

# hive

“Yoga is the journey of  
the self, through the  
self, to the self.”  
– The Bhagavad Gita



# ZEN STORY

Sometimes a story can teach much more than entire philosophical treatises

A student went to his meditation teacher and said, “ My meditation is horrible! I feel so distracted, or my legs ache, or I’m constantly falling asleep. It’s just horrible!”

“ It will pass,” the teacher said matter-of-factly.

A week later, the student came back to his teacher. “ My meditation is wonderful! I feel so aware, so peaceful, so alive! It’s just wonderful!”

“ It will pass,” the teacher replied matter-of-factly.

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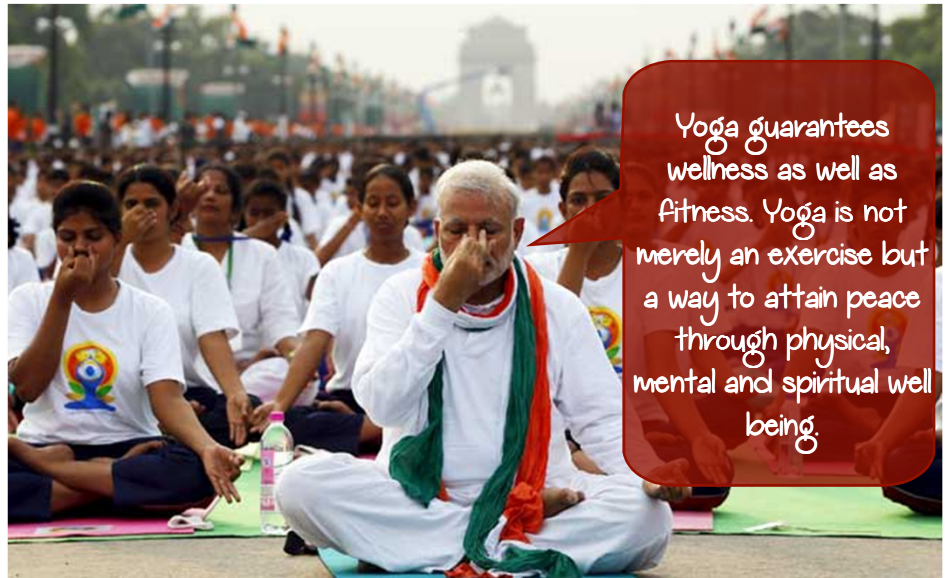
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**EXPERIENCE YOU  
CAN TRUST,**

**SERVICE YOU  
CAN COUNT ON.**

Yoga is an age-old practice that boosts the physical, mental and spiritual well being. Ever since the United Nations declared June 21 as the International Day of Yoga in 2015, it has created quite a lot of buzz all across the globe. Although yoga training is now a part of pop culture, its roots can be traced back to pre-Vedic era when yogis spent years meditating in one pose.



To spread the word, many awareness campaigns are organised by various NGOs, celebrities, politicians on this day. The first Yoga Day celebration was held at Raj Path in New Delhi. PM Modi and other dignitaries performed around 21 yoga asanas, and created two Guinness World Records. The first record was for being the world's largest yoga class with 35,985 people and the second one was for having maximum number of participating nationalities, that is 84.

Yoga can be beneficial for those who suffer from lifestyle diseases and fitness disorders. There is a huge range of exercises and yoga poses that give a holistic healing power to the body, mind and soul. As most people don't have ample time to spend time at the

gym or attend fitness classes, yoga is a blessing. What's more, practising yoga requires no favourable infrastructure, gadget or instrument, all you need is a quiet space and a mat.

### About Yoga:

Yoga's aim is not only to heal body but to purify all three: Mind, body and soul. It facilitates a connection between ourselves and Mother Nature, taking us closer to our real selves.

Yoga in Indian traditions, however, is more than physical exercise; it has a meditative and spiritual core.

The origins of yoga have been speculated to date back to pre-Vedic Indian traditions; it is mentioned in the Rigveda. Yoga itself is a very old practice that is followed in India since time

immemorial. Its origin can be traced back to Lord Shiva, known as the teacher to all the yogis in the world.

Yoga is a group of physical, mental, and spiritual practices or disciplines

which originated in ancient India. There is a broad variety of yoga schools, practices, and goals. Among the most well-known types of yoga are Hatha yoga and Raja yoga.

On December 1, 2016, yoga was listed by UNESCO as an Intangible cultural heritage.





Dakshinayana is considered as a period of natural support to spiritual practices. Post the summer solstice, the first full moon is known as Guru Purnima.

Besides this, it is also believed that Shiva started imparting the knowledge of yoga to the rest of humanity on this very day. It was the day when he became the Adi Guru (first guru) of yoga.

What is Special on World Yoga Day 2018

The 4th International Yoga Day in 2018 was celebrated by the Prime Minister of India, Narendra Modi, in Dehradun.

He lead the day with the crowd of over 60,000 people at Dehradun Forest Research Institute on June 21, 2018. The aim of the day was to raise awareness among people worldwide about many benefits of practicing yoga in their life on regular basis. World Yoga Day celebration of 2018 was based on the theme “Yoga for Peace.”

International Yoga Day, or commonly referred to as Yoga Day, is observed every year on June 21 since its inception in the year 2015. However, today, the need for a nation that practises yoga on a day-to-day basis was felt by the Prime Minister of India, Narendra Modi, himself.

India holds 2 world records on Yoga Day already:

The celebration that happened at Rajpath has established two Guinness world records. The first one was for being the world’s largest yoga class as it featured 35,985 people and the second one was for having maximum number of participating nationalities, that is, 84.

Why June 21:

Modi stated the reason for proposing 21 June for the date as the day being the longest day of the year in the northern hemisphere (while being shortest in the southern hemisphere). The day is known as summer solstice and has special significance from the perspective of yoga. Summer solstice is known to mark a transition to Dakshinaya. This transition is considered supportive to yoga practitioners as

During his speech at the celebrations of International Yoga Day in 2015, Modi stated, “From the Upanishads, comes the idea of Yoga to transform human consciousness through control of body and senses through constant practice. The body is the vehicle for the realization of the Supreme Being.”

*“Yoga is the journey of the self, through the self, to the self.”  
–Bhagavad Gita*



# Forms of Business Entities - Companies

## Features/ Benefits of Sole Proprietorship

- ✓ Separate and Independent Legal Entity - This means that it has an identity of its own and can work independently, accumulate assets and take on debt under its own name
- ✓ Limited Liability - shareholders have limited liability in case the company is sued for any debts or other encumbrances
- ✓ Equal Rights of Ownership - the capital is divided into a number of shares, each with equal nominal value. Each of these shares offers an equal right of ownership.
- ✓ Transferability of Shares - Any shareholder can transfer his or her ownership by simply transferring the shares to another person.
- ✓ Perpetual Existence - A company continues to exist until the time it is wound up. Since shares are transferable, the shares pass on to the nominees or beneficiaries on the death of the shareholder.
- ✓ Growth Capabilities or Economies of Scale - The inherent structure of a company allows it to carry on business without any limitations.

## Setbacks

- ✓ Long Formation Procedure - Getting the DSC, DIN, obtaining name, preparing the MOA & AOA, agreeing on the directors and getting their consent, etc.
- ✓ Costly - Regular Maintenance, getting accounts audited, filing of returns with IT Department, GST Returns
- ✓ More than a Few Compliance Measures - There are a considerable number of compliance requirements for a company. From keeping certain books of account to maintaining records of meetings, their minutes and resolutions, a company has enough work.

## Compliance Requirements

A Limited Company shall carry separate PAN as of its own for the purpose of Income Tax filing and hence IT Returns are to be filed separately as according to the dates stipulated in IT Act

All other statutory compliances are based on the Nature of the business undertaken.

## What does it mean?

There are three types of limited liability companies - OPC, Private Limited & Public Limited.. The concept of Limited Liability Partnership LLP has come up in the last few years. This is not a company but a type of partnership where, as the name suggests, the liability of the partners is limited. Nonetheless, it is treated as a corporate body under the Indian Law and like a company has a separate legal existence from its partners.



## Conversion of Limited Companies to LLP

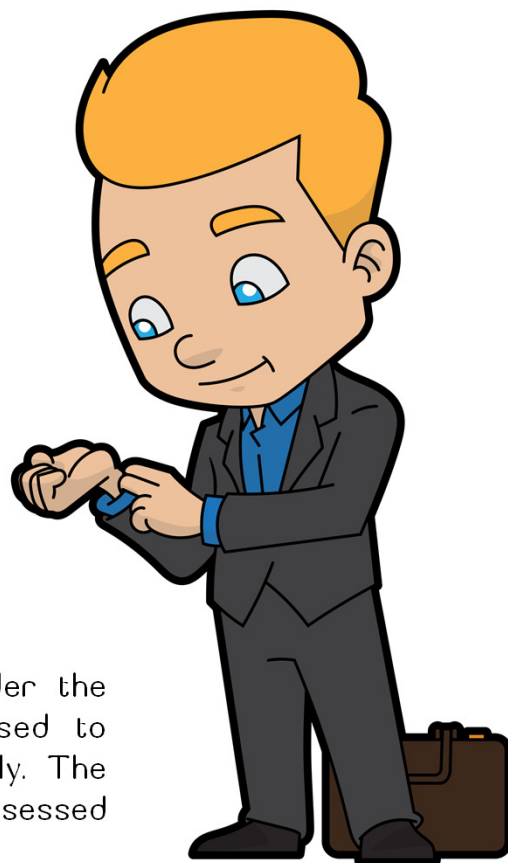
According to the provisions of Companies Act, any Limited Company registered under the Act can be converted into Limited Liability Partnership Firm under the LLP Act and vice versa.

## Taxation upon Conversion

Conversion of a LLP in to Limited Company and transfer of capital assets on account of such transfer does not amount to transfer under the Income Tax Act and hence there is exemption from Capital Gain Tax, subject to conditions stipulated there under.

## Taxation of Limited Companies

The Taxation of Limited Companies is governed under the provisions of Income Tax Act, and shall be assessed to Income Tax in the Name of the Limited Company only. The Profits & Gains earned by the Company shall be assessed under the Head of Business Income



**Maximum Rate : 25% + Surcharge 7% + 4% education cess**

Surcharge is applicable only if the Total Income Exceeds 1Crore

\* Maximum Rate shall be 30% if the Turnover in the F.Y. 2016-17 is >250Crores

\*\* Surcharge shall be 12% if the Total Income Exceeds 10Crore

## Winding up of Companies

Winding up is a means by which the dissolution of a company is brought about and its assets are realised and applied in the payment of its debts. After satisfaction of the debts, the remaining balance, if any, is paid back to the members in proportion to the contribution made by them to the capital of the company.

To be dissolved means when it ceases to exist as a corporate entity. On dissolution, the company's name shall be struck off by the Registrar from the Register of Companies and he shall also get this fact published in the Official Gazette. The dissolution, thus puts an end to the existence of the company.

**CONCLUSION: LIMITED COMPANY IS THE IDEAL FORM OF BUSINESS TO RUN AND OPERATE FOR AN ORGANIZED SECTOR AND FOR ALL TYPES OF BUSINESS, THOUGH THE FORMATION, RUNNING, COMPLIANCE AND MAINTENANCE OF THE ENTITY ARE NOT AS COST EFFECTIVE AS OTHER MODELS BUT YET IT REMAINS AS A SAFE MODEL OF BUSINESS.**

**LIMITED COMPANY BUSINESS IS MUCH DEPENDABLE NATURE OF BUSINESS BASED ON THE ADVANTAGES ATTACHED TO THE TYPE OF ENTITY.**

## CIT v. New Okhla Industrial Development Authority (SC)

SLP granted against High Court ruling that assessee, a statutory body, constituted for performing functions of industrial development in terms of section 6 of Uttar Pradesh Industrial Development Act, 1976, could be regarded as carrying on activity of general public utility and, thus, its claim for registration under section 12AA was to be allowed



## Home Finders Housing Ltd. v. Income-tax officer (SC)

SLP dismissed against High Court's order that non-compliance of direction of Supreme Court in GKN Driveshafts (India) Ltd. v. ITO that on receipt of objection given by assessee to notice under section 148, Assessing Officer is bound to dispose of objections by passing a speaking order, would not make reassessment order void ab initio

## PCIT v. Madras Engineering Industries (P.) Ltd (Mad HC)

Where AO held that commission paid by assessee company to its director was excessive or unreasonable, thus, liable for disallowance under section 40A(2), however, Commissioner(A) and Tribunal concurred in their finding that commission paid by assessee was not excessive or unreasonable keeping in view benefit derived by assessee due to services rendered by its director, since this was a subjective decision having regard to facts of case, there was no substantial question of law involved in appeal.



## Agro Portfolio (P.) Ltd. v. Income Tax Officer (Del Tri)

Where assessee allotted shares to a company and fair market value of shares was done by a Merchant banker only on basis of Direct Cash Flow DCF method, only depending on data supplied by assessee and no evidence was produced for verifying correctness of data supplied by assessee, Assessing Officer was justified in rejecting DCF method and adopting Net Asset Value method

## Ardent Steel Ltd. v. ACIT (Chat HC)

Where reassessment notice under section 148 (1) was issued against assessee after expiry of period of limitation at old address of assessee which was already changed by assessee before date of issuance of said reassessment notice in official record by updating PAN data base, it could be said that there was no service of reassessment notice upon assessee



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## Goods & Service Tax Cases

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S.S. Engineer v. Commissioner of Central Excise (Mum CESTAT)

Levy and collection of tax : Where during activity of installation of setting up of Sugar Plants appellant was clearing to site its own manufactured goods on payment of duty and also using bought out goods, in view of fact that whole property which came into existence was immovable property, no duty could be demanded on bought out goods which were not part of any excisable goods at time of their clearance

National Chemical & Dyes Company v. UOI (All HC)

Where assessee's application/ Form GST Tran-1 was not entertained on last date, i.e., 27-12-2017, as electronic system of department did not respond, department was directed to reopen portal within two weeks or entertain application of assessee manually

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## Circulars/ Notifications

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Goods & Service Tax

**25/ 2018 (CT)** dt. 31-05-2018 - Extension in due date for filing GSTR-6 for the period July'17 to June'18 till 31-Jul-2018

**12/ 2018 (CT (R))** dt. 29-06-2018 - No Reverse charge on supply of goods by Unregistered persons till 30-Sep-2018

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## Others Notifications

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**EPF members can withdraw 75% of their total PF after one month from cessation::**

This new alternative available to employee who is a member of EPFO wherein he/ she can opt to continue his membership by remaining amount till the retirement age or withdraw 25 % of his investment after two months from the date of his unemployment.

**Mandatory KYC for directors of all companies by August 31, 2018:** Every Director of company whether private, public or listed company who has been allotted DIN on or before 31-Mar-2018 and whose DIN has 'Approved' status, would be mandatorily required to file form DIR-3 KYC on or before 31-Au-2018.

# Goods & Service Tax - Series #05

## INPUT SERVICE DISTRIBUTOR

An Input service distributor ISD is a business which receives invoices for services used by its branches. It distributes the tax paid, to such branches on a proportional basis by issuing an ISD invoice.

The branches can have different GSTINs but must have the same PAN as that of ISD..

### Purpose

The concept of ISD is a facility made available to business having a large share of common expenditure and billing/ payment is done from a centralized location.

The mechanism is meant to simplify the credit taking process for entities and the facility is meant to strengthen the seamless flow of credit under GST.

### Example:

Head office of ABC limited is located at Bangalore having branches at Chennai, Mumbai and Kolkata. The head office incurred AMC expense on behalf of all its branches. Since software is used by all its branches, the input tax credit of entire services cannot be claimed at Bangalore. The same has to be distributed to all the locations. Here, the Head office at Bangalore is the ISD.

### Returns?

GSTR-6 | 13<sup>th</sup> of next month

- Not required to file an Annual Return

### ISD Not Applicable

ISD cannot distribute the input tax credit :

- ✓ paid on Inputs e.g Raw materials and capital goods e.g Machine purchased
- ✓ to outsourced manufacturers or service providers.

### Conditions

- ✓ Registration: to compulsorily register as “ ISD” apart from its registration as a normal taxpayer under the Act
- ✓ Invoicing: can distribute the tax credit to recipients as earlier stated by issuing an ISD invoice
- ✓ Distribution of Input Tax credit: Credit of tax paid under reverse charge is not available for distribution. The credit of CGST, IGST and SGST shall be distributed as :



### Manner of Distribution

- ✓ Credit on specific input services used **entirely** by a recipient - to be allocated **only to that recipient**
- ✓ Credit available on input services used **commonly** by more than one recipients - to **those** recipients in the ratio of the turnover of **all such** recipients **that are operational during the year**
- ✓ Credit available on input services used **commonly** by all recipients - to **all** recipients in the ratio of the turnover of **all** recipients **that are operational during the year**

## App of the Month



PaytmKaro for Bank to Bank Transfer, Mobile Recharge, Money Transfer, Bill payment, DTH recharge, Metro Recharge, Electricity Payment, Movie Ticket, Train Ticket, Bus Ticket & Flight Booking. With Paytm app, it is simple to Send or Receive Money, use QR Code Scanner to scan all types of QR, link your Bank account or open a Savings Account with Paytm Payments Bank for faster payments

## Click of the Month



## Book of the Month -

### The One Thing

Sometimes you have to lose the battle to win the war...

## Look At The Bright Side Of Life



- o 240 pages
- o Published in 2013
- o Bard Press

The ONE thing is really as simple as it sounds, it's about finding out what matters, and ignoring the rest. As Keller explains "going small" means focusing

purely on what you should be doing, not simply what you could do. Equality is great, but when it comes to tasks and priorities, they don't all matter equally. If you can identify the things in your life that are most important and matter the most, you'll be able to connect with them and be more successful.

It is a must-read for anyone interested in productivity and personal improvement.

Life isn't all that bad. After all, when you really look at it - life has lots of surprises. Some of those surprises may not always make us happy, however, learning from each incident is the most insightful thing to do.

Therefore, make sure to look at all the beautiful things you do have rather than focusing on the negative aspects of life.

## Trivia

Hindi words choli blouse & pallu end piece of a sari has been derived from the names of Tamil dynasties viz. Cholas & Pallavas respectively

