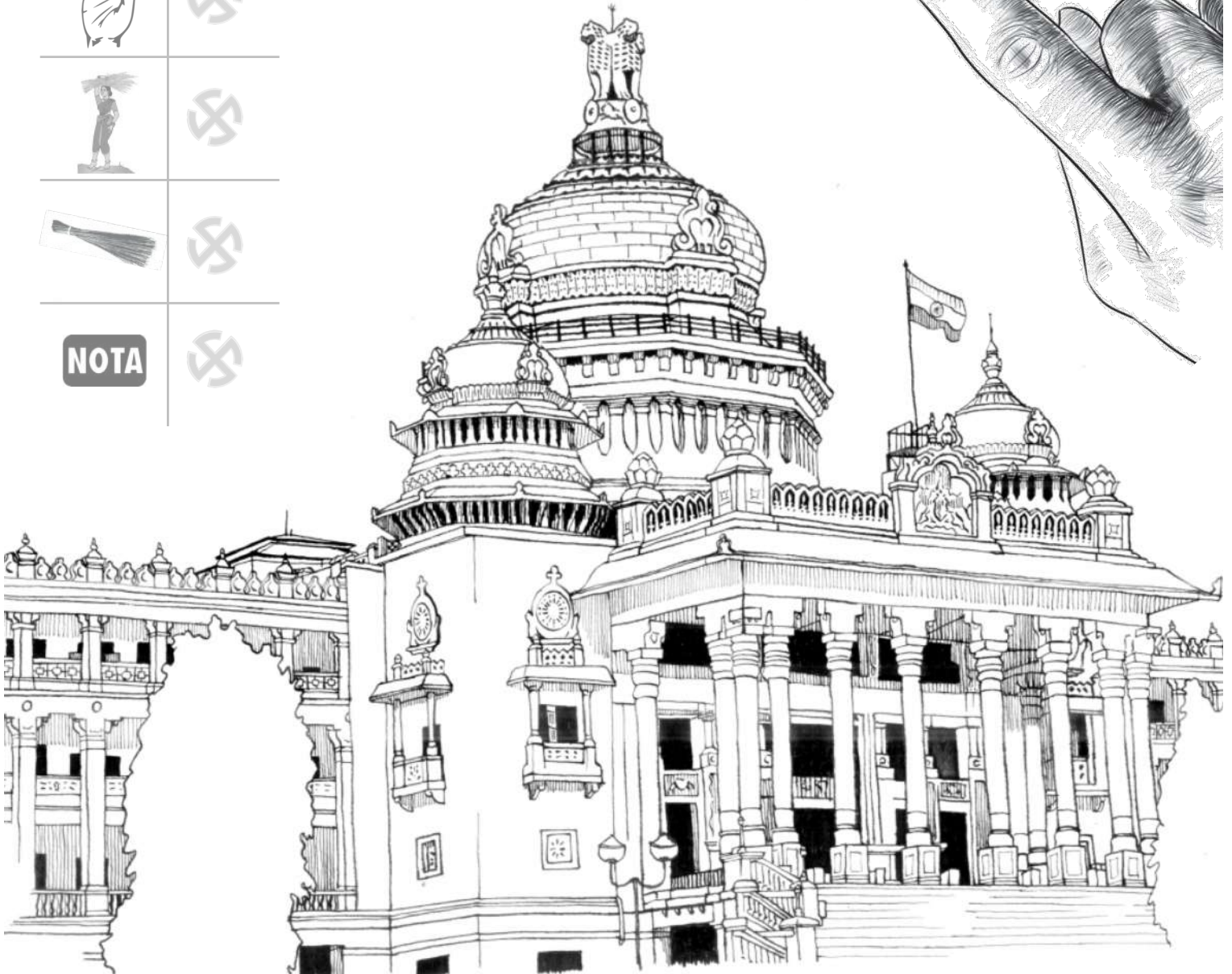
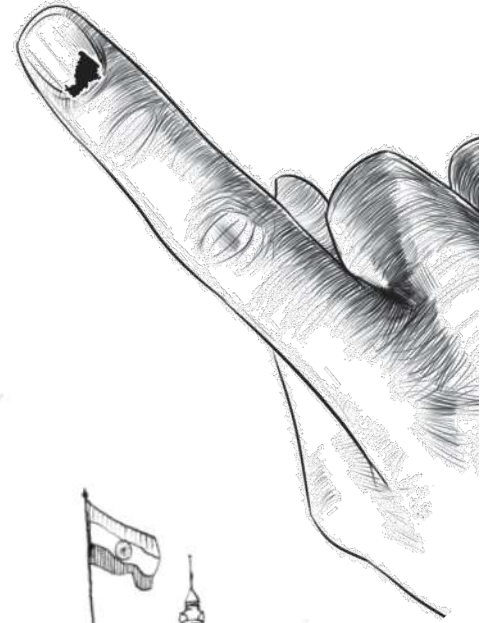


## \$\$ Vote 4 Karnataka \$\$

*If you don't vote you lose the right to complain...*

*Vote! Let your voice be heard..*



# ZEN STORY

*Sometimes a story can teach much more than entire philosophical treatises.*

A famous spiritual teacher came to the front door of the King's palace. None of the guards tried to stop him as he entered and made his way to where the King himself was sitting on his throne.

"What do you want?" asked the King, immediately recognizing the visitor.

"I would like a place to sleep in this inn," replied the teacher.

"But this is not an inn," said the King, "It is my palace."

"May I ask who owned this palace before you?"

"My father. He is dead."

"And who owned it before him?"

"My grandfather. He too is dead."

"And this place where people live for a short time and then move on - did I hear you say that it is NOT an inn?"

## #CONTENTS

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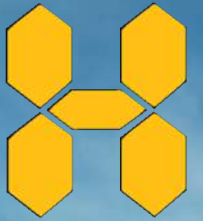
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**TAKE YOUR BUSINESS BEYOND THE FOUR WALLS**



# Business Hive - Vote 4 Karnataka

The reason most people who can vote, choose not to, is that they think expressing their opinion through the ballot box or Electronic Voting Machine won't make a difference - or they see themselves as rising above and moving beyond the hurly-burly of politics. Some among us feel apathetic to or dejected by the electoral process because of the extent to which corruption has infiltrated the political arena. But every vote cast is a symbol of the hope and faith we repose in a candidate we think might make a positive difference to society.

To vote is not only a right; it is a responsibility. It could even be called a spiritual action because by exercising the option to express your opinion on who should take part in governance, you are, in good faith, vesting that someone with power to transform your life and that of others for the better.

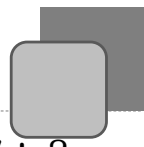


In that sense, your decision to vote is spiritually motivated because what you intend to achieve by voting is to help infuse higher values in matters of governance for common benefit.

Too many good citizens have turned their backs on the constant struggle called democracy, the Kurukshetra of our times. Some see it as a personal statement, but deliberately withdrawing from casting your vote means you are allowing the political process to take place without your involvement. It is unlikely that any good might come out of ignoring the electoral process. By not voting we're encouraging the randomness of political change to take over.

In a democracy, the electoral process must include space for those who wish to say that they are not happy with any of the candidates contesting from their constituency - and therefore voters have the additional option to record their rejection of all candidates by choosing the option, "none of the above" (NOTA). In other words, casting a negative vote — a form of positive action — will, we hope, force political parties to raise the bar with regard to choice of candidates running for public office.





### How to cast your Vote?.

The election commission is responsible for ensuring the smooth control, direction, and conduct of the elections. Some of the key points to be kept in mind are:

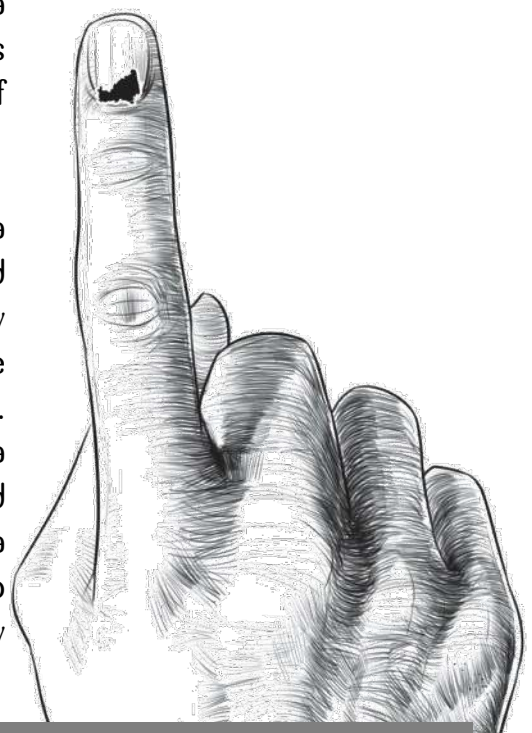
- ✓ You need to have a valid Election Identity card. You can apply for the same online or at the Regional election commission office.
- ✓ You need to find the polling station where you can cast your vote.
- ✓ The name of the candidates will be listed in alphabetical order in the respective state language.
- ✓ You need to press the blue button next to the candidate you have chosen.
- ✓ You will receive a mark of ink on your finger to identify that you have exercised your vote.
- ✓ You can also use NOTA.

There is a lot to be said for choosing action over inaction, as Krishna advised Arjuna, and in taking action in an informed but detached manner. Any disequilibrium in society is bound to cause some degree of disequilibrium in all of us. And if by exercising the option to vote - including choosing 'nota' - we could help improve the quality of political discourse, why not? As M K Gandhi put it: "Anyay karna aur anyay sehna, donon hi paap hain" -- To commit injustice and to tolerate injustice, both are sinful. In a democracy, the opinion of every individual matters.

Indecisiveness, or worse, indifference or apathy, goes against the tenets of all spiritual teachings, which

advocate individual and collective [considered] action for the common good. The goal of spirituality and religion is normally understood to lie above the activities of material existence, in the higher realms of consciousness where action and inaction mean nothing. But the yoga of action - engaging with the world even while remaining aloof from it in a state of equipoise - is upheld as being equally, if not more, valid.

A spiritual person will find a way to spirituality and execute his worldly responsibilities without one disturbing the other. Perhaps this is what Krishna meant when he advocated the yoga of action to a despondent Arjuna who might have walked away from the battlefield.



# Forms of Business Entities - Partnership

Partnership firm, an oldest and a traditional form of running a business. A much more dependable business model than a proprietorship firm, even though there is no difference between the partners and the partnership firm, it carries a separate recognition in the trade and commerce.



## Benefits of Partnership

- ✓ Easy to form and dissolve.
- ✓ Minimum partners are two
- ✓ No requirement of Minimum capital
- ✓ Compliance levels are very limited
- ✓ Terms governed by the Partnership deed
- ✓ Can convert into Private Limited
- ✓ Governed under Indian Partnership Act
- ✓ No prohibition on related party transaction
- ✓ All the documents are proprietary and not available to outsiders
- ✓ Registration is not compulsory
- ✓ Can avail the benefit of Presumptive Taxation under Income Tax.

## Setbacks of Partnership

- ✓ Maximum number of partners is 20
- ✓ No have a separate legal existence
- ✓ Liability of Partners are unlimited
- ✓ Only Natural Person can become a member
- ✓ Minor cannot become a partner of partnership
- ✓ Cannot invest directly into the securities of Body Corporate
- ✓ Firm with 2 partners, it ceases or dissolves due to the exit of the any of the partner, unless stands out in specific in the Partnership deed

## Compliance Requirements

- ✓ A Partnership firm shall carry a separate PAN for the purpose of Income Tax filing and hence IT Returns are to be filed once in a year
- ✓ In Case of registered partnership firms, any amendment to the partnership deed has to be updated to the Registrar of firms.





## Taxation upon Conversion

- ✓ The Taxation of firm is governed under the provisions of Income Tax Act
- ✓ The profits and losses of the firm would not pass through in the hands of the partners but would be assessable in the hands of the firm. The share of profits of the firm is exempt from tax in the hands of the partners.
- ✓ Remuneration/ Interest paid to Partners is deductible as Expense in the hands of firm within limits prescribed under Income Tax.

Category	Rate
Tax Rate	30%
Surcharge	10%
Education Cess	4%

## Conversion of Proprietorship to Partnership

### Conversion

- ✓ As such there is no formal way of conversion of Proprietorship entity to a Partnership. There has to be a fresh partnership firm formed with the addition of one another person other than the proprietor. Later the assets and liabilities of the Proprietorship has to be taken over by the partnership through a business sale/ takeover agreement.

### Taxation on Conversion

- ✓ There is no recognised mode of conversion of proprietorship concern to Partnership under the Income Tax for avoiding Tax. The suggested method is to sell the business as such with all the assets and liabilities at book values to the firm, without assigning values for individual assets/ liabilities, for a lump sum consideration. Thus treating the transaction as Slump Sale under Income Tax and paying taxes only on the net capital gains at applicable rates.

## Additions to and Dissolution of firm

- ✓ Every firm can add partners as and when required as per the terms of the partnership deed. Addition of partner is made by amending the partnership deed with respect to the addition of the new partner and the revised ratios of profit and capital.
- ✓ Every partnership firm can be dissolved or wound up though a dissolution deed signed by all the partners. In case of the registered partnership firms, the process involves an updation of the dissolution deed to the registrar of firms and then removal of the said from their list.
- ✓ Where the partnership is at will, the firm may be dissolved by any partner giving notice in writing to all the other partners of his intention to dissolve the firm

### Conclusion:

Partnership firm is the best form of business to run and operate for all unorganized sectors and for all small business, as the formation, running and maintenance of the entity are cost effective as compared to any other type of business entity.

## Kunal R. Gupta vs. ITO [ITAT Mum]

Distribution of sale consideration according to a family arrangement cum compromise deed is to be assessed as capital gains. It is not necessary for the validity of a family arrangement that there must be existing legal claims & disputes between the family members. The possibility of future disputes is sufficient



## Madhu Sarda vs. ITO [ITAT Mum]

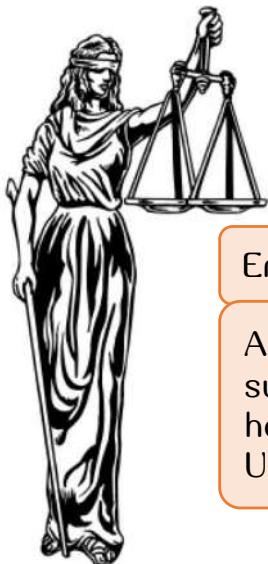
The sale of shares in a pvt ltd co by the assessee to a relative in order to book losses so as to set-off the capital gains from on sale of property cannot be rejected as a sham transaction / colourable device if the transaction is genuine and within the four corners of law and valid.

## DCIT vs. Alcon Biosciences P Ltd [ITAT Mum]

The fact that a Private ltd co issued shares at an exorbitant premium is irrelevant if the assessee has proved the genuineness of the transaction. If the assessee has furnished necessary evidence to prove the identity of the share applicants and their PAN details, the department is free to proceed to reopen the individual assessments of the share applicants but it cannot be regarded as undisclosed income of the assessee U/ s 68.

## Pr CIT vs. Dr. Vandana Gupta [Del HC]

S. 271(1)[c]: Voluntary surrender of income after survey by filing a revised income does not save the assessee from levy of penalty for concealment of income in the original return if there is no explanation as to the nature of income or its source.



## Emami Infrastructure Ltd vs. ITO [ITAT Kol]

A subsidiary of a subsidiary (step-down subsidiary) is also a subsidiary of the parent. Consequently, transfers between the holding company and the step-down subsidiary are not "transfers" U/ s 47(iv), which can give rise to capital gains or loss



### Meenu Goel vs. ITO [ITAT Del]

Capital gains from penny stocks cannot be assessed as unexplained cash credit u/ s 68 if the assessee has produced documentary evidence to prove the source, identity and genuineness of the transaction and the AO has not found any fault with it. The fact that the investigation dept has alleged that there is a modus operandi of bogus LTCG scheme is not relevant if the same is not substantiated

### Umbrella Projects Pvt. Ltd vs. ITO [ITAT Del]

S. 68 Bogus share capital: If the assessee has discharged the initial onus regarding the identity, creditworthiness and genuineness, the onus shifts to the AO to bring material or evidence to discredit the same. The fact that the shareholders did not respond to s. 133[6] summons is not sufficient to draw an adverse inference.

### Maxopp Investment Ltd vs. CIT [SC]

Sec 14A r/ w Rule 8D - Applicability to shares held for controlling interest or as stock-in-trade: The argument that S. 14A & Rule 8D will not apply if the "dominant intention" of the assessee was not to earn dividends but to gain control of the company or to hold as stock-in-trade is not acceptable. S. 14A applies irrespective of whether the shares are held to gain control or as stock-in-trade.

### Danamma @ Suman Surpur vs Amar [SC]

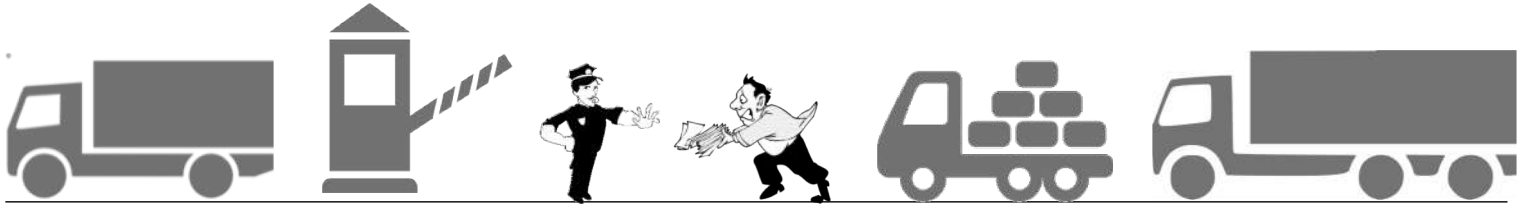
The very factum of birth in a coparcenary creates the coparcenary. Therefore the sons and daughters of a coparcener become coparceners by virtue of birth. The amendment to s. 6 of the Hindu Succession Act, 1956 in 2005 statutorily recognizes the rights of coparceners of daughters as well since birth. Consequently, married daughters can be said to be the coparceners in the HUF and are entitled to the ancestral property even if they were born prior to the amendment to the Hindu Succession Act

### Prabhat Gupta vs. ITO [ITAT Mum]

The fact that s. 133[6] notices could not be served upon the alleged vendors and they were not physically available at the given addresses does not falsify the claim of the assessee regarding the genuineness of the purchases, if the assessee has produced other evidence and made payments through banking channels and hence does not amount to Bogus Purchases U/ s 69C.

## E-WAY BILL

e-Way bill is a Transport document, to be carried by a person in charge of the conveyance carrying any consignment of goods of value >50k as mandated u/ s 68 of the CGST Act read with rule 138



### Who should generate?

- ✓ Registered person causing movement of goods >50k
- ✓ If done by Unregistered person >50k, then the transporter to generate
- ✓ Movement of goods for Jobwork - by Principal

### E-way Bill not required?

- ✓ Transported by a non-motorised conveyance
- ✓ Movement of goods from Custom stations
- ✓ Goods in Notification No. 2/ 2017
- ✓ Alcoholic liquor for human consumption, petroleum crude, HSD, Petrol, Natural gas
- ✓ Goods under Schedule III
- ✓ Empty cargo containers
- ✓ Movement of goods for weightment

### Note:

As of now, all over India e-way bill is mandatory for all the Inter state movement of goods. However in Karnataka e-way bill is applicable on Inter-state and Intra-state movement also.

### Cancellation & Editing?

- ✓ Can be cancelled within 24hours from time of generation
- ✓ e-way bill once generated, cannot be edited or modified. However, details in Part B can be modified.
- ✓ Updation of the vehicle details can be made any time during the transit by the e-way bill generator or by the transporter

### What is the Validity?

Type of Conveyance	Distance	Validity of e-way bill
Other than over - Dimensional Cargo	Upto 100 Kms	1 Day
	For every additional 100Kms or a part thereof	Additional 1 day
For over dimensional cargo	Upto 20 Kms	1 Day
	For every additional 20 Kms or a part thereof	Additional 1 day

### Contents

#### Part A

- ✓ Transaction type
- ✓ Name, Address & GSTIN
- ✓ Place of Delivery
- ✓ Invoice Details incl. Value
- ✓ HSN

#### Part B

- ✓ Transporter Details
- ✓ Mode & Distance
- ✓ Vehicle Details

## App of the Month - Telegram



Telegram is a messaging app with a focus on speed and security, it's super-fast, simple and free. You can use Telegram on all your devices at the same time — your messages sync seamlessly across any number of your phones, tablets or computers.

Unlike WhatsApp, Telegram is a cloud-based messenger with seamless sync. you can access your messages from several devices at once, including tablets and computers.

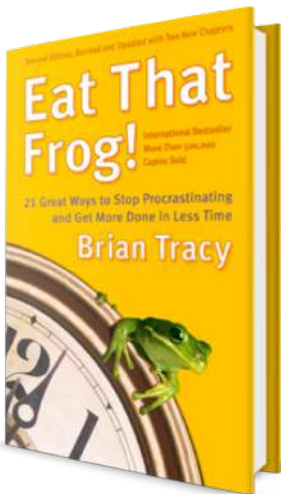
## Click of the Month



Life is a story,  
Make yours the  
best seller!

## Book of the Month -

### Eat that Frog!



- o 145 pages
- o Published in 2007
- o Berrett-Koehler

'Eat that Frog' shows readers the importance of managing their time and priorities. Author Brian Tracy includes many practical suggestions to help you become more

effective and lead you to achieving your goals. He also discusses the importance of being effective over productive to make sure you are eating a frog each day and not putting off the important tasks in favor of smaller and easier ones. 'Eat that frog' discusses 21 key ideas to boost your productivity and effectiveness, this book summary outlines each of the 21 ideas.

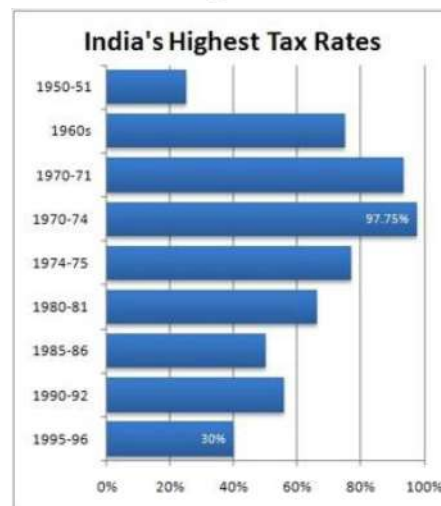
## Health Tips -

### Drink Water on Waking Up



Drinking water that is room temperature [a "bit" cold is also ok] will help to promote bowel movement as this will stimulate Apana Vata [downward movement of the body]. During sleep we are in a natural state of fasting and therefore returning liquid to the body is very important.

## Trivia



The Income Tax Rate in India was 97.75% in the year 1973