New Year further strengthens the bond of mutual trust and respect that we have for one another.



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*Update yourself with the latest case laws, Notifications*

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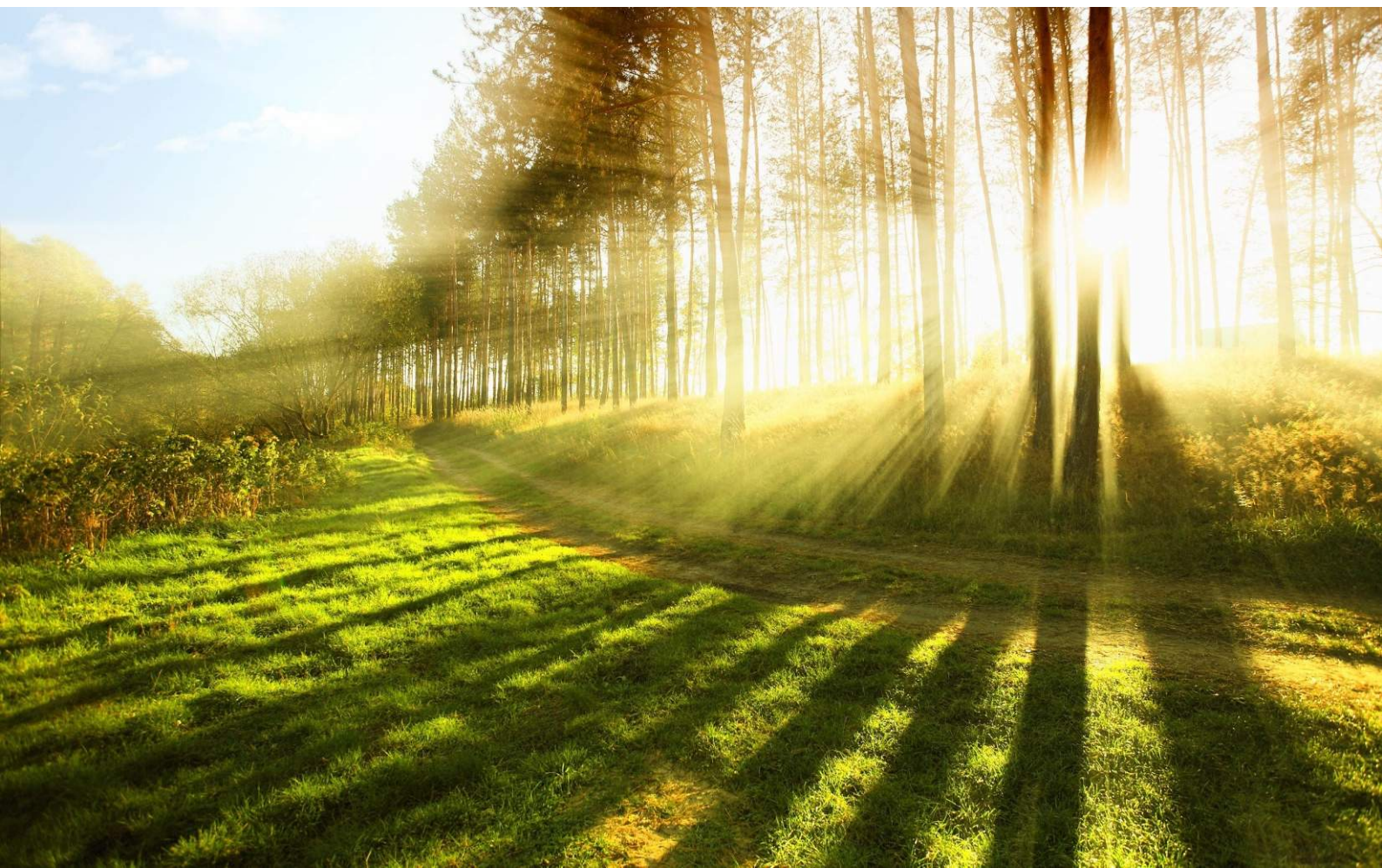
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*Happy New Year 2016!*

*Team Hive...*





## things you can do to start the new year right.. 10 fresh ideas to start a new year!!

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A new year is all about starting afresh and realising your dreams. According to inspirational posters everywhere any odd day can be 'the first day of the rest of your life. But don't you think the first day of a new decade is just a bit luckier than any other day? Let's start fresh this year!

As we step into January, we start to think of New Year's resolutions. Instead of adding more stress to your life by listing 10 huge goals to accomplish in this year, why not start off with 10 small things you can do to give you a feeling of instant success? Here are some suggestions to get you started.

### ✓ **Liven up the living room**

This is a good place to start; there's a reason why the living room is named so – it's where so much of everyday life happens. It's the place where we come to slow down, the room where we welcome family and friends.

You can bring new life to this space by introducing a few bright cushions or even laying down a new rug.

Small steps like these can make a big difference.

✓ **Be more green**

This could be the time of the year to learn how to properly recycle, to make sure the tap is off when you brush your teeth, or even just remembering to turn off lights and appliances when you're not using them.

All of these positive changes save a little electricity, which not only helps the planet but also helps your wallet too. It's a win-win

✓ **Tell one person each week that you love them.**

It's too easy to forget to tell people that we care about them. This year, make it a special promise to yourself that you'll tell at least one person, each week, that you love them and that you're grateful to have them in your life.



✓ **Buy a new bed pillow**

Too many of us have old pillows on our beds that don't support our necks properly as we sleep. One can find a huge selection of pillows at most department stores. And, you can keep your old pillow to add firmness and support when you're reading in bed.

✓ **Buy a plant**

Not only will you be creating better air quality for your home or office, but nurturing a plant can help you emotionally as well. While you're at it, buy a nice pot to plant it in, and place your new plant somewhere, where it will give you joy.

✓ **Take a look at your physical environment**

Are there papers and receipts you need to file or throw away? Take just 10 minutes a day for the next five days to work on straightening up your paperwork.

You'll be amazed at what you can accomplish in such a short time!



✓ **Make your bed every morning**

It may be a small task, but you should never underestimate the power of a made bed. It takes only a few minutes every morning but it can ignite a positive tone for the rest of the day – increasing productivity and reducing stress levels

✓ **Take a television break**

One night a week, choose to have a “no television” night. Read a book. Work on a craft project. Play a game. Write a story. Take a walk. Involve your family and friends to come up with creative and fun things you can do on your “no television” night.

✓ **Tell one person each week that you love them.**

It's too easy to forget to tell people that we care about them. This year, make it a special promise to yourself that you'll tell at least one person, each week, that you love them and that you're grateful to have them in your life.

✓ **Update your Resume**

When you have a job, it's easy to let your resume rot in the depths of your hard drive, but why not spend a few hours spicing it up? Update it with new skills you've learned at your current job, experiment with different fonts and layouts, make sure that all the dates, emails and phone numbers are current. You never know when you need it!

*What fresh starts are you making this year? Tell us all about it in the comments!*

# Case Studies 2015

## Hero Cycles (P) Ltd vs. CIT (SC)

Interest expenditure on loans diverted to sister concerns and directors can be allowed as business expenditure U/s. 36(1)(iii), as Revenue cannot justifiably claim to put itself in the arm-chair of the businessman or in the position of the Board of Directors and assume the role to decide how much is reasonable expenditure having regard to the circumstances of the case.

## ACIT vs. Victory Aqua Farm Ltd (SC)

The "functional" test has to be applied to determine whether an asset is "plant" for the purpose of calculating depreciation U/s 32. Even a pond designed for rearing prawns can be "plant"

## Fibre Boards (P) Ltd vs. CIT (SC)

Sec. 54G does not require that the machinery etc has to be acquired in the same AY in which the transfer takes place. It is sufficient if the capital gain is "utilized" towards purchase of P&M by giving advances to suppliers.

## CIT vs. Bhagat Construction Co. Pvt. (SC)

Interest U/s 234B is automatic if conditions are met, irrespective of the same being mentioned in the Assessment Order or not.

## Japan Airlines Co. Ltd vs. CIT (SC)

Sec 194-1 : In deciding whether a payment is for "use of land", the substance of the transaction has to be seen. If the payment is for a variety of services and the use of land is minor, the payment cannot be treated as "rent" and shall fall under "Contract"

## Seshasayee Paper & Boards Ltd vs. CIT (SC)

Under Section 32(2) of the Act, carried forward depreciation also partakes the character of depreciation of the current year, hence assessee cannot chose not to claim the Unabsorbed Depreciation.

## Taparia Tools Ltd vs. JCIT (SC)

Normally revenue expenditure incurred in a particular year has to be allowed in that year and if the assessee claims that expenditure in that year, the Department cannot deny the same.



## Major Amendments - 2015

Karnataka Land Reforms Act Amendment	Major Changes : Non-agriculturists whose annual income is not more than Rs. 25 lakh will be able to buy farmland in Karnataka provided they get prior permission from the deputy commissioner and use the land for agriculture only.
Service Tax	<ol style="list-style-type: none"> <li>1. The Service Tax rate was increased from 12.36% to 14% with effect from 01.06.2015 by the Union Budget 2015, However with the introduction of Swatch Bharath Cess, rate has further gone up by 0.5% to make it 14.5% with effect from 15.11.2015</li> <li>2. Manpower Supply and Security Services brought under 100% RCM</li> </ol>
TDS Provisions	<ol style="list-style-type: none"> <li>1. TDS on interest on Recurring Deposits introduced</li> <li>2. TDS on Interest shall be calculated on interest earned by a depositor from the all the branches of one Bank.</li> <li>3. TDS on EPF Withdrawal : Any withdrawal of EPF amount before the completion of 5 years will attract a TDS at 10 per cent. However, if the amount is below Rs 30,000 it will not attract TDS.</li> <li>4. 15CA &amp; 15CB Made Mandatory for all the payments made to Non-residents</li> </ol>
Income Tax	<ol style="list-style-type: none"> <li>1. Exemption u/s 11 is not allowable, if return of income is not furnished within the time allowed u/s 139(1).</li> <li>2. Wealth Tax abolished. Now no Wealth Tax is leviable.</li> </ol>

### Case Studies Dec 15

#### Jaya Hind Sciaky v. DCIT (Bom HC)

A leasehold land in the possession of the assessee for a term of 95 years is "belonging" to the assessee and is liable for wealth-tax

#### Sesa Resources v. ACIT (ITAT Panaji)

In view of retrospective amendment to Sec. 195 to provide that Sec. 195 applies whether or not the non-resident person has a residence or place of business or business connection in India, commission to non-resident agents for services rendered outside India is liable for TDS u/s 195 and has to suffer disallowance u/s 40(a)(ia)

#### CIT vs. Sonic Biochem Extractions Pvt. Ltd (Bom HC)

Even assets installed in a discontinued business are eligible for depreciation as part of 'block of assets



# labour annual compliances



## shops & establishments

Commercial establishments in India's information technology capital, Karnataka, are required to use an online facility for ensuring compliances under the state-specific labour law, the Karnataka Shops and Commercial Establishments Act, 1961.

The online system, known as the 'e-karmika' portal, has been extended to allow for labour law compliances including registration and renewal of the certificate of registration, and the annual labour compliances as per the Karnataka S & E Act to be executed through such portal.

Due date  
**31st January**

Details to be filled in the Annual Returns:

1. Basic Details of the Establishment
2. Details of Employer
3. Details of Manager/Authorized Signatory
4. Details of Existing Employees
  - o No. of Persons & Working Days
  - o Total No. of Man Days & Man Hours
  - o Total Salary paid
5. Details of Ex-Employees
  - o No. of Suspended Employees
  - o Amount of compensation paid
6. Details of Earned Leave with Wages
7. Canteen, Crèches, Shelters, Restrooms, Transport
8. Maternity Benefits
9. Deductions Made from Salaries

## labour welfare fund

Labour welfare refers to all the facilities provided to labour in order to improve their working conditions, provide social security and raise their standard of living. Majority of labour force in India is working in unorganized sector. In order to provide social security to such workers, Government has introduced Labour Welfare Fund to ensure assistance to unorganized labours.

According to provisions of, The Karnataka Labour Welfare Fund (Amendment) Act, 2010 Amending Act 7 of 2011

Due date  
**15th January**

### Contribution

Particulars	Amount
Employer Contribution	Rs.12 (Twelve)
Employee Contribution	Rs.6 (Six)

### Form

This compulsory contribution shall be made along with a statement in Form of 'D' prescribed under the Karnataka Labor Welfare Fund Act & Rules

[labour.kar.nic.in/labour/Form-1.doc](http://labour.kar.nic.in/labour/Form-1.doc)



It's a story that is truly strange than fiction. A small-town doctor's daughter from north Karnataka marries an engineer, who soars meteorically through the corporate world and becomes a globally respected billionaire.



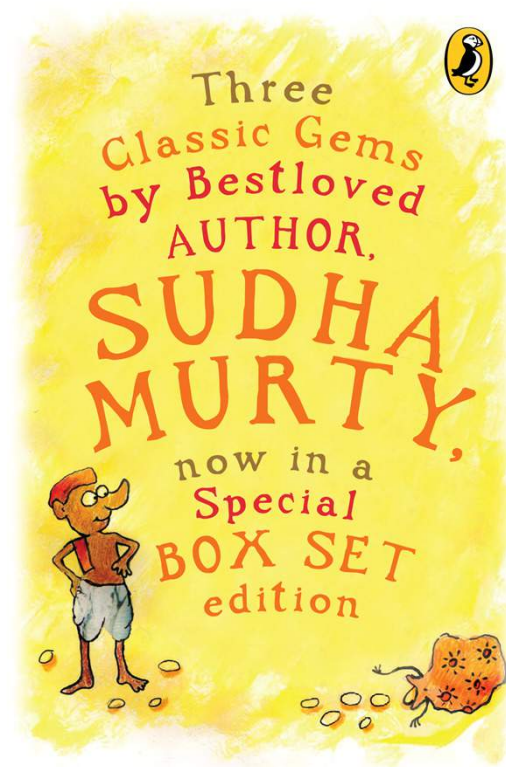
The doctor's daughter becomes a multi-millionaire in her own right and — writing in her spare time — she also becomes one of India's top-selling novelists. Unlikely though it may seem, her morality tales always revolve around the evils of wealth and how

it alters people for the worse.

Murty herself is famously and determinedly unaffected by her wealth. She wears only a modest gold mangalsutra and earrings, and doesn't have a single ring on her fingers. The conference room of the Infosys Foundation, the charity arm of Infosys, in Bangalore is extraordinarily Spartan and the furniture is ageing. The walls are bare except for two photos — of J.R.D. Tata who first gave Murty a job in Telco, and Jamsetji Tata. A plaque given to her by the Dalai Lama is the only other decoration.

*"Money can give you certain comforts but money has limited use. And once you realise that, money becomes a burden to you. You donate it. Money is a heavy bag on your back and you should lead a simple lightweight life,"* says Murty emphatically.

Certainly, her message about the evils born from wealth has struck a chord with her readers and turned her into a guaranteed bestselling writer who has sold about



1.5 million books in 10 different languages. She has effortlessly turned out an astonishing mix of 24 novels, short stories, children's books and non-fiction in between a punishing schedule that keeps her on the road — mostly in rural India — for about 20 days a month for her Infosys Foundation relief work.

Most successful of all are her children's books like *How I taught My Grandmother to Read*, which has notched up sales of over 1,30,000 in English alone. She also racks up huge sales in Kannada, Marathi, Gujarati.



*"Life is an exam where the syllabus is unknown and question papers are not set. Nor are there model answer papers."*

Murthy keeps a close eye on all the Infosys Foundation projects and this means she has criss-crossed rural India — the Infosys Foundation works in every state where Infosys has offices — and knows rural Karnataka like few others. And, as she is a great believer in sanitation, the foundation has built more than 10,000 toilets. On an entirely different level, it has donated books to more than 50,000 libraries.

Murthy's tiny office at the Infosys Foundation, which looks out onto a busy road, is just as bare as the conference room. She sits with her secretary, Leena, planning the weeks ahead in a battered diary with no fancy electronic gizmos. But Murthy was an iconoclast right from her childhood and long before

she achieved great wealth — remember that she lent her husband Narayana Murthy the money to start his "adventure". Her father was a doctor in Dharwad in north Karnataka who encouraged his daughters to make their own lives and stressed they should all be educated. Sudha, however, surprised even him and became the only woman studying in an engineering college in Hubli. Moving to Bangalore, she cut her hair which was also a convention-defying move, especially in Brahmin families in those days.

And, famously, she wrote a letter to J.R.D. Tata saying he was discriminating against women by not hiring them. Tata immediately hired the feisty young south Indian girl in Telco where she met

Narayana Murthy.

When Murthy finally quit Telco to help Narayana Murthy get Infosys on the road, J.R.D. Tata called and asked for the future plans. She said: "My husband is starting an adventure called Infosys. JRD asked, 'When you make a lot of money what will you do.' She said "I don't think we will ever make a lot of money. It's my husband's dream. The dream may or may not work."

Then JRD said, "When you get a lot of money, you are only a trustee for that. Society gives you so much and you should give back to society". These are words that she has attempted to live by, on a scale that JRD might never have dreamt possible.

## Libre Office

It is a free and open source office suite; its clean interface and powerful tools let you unleash your creativity and grow your productivity. Writer, the word processor, Calc, the spreadsheet application, Impress, the presentation.

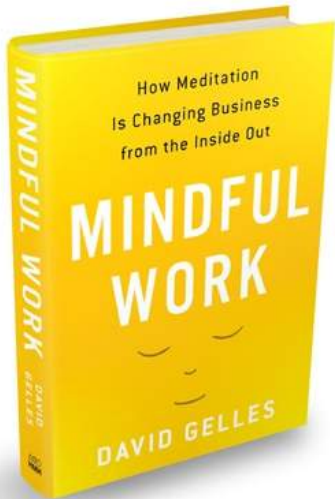


## mindful work:

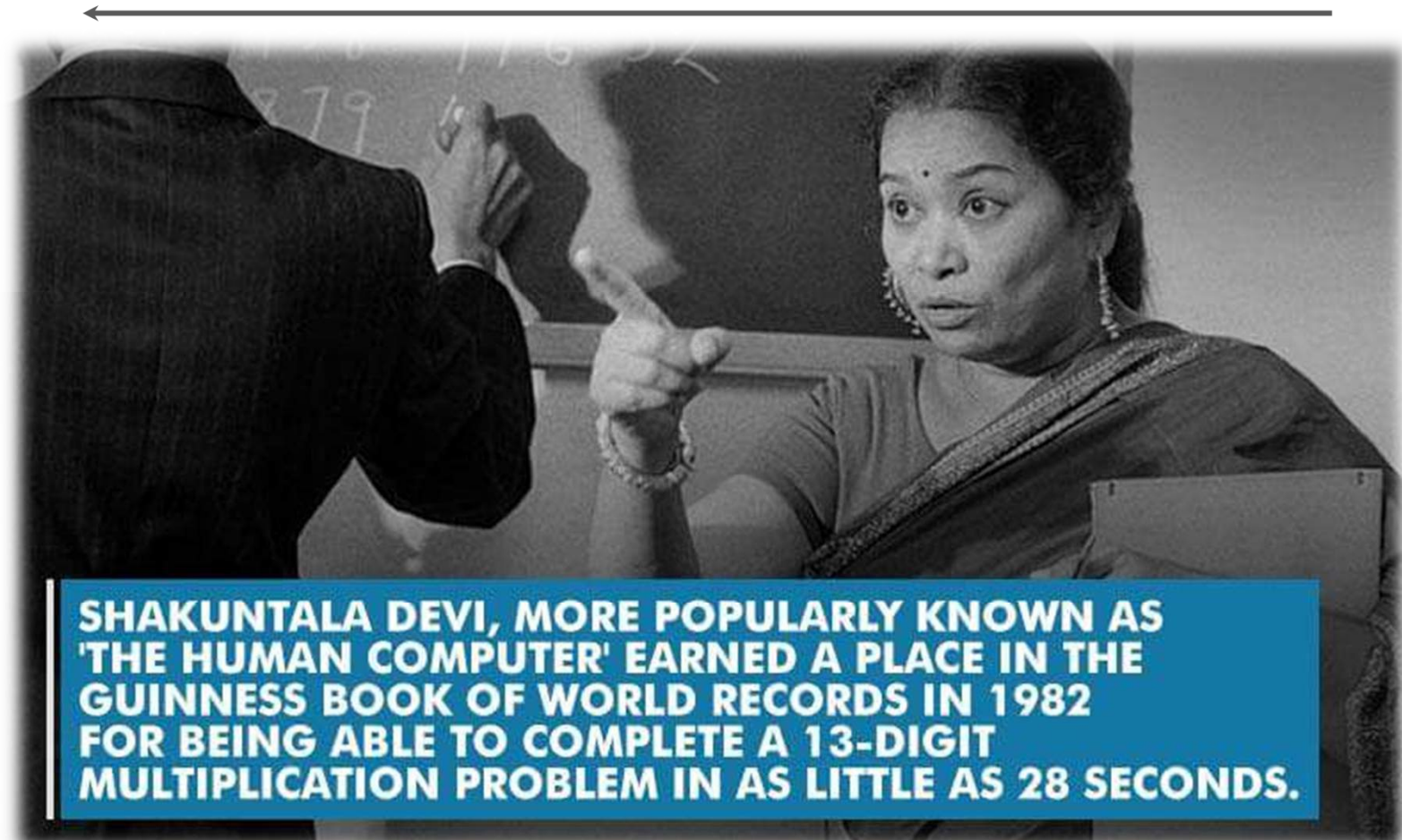
### *How Meditation is Changing Business from the Inside*

Mindful Work is the first book to explain how all sorts of businesses and any kind of worker can benefit from meditation, yoga, and other mindful techniques. As a business reporter for the New York Times who has also practiced meditation for two decades, David Gelles is uniquely qualified to chart the growing nexus between these two realms. As he proves, mindfulness lowers stress, increases mental focus, and alleviates depression among workers.

Mindful Work goes beyond other books on the subject by providing evidence for the practical benefits of mindfulness and showing readers how to become more mindful themselves.



- 288 pages
- Published in 2011
- Profile Books Ltd



**SHAKUNTALA DEVI, MORE POPULARLY KNOWN AS 'THE HUMAN COMPUTER' EARNED A PLACE IN THE GUINNESS BOOK OF WORLD RECORDS IN 1982 FOR BEING ABLE TO COMPLETE A 13-DIGIT MULTIPLICATION PROBLEM IN AS LITTLE AS 28 SECONDS.**

“Change your thoughts and you change your world” - Norman Vincent Peale