



'A generation lost':

The victims of Sri Lanka bombings





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#Contents

03 # The lessons from the Sri Lanka bombings



06 # Changes in Income Tax Returns for A.Y.2019-20

08 # Case Study Hive

10 # GST Series – 74

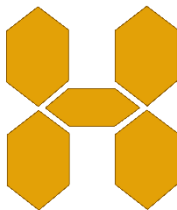
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Entire families attending Easter Mass, a mother and daughter enjoying breakfast on the Christian holy day, a newlywed man on honeymoon - these are some of the victims of the devastating bomb blasts that rocked churches and hotels in Sri Lanka on Easter Sunday.

Scores of children, many of them from the same family, are among the 350 people killed when the coordinated assaults hit a church and three hotels in Sri Lanka's capital, Colombo, & the towns of Negombo and Batticaloa on the east coast.

As the people and government of Sri Lanka reel with shock and grief in the wake of the extraordinarily devastating suicide bomb attacks over the Easter weekend they are forced to confront some important lessons and whilst the horrors of the attacks are uniquely personal to the people of Sri Lanka the challenges that they present go well beyond the island nation.

Consequently, the question is not just what went wrong in Sri Lanka but what do the attacks say about the intentions of IS in this post-caliphate phase?

Vital intelligence must be shared

The first lesson from the Easter attacks is that passing on vital intelligence is not sufficient unless it is shared and acted upon by those in power.

Consequently, despite receiving detailed intelligence from RAW there was a level of denial that interfered with the security sector's to properly acknowledge the danger facing them. At the same time the political infighting of RAW meant that vital information was not shared on time.



The rest of Asia needs to take note

Nevertheless, even if Sri Lanka rises to the challenge and comes through it fortified against the pernicious influences of IS, and the circumstances that allow it to thrive, the rest of Asia needs to take note.

A number of significant attacks, however, were conducted well beyond the battle field: 2014 saw four such attacks, 2015 16 attacks, 2016 22 attacks, 2017 18 attacks, and 2018 10 attacks. The vast majority of these attacks, however, were conducted by lone actors.

The opportunistic, surgical intervention into Sri Lanka has allowed IS to execute one of its deadliest terrorist attacks of all time. With at least 359 killed and more than 500 injured.

Thailand, Philippines, Malaysia are vulnerable

If, as is to be hoped and expected, Sri Lanka learns the hard lessons from the Easter attacks and closes the door on significant ongoing IS infiltration, its neighbors in South Asia, in particular the Maldives, India and Bangladesh, share many of the same vulnerabilities that were revealed in the Sri Lankan attacks.

There are reasons to be concerned about political and social circumstances in Thailand, the Philippines and Malaysia that leave them vulnerable to IS interventions

Finally, there is another lesson to be taken from the Sri Lankan attacks which applies everywhere and that is that we can no longer assume that hateful extremism will forever be separate from violent extremism. Most hateful extremists never become terrorists, but some will. And unless we pay more attention to hateful extremism we will continue to be caught by surprise.



The CBDT has notified the Income-tax Return (ITR) Forms for the Assessment Year 2019-20 with many changes. The 5 major changes which are applicable in case of an Individual are as follows:-

Identification of ghost directors and shell companies

ITR 1, 2, 3, 4

The Government has taken many initiatives to curb the black money and shell companies. One of such initiatives is to identify the ghost directors who do not even know that they are directors in companies. Accordingly, the Government has made it mandatory for every director in a company to e-file KYC form DIR 3, otherwise his Director Identification Number (DIN) shall be deactivated.

Now, the Government has made changes in ITR forms to identify the shell companies and ghost directors. A person who is a director in a company shall not be able to use ITR-1 and ITR-4 for filing of return of income and he has to use ITR 2 or ITR 3, as the case may be. Further, if an individual has been director in a company at any during the previous year, he has to provide the following information:

- ❖ Name of Company
- ❖ PAN
- ❖ Whether shares of the company are listed or unlisted?
- ❖ DIN

Investment in unlisted companies

ITR 2, 3, 5

Where a company issues shares at a price which is less than its FMV and the difference between the FMV and issue price exceeds Rs. 50,000 then the difference is charged to tax in the hands of the shareholders under the head income from other sources.

In order to keep check on issue of shares by a closely held companies and investment made therein by shareholders, a new table has been inserted in new ITR forms to seek the following details in respect of unlisted equity shares held at any time during the previous year by an assessee:

- ❖ Name of the company
- ❖ PAN of the company
- ❖ No. and cost of acquisition of shares held at the beginning of the year
- ❖ No. of shares, face value, issue price or purchase price) and date of purchase of shares acquired during the year
- ❖ No. and sale consideration of shares transferred during the year
- ❖ No. and cost of acquisition of shares held at the end of the previous year



Reporting of salary income on gross basis

ITR 1, 2, 3, 4

The new ITR forms have changed the mechanism of reporting of salary income. Up to Assessment Year 2018-19, an individual was required to report salary amount excluding all exempt and non-exempt allowances, perquisites and profit in lieu of salary. These items were reported separately in same schedule and had no impact on calculation of net salary income.

The new ITR forms have changed this reporting mechanism, which is now in sync with the columns of Form 16 (TDS Certificate issued by the employer). Now, from Assessment Year 2019-20, an individual has to mention his gross salary and then the amount of exempt allowances, perquisites and profit in lieu of salary shall be deducted or added to arrive at the taxable figure of salary income. Further, the new ITR forms seek separate reporting of all deductions allowable under Section 16, namely:

- ❖ Standard deduction
- ❖ Entertainment allowance
- ❖ Professional tax

Buyer's information is required in case of transfer of immovable property

ITR 2, 3, 5, 6

If assessee reports capital gain, from transfer of an immovable property, in income-tax return, it would be mandatory for him to furnish the following information about the buyer:

- ❖ Name & PAN of buyer
- ❖ Percentage share
- ❖ Amount
- ❖ Address & PIN Code of property

It is mandatory for the assessee to furnish the PAN of buyer if tax has been deducted under section 194-IA or PAN is quoted by buyer in the registration documents.

PAN is otherwise a mandatory document to buy or sell an immovable property if the stamp duty value or the sales consideration exceeds Rs. 10 lakhs.

ITR 1 and ITR 4 ask for nature of residuary income

ITR 1 & 4

Up to Assessment Year 2018-19, taxpayers were required to disclose the aggregate amount of income taxable under the head other sources. However, from Assessment Year 2019-20, it is mandatory for an assessee to specify the nature of income taxable under the head income from other sources and the deductions claimed in respect of family pension in accordance with Section 57. Such extra disclosures have been asked by the Dept. to check that the ineligible persons are not using the ITR 1 and ITR 4 for filing of return



DCIT vs Adidas Sourcing Ltd. [Del Trib]

Buying agency commission received by assessee, a Hong Kong based company, for rendering buying agency services to its related company AIMPL and other unrelated customers, was not liable to tax in India as fee for technical services

Mukesh Choksi v. ACIT [Mum Trib]

In case of assessee, engaged in providing accommodation entries to entry seekers on commission basis, gross amount received had to be taken into consideration for computing monetary limit of Rs.40 lakhs as specified under section 44AB and not commission income earned by him

Richa Bagrodia v. DCIT [Mum Trib]

In case of sale of flat it is date of allotment of flat and not date of giving possession of flat which has to be considered as date for computing holding period of 36 months

SC Johnson Products (P.) Ltd. v. DCIT [Del Trib]

Where pursuant to merger of a company namely 'KAPL' with assessee, all investments in mutual funds as done by KAPL got transferred to assessee at book value and said mutual funds were shown as 'investment', profit earned on sale of said funds was liable to tax as 'capital gain'

James P. D'Silva v. DCIT [Mum Trib]

Share of capital along with accrued profit, goodwill, brokerage/ commission and payment made to assessee in realisation of his share in net value of assets of firm on his retirement are not liable to be taxed as capital gains and also under section 28(v)

Vasan Healthcare (P.) Ltd. . v. ACIT [Mad HC]

Where director of assessee-company obtained cash in excess of Rs. 20,000 as loan from a financier and same was deposited by him in cash in bank account of company, merely because director took cash loans from financier, and deposited it in current account of assessee-company on very same day and assessee utilized it to pay salaries, rent and EMI commitments could never be a ground to be taken as a mitigating factor to escape from rigour of levy of penalty under section 271D





AIG Offshore Systems Services Inc. vs ACIT [Mum Trib]



Where assessee while computing long-term capital gain arising on sale of shares of its Indian subsidiary, claimed deduction of legal/ professional fees paid to lawyers/ accounting firms, in view of fact that services rendered by law firms were in relation to advise on sale of entire shareholding of Indian subsidiary and included preparation of share sale/ purchase agreement, share transfer forms, etc., it could be concluded that expenditure was in relation to transfer of shares of Indian subsidiary and, thus, assessee's claim for deduction was to be allowed

CIT vs Oberon Edifices & Estates (P.) Ltd. [Kel HC]

Where assessee company had developed shopping mall and let out same by providing a variety of services, facilities and amenities in mall, it could be found that primary intention of assessee was commercial exploitation of property and where it had derived substantial part of its income by such activity, which constituted its main business, income so derived would be assessed as income from business and not as income from house property. Accordingly, it has to be assessed to tax under head 'profits and gains of business' and not under head 'income from house property'

James P. D'Silva v. DCIT [Mum Trib]

Advances received by assessee in earlier assessment years could not be brought to tax as unexplained cash credit under section 68 in relevant/ current assessment year

Notifications

- Tax return forms for the last financial year 2018-19 have been notified.
- Companies get time till June 15 to submit ACTIVE form 22A
- MCA released form DPT-3 and MSME-1 on 01-May-2019

- GST CT 17/2019 - Extension in due date for filing GSTR1 with aggregate turnover >1.5 crores from 11.04.2019 to 13.04.2019
- GST CT 18/2019 - Extension in due date for filing GSTR7 for Mar'19 from 10.04.2019 to 12.04.2019
- GST CT 18/2019 - Extension in due date for filing GSTR3B for Mar'19 from 20.04.2019 to 23.04.2019



Zero Rated Supplies in GST

What?

Any supplies made by a registered dealer as an export (both goods or services) or supply to an SEZ qualifies for Zero Rated Supplies in GST. The rate of tax on such supplies is 'Zero' or we can say the supplies are tax-free.

Supplies to a developer of an SEZ is also covered under Zero-Rated Supplies in GST as no tax is levied on these.

Is ITC Available?

Yes, Input Tax Credit is available.

Refund under Zero Rated Supplies in GST

The suppliers making Zero-rated supplies are entitled to claim refunds. The refunds are for the input tax paid on the goods and services which are used for such Zero-rated supplies (including non-taxable and exempt supplies).

For example:- An exporter supplies shoes to Dubai and uses soles in the production of such shoes. The exporter has an option of claiming Input tax credit of GST paid on the purchase of soles.

There are two options available with a dealer to claim refunds:

- ❖ The dealer can export under Bond or LUT and claim a refund of the accumulated Input credit of tax; or
- ❖ The dealer can pay IGST while making the supplies and claim refund of the same

Provisional Refund?

The exporters and suppliers of SEZ are entitled to a 90% refund on a provisional basis. Provisional refund is granted within seven (7) days of the refund claim. The amount of provisional refund is credited directly to the claimant's bank account.

No Provisional Refund is granted if the applicant has been prosecuted for any offense under the GST law in past five years or tax evaded >Rs. 2.5 Crores)

Refund procedures for Export of Services and Supplies to SEZ

Option to pay IGST and claim a refund is always available. In this case, the refund claim has to be filed in Form GST RFD-01.

Exporters of services:

- ❖ Statement on Number and Date of Invoices
- ❖ Bank Realisation Certificates / FIRC

Supplier of goods or services to an SEZ

- ❖ Statement on Number and Date of Invoices
- ❖ Proof of Receipt of goods or services
- ❖ Details of payment made
- ❖ Declaration - SEZ/developer of SEZ has not claimed the ITC of the taxes paid by the supplier

Refund procedures for Export of goods

There is no need to file refund application (GST RFD-01) separately. The shipping bill filed is a refund claim in itself.

The law specifies that shipping bill is to be considered as a refund claim on satisfying following two conditions:

- ❖ Should file an export manifest; and
- ❖ Should have filed the returns GSTR-3B appropriately.



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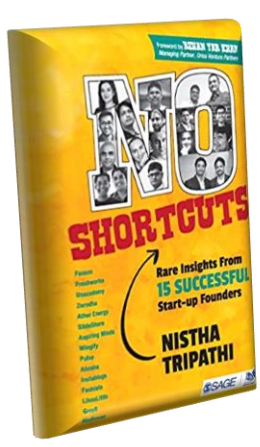
Click of the Month



Book of the Month -

No Shortcuts

Rare Insights From 15 Successful Start-up Founders



- o 308 pages
- o Published in 2017
- o Sage Publications Pvt Ltd

Nistha Tripathi pursues the founders, who rose from humble beginnings yet made a dent in the Indian start-up universe, including a couple of founders from the Silicon Valley.

One thing underlined all the stories—the founders' belief in 'No Shortcuts'. Read the never-heard stories of Freshworks, Faasos, Zerodha, Slideshare, Pulse, Aspiring Minds, Madhouse/ Morpheus, Akosha etc.

If you want to improve the odds of success in your business, try working in that industry for a few years. You cannot just pick up an idea in a coffee shop and hope it will become the next big thing.

Be a Voice...
Not an Echo...

Natural Remedies

Get smelly



Garlic, onions, spring onions and leeks all contain stuff that's good for you. A study at the Child's Health Institute in Cape Town found that eating raw garlic helped fight serious childhood infections. Heat destroys these properties, so eat them raw, wash it down with fruit juice or, one can have it in tablet form.

Trivia



The highest cricket ground in the world

At an altitude of 2,444 meters, the Chail Cricket Ground in Chail, Himachal Pradesh, is the highest in the world, built in 1893 and is a part of the Chail Military School.