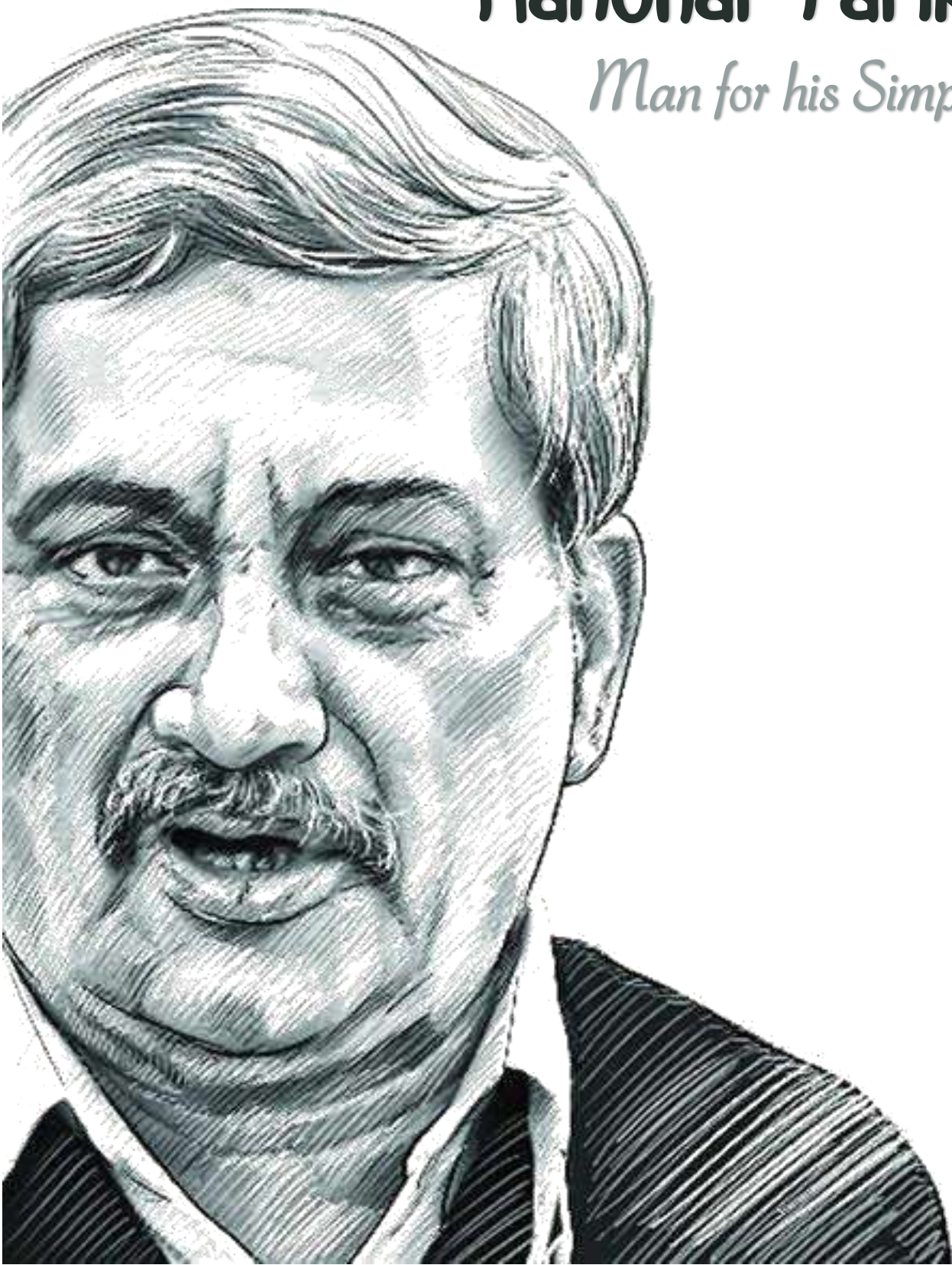
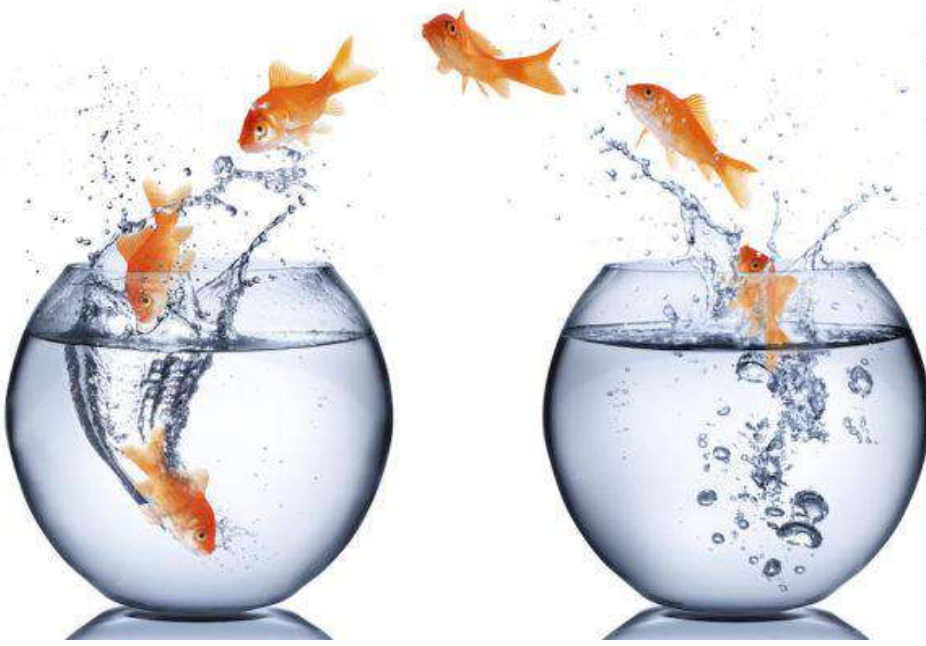


# Manohar Parikkar

*Man for his Simplicity...*





We would like to inform you that we have shifted to a new premises w.e.f. 01st March 2019. Please note the address of our new office premises for your records and for all the future correspondences:

### HIVE Consultants LLP

No.298, "Chaya Bhanu", 26th Cross,  
9th Main, BSK 2nd Stage,  
Bengaluru - 560070  
Ph: 080 42024038  
Landmark : Near BNMIT College



<https://goo.gl/maps/u9xQeKf94an>

03 # Manu, watermelons,  
and the man who  
inspired a nation

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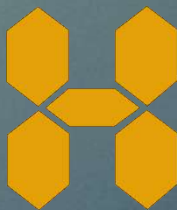
10 # GST Series - 13

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GIVING **DIRECTION** TO YOUR **DREAMS**

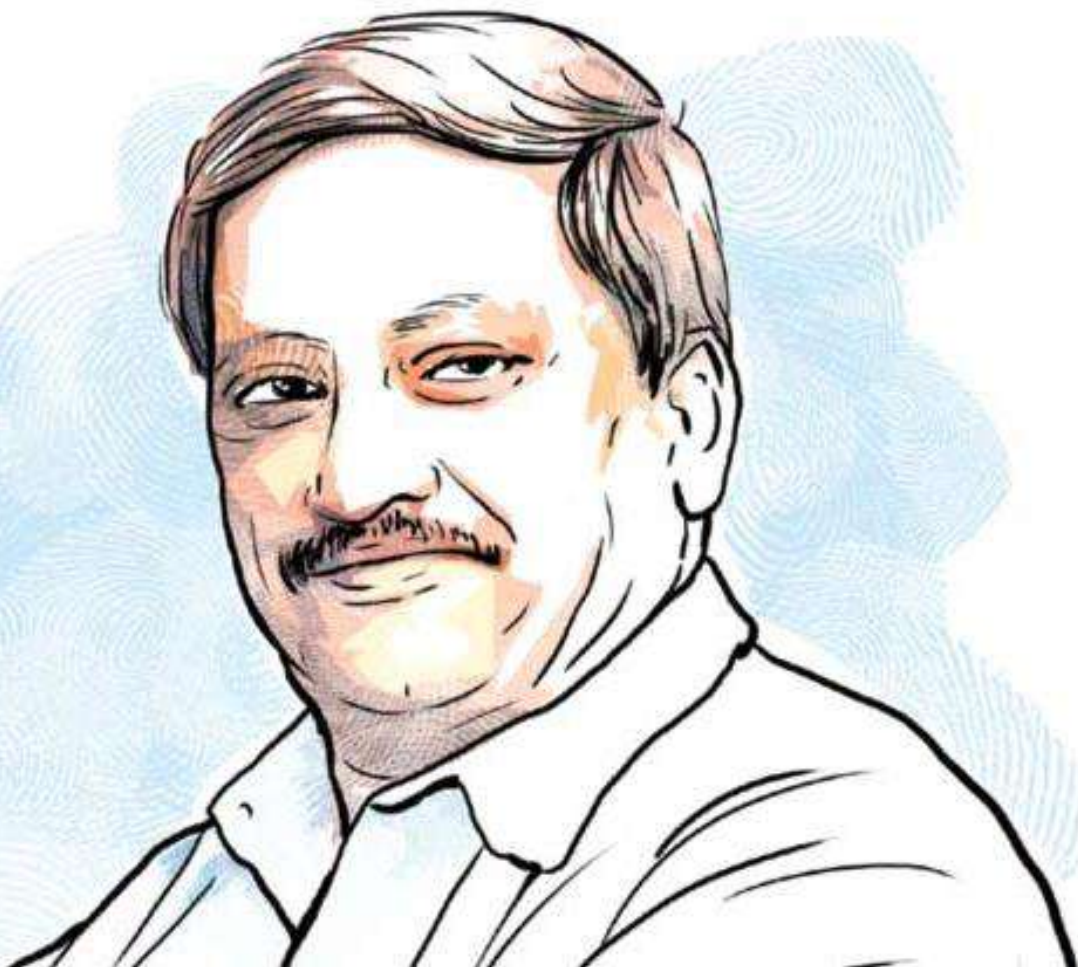


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**S**hri Manohar Parrikar was more than just a politician. He was more than just India's Minister of Defence and more than just Goa's Chief Minister. He was a loving husband, a dedicated father, but most importantly, he was a leader. In office and in his life, he inspired hundreds and thousands of young men and women, never shying away from the opportunity to share his own personal experiences.

## **Best Meal**

People remember him and laud him for being the first IITian to take up the office of Chief Minister, in fact,

his own college mates fondly remember 'Manu' as being a role model.

Mukund Deshpande, a civil engineer and another hostel mate of Parrikar, remembered a time in 1978 when the hostel mess staff went on an indefinite strike. He was on good terms with the mess workers as he always participated in the committee.

After the strike was called, he spoke to the workers. When they refused to serve, he convinced 40 of the teammates to cook for themselves. That was the best meal they ever had.

## **Watermelon Festival**

In September 2016, the humble resident of Parra, Goa, addressed an audience at the 14th FGI Awards for Excellence held at Vadodra. It was there that he gave one of his most memorable speeches. It was a speech where he recounts his childhood, growing up in the village of Parra and taking part in the famous 'Watermelon Festival'. It seemed like a trivial story, one that was meant to evoke a sense of humanity - but it was so much more. Here's what he said:



“ I am from the village of Parra in Goa, hence we are called Parrikars. My village is famous for its watermelons. When I was a child, the farmers would organize a watermelon-eating contest at the end of the harvest season in May. All the kids would be invited to eat as many watermelons as they wanted. Years later, I went to IIT Mumbai to study engineering. I went back to my village after six and a half years. I went to the market looking for watermelons. They were all gone. The ones that were there were so small. I went to see the farmer who hosted the watermelon-

eating contest. His son had taken over. He would host the contest but there was a difference.

When the older farmer gave us watermelons to eat he would ask us to spit out the seeds into a bowl. We were told not to bite into the seeds. He was collecting the seeds for his next crop. We were unpaid child laborers, actually. He kept his best watermelons for the contest and he got the best seeds which would yield even bigger watermelons the next year. His son, when he took over, realized that the larger watermelons would fetch

more money in the market so he sold the larger ones and kept the smaller ones for the contest. The next year, the watermelons were smaller, the year later even smaller.

In watermelons, the generation is one year. In seven years, Parra’s best watermelons were finished.

In humans, generations change after 25 years. It will take us 200 years to figure out what we were doing wrong while educating our children. Unless we employ our best to train the next generation, this is what can happen to us.”



The end of Financial Year in India is March 31st, this always has a significance for many statutory compliances, closure of accounts, filing of returns etc. Let us understand, how and why this year end closure is important from Income Tax point of view for us and what necessary steps we need to take up to avoid the non compliance.

## For Individuals/ Salaries Employees

### Tax Planning & Savings

- All salaried employees are supposed to make any Tax planning or tax savings for Financial year 2018-19, made through investments in tax saving investments covered under Section 80C of Income Tax Act, has to be made with in 31st March 2019 to claim the benefit for F.Y 2018-19.

### Filing of Belated Returns

- The due date for filing an income tax return for Financial Year 2017-2018 Assessment Year 2018-2019 was 31st August, 2018, however, If you have missed filing your Income Tax Returns for the Financial year 2017-18, this date is crucial for you, as 31st March 2019 is the last day for filing of the belated returns for the F.Y 2017-18.
- The taxpayer who has failed to furnish their return on time and are filing their belated return by due date March 31, 2019 are required to pay late filing fee under section 234F of INR 1,000 in case total income is below INR 5,00,000 and INR 10,000 in case the total income is above INR 5,00,000

### Filing of Revised Return

- If you have any corrections or amendments to be made for the return filed for the Financial Year 2016-2017 Assessment Year 2017-2018 and for the Financial Year 2017-2018 Assessment Year 2018-2019, the last date for filing revised returns for F.Y 2016-17 and F.Y 2017-18 is 31st March 2019.

### Linking of Aadhær with PAN

- March 31, 2019 is the last day for linking of Aadhær number with the PAN.
- As per Section 139AA of the Income Tax Act, 1961, in case of failure to link the Aadhær number with PAN within due date March 31, 2019, the PAN allotted shall be deemed invalid and provisions of the Income Tax Act shall apply as if the person has not applied for allotment of PAN. Thus it is very important to link the Aadhær number with PAN within due date March 31, 2019.



## Section 194-IB - TDS on rent

- Every individual or HUF paying monthly rent above Rs. 50,000 shall be liable to deduct tax at the rate of 5%
- Tax shall be deducted at the time of making payment or at the time of credit of rent to the account of landlord, for the last month of the previous year.
- Thus, the taxpayer shall be liable to deduct TDS at the rate of 5% on the whole of the rent amount, in the month of March.

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### For Business Entities

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## Closure of Accounts

- The Business entities are subject to maintenance of books of accounts and need to make account for all the expenses pertaining to the F.Y 2018-19 on or before 31st March 2019 or make appropriate provisions for all the expenses pertaining to the Financial Year 2018-19 with in 31st March 2019, else the same shall be termed as prior period expense in the subsequent financial year and shall not be allowed as a business expense for taxation purpose.

## TDS Compliance

- The Expense provision pertaining to the year 2018-19 are to be made for the financial year on or before 31st March 2019, Thus, any of the provisions which attracts Tax Deduction at source, are to be accounted and the appropriate TDS is to be paid with in 30th Apr 2019. Thus, appropriate profits can be arrived for taxes.

## Advance tax

### General

- The advance tax has to be paid by every taxpayer if his estimated tax liability is Rs 10,000 or more during a financial year. The taxpayer is required to pay advance tax in four instalments during the financial year itself.
- Though the last date for deposit of fourth instalment of advance tax is March 15 but any advance tax paid on or before 31 March, is also treated as advance tax paid during the financial year.

### Presumptive

- Taxpayers covered presumptive taxation scheme [section 44AD and 44ADA] need to pay the advance tax in one instalment only. The whole amount of the advance tax is required to be paid on or before the 15th March of the financial year. If these taxpayers have not paid the advance tax, they should pay it on or before March 31, 2019



Kumar Pappu Singh v. DCIT [Mishakapatnam Trib]

Share allotment under 'rights issue' not taxable u/ s. 56[2][vii][c] if shareholders were relatives

Sandeep Marwah v. ACIT [Del HC]

Mere fact that payments were made through credit card would not be sufficient to prove their genuineness and, thus revenue authorities were justified in making disallowance of 50 per cent of expenses claimed as deduction

Ms. Priyananki Singh Sood v. ACIT [Del Trib]

Where assessee intended to let out property and took appropriate efforts in letting property, however, due to fall in property prices failed to let out same year after year because of which property remained vacant, assessee was entitled to claim benefit under section 23[1][c]

Shree Krishana Kripa Feeds v. CIT [Punj & Haryana HC]

Where assessee accepted unsecured loans from three parties, in view of fact that assessee failed to prove creditworthiness of said parties and, moreover, amount had been deposited to bank accounts of those parties on same day when cheques were issued to assessee, impugned addition made under section 69A in respect of loan amount was to be confirmed

DCIT v. Mc Fills Enterprise Pvt) Ltd. [Ahmed Trib]

Where assessee had paid commission to non-resident foreign agents who were carrying out activities outside India and non-resident agents did not have any permanent establishment in India, said payment was neither taxable, nor could be treated as fee for technical services.

Sunquest Information Systems India Pvt Ltd. v. DCIT [Blr Tri]

Giving a credit period was an integral part of transaction of rendering of software development services by assessee to its AE and, therefore, there could be no separate determination of ALP of international transaction of realization of sale proceeds with extended credit period as it was only incidental to transaction of sale







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## GST Council [33<sup>rd</sup> Meeting]

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### ❑ GST Rate for Affordable Housing

GST Rate slashed to 1% without the benefit of the Input tax credit (ITC) as against the earlier rate of 8%. However, the earlier proposal had pointed out that the rate will be slashed down to 3% without the ITC benefit.

### ❑ Redefinition of Affordable Housing

- Affordable Housing has been redefined under the GST law with a twin definition to it as follows:
- In case of Metro cities: Flats with a value of up to Rs.45 lakhs with the carpet area of up to 60 sq.m. Metro cities currently cover Bengaluru, Chennai, Delhi NCR [limited to Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon, Faridabad], Hyderabad, Kolkata and Mumbai [the whole of MMR]
- In case of Non-metro cities: Flats with a value up to Rs.45 lakhs with the carpet area of up to 90 sq.m.

### ❑ GST Rate for Non-Affordable Housing

GST rate for non-affordable housing reduced to 5% without ITC from the existing rate of 12%.

### ❑ GST Exemption

GST exemption proposed on Transfer Development Rights (TDR)/ Joint Development Agreement (JDA), long term lease (premium), FSI- Press release states that an Intermediate tax on development rights such as the above mentioned will be exempt from GST for such residential properties on which GST is payable.

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## GST Council [34<sup>th</sup> Meeting]

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### ❑ Real Estate

- The promoters shall be given an one-time option to continue to pay tax at the old rates [i.e., at 8% or 12% with ITC] on ongoing projects [if construction and actual booking have started before 01-04-2019] which have not been completed by March 31, 2019. The option shall be exercised once within a prescribed time frame and where the option is not exercised within the prescribed time limit, new rates shall apply.
- The new tax rates shall be applicable in case of new projects and the ongoing projects in respect of which the promoters have exercised the option to pay tax as per new regime. The rates as per new regime shall be 1% or 5% without input tax credit.



## New Rules for Set Off

### What?

Just when we thought that we have understood the GST system with regard to the Input Tax Credit Utilisation, the Government has changed the procedure for the order of set-off of the same. While the new rules are fairly simple, let us walk you through this new change

### Existing Rules

Payment for	First set off	Then set off
SGST	SGST	IGST
CGST	CGST	IGST
IGST	IGST	CGST and SGST

### New Rules - effective 01-Feb-19

Payment for	First set off	Then set off
SGST	IGST	SGST
CGST	IGST	CGST
IGST	IGST	CGST and SGST

### Example

- IGST liability of Rs.50 lakhs, a CGST liability of Rs.1 Cr and his SGST liability of Rs. 1Cr.
- ITC – IGST credit of Rs.2 Cr, CGST credit of Rs. 15L and SGST credit of Rs. 15L.

### Existing Rules

Tax	Liab.	ITC	Set-off	Paid in cash	Bal. ITC
IGST	50L	200L	50L (IGST)		
CGST	100L	15L	15L (IGST) 85L (IGST)	–	–
SGST	100L	15L	15L (IGST) 65L (IGST)	20L	–

### New Rules

Tax	Liab.	ITC	Set-off	Paid in cash	Bal. ITC
IGST	50L	200L	50L (IGST)		
CGST	100L	15L	100L (IGST)	–	15L
SGST	100L	15L	50L (IGST) 15L (SGST)	35L	–

### Input Tax Credit:

- From the above it is clear that, even though the CGST credit is available and could have been utilized, the new system will not let you use the same for the set-off.
- Since CGST credit was not utilized at all, this put an additional burden on the amount of SGST to be paid, as CGST credit cannot be utilized to pay SGST.
- Further, there can arise a possibility of a carry forward of input tax credits of SGST or CGST remaining unutilised during the tax period.
- This affects the working capital of your business as your cash outflow will increase from month to month due to the new rules of set-off.

## App of the Month -



Google Pay (stylized as G Pay; formerly Pay with Google and Android Pay) is a digital wallet platform and online payment system developed by Google to power in-app and tap-to-pay purchases on mobile devices, enabling users to make payments with Android phones, tablets or watches.

As of January 8, 2018, the old Android Pay and Google Wallet have unified into a single pay system called Google Pay

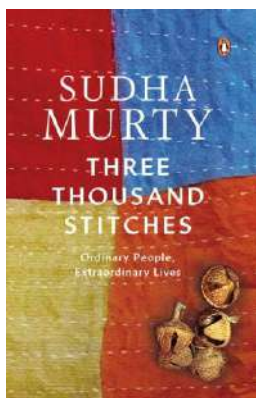
## Click of the Month



## Book of the Month -

### Three Thousand Stitches

Ordinary People. Extraordinary Lives



- o 256 pages
- o Published in 2017
- o Penguin Random House

Two decades ago, when Sudha Murty approached a group of devadasis for the first time, determined to make a difference to their lives, they threw a chappal at her.

Undeterred, she went back, telling herself she must talk to the devadasis about the dangers of AIDS. This time, they threw tomatoes.

But she refused to give up. The Infosys Foundation worked hard to make the devadasis self-reliant, to help educate their children, and to rid the label of the social stigma that had become attached to it. Today, there are no temple prostitutes left in the state of Karnataka.

If opportunity doesn't knock, Build a Door

## Natural Remedies

### Brush up on hygiene



Many people don't know how to brush their teeth properly. Improper brushing can cause as much damage to the teeth and gums as not brushing at all. Lots of people don't brush for long enough, don't floss and don't see a dentist regularly. Hold your toothbrush in the same way that would hold a pencil, and brush for at least two minutes.

## Trivia



### Bandra Worli Sea Link has steel wires equal to the earth's circumference

It took a total of 2,57,00,000 man hours for completion and also weighs as much as 50,000 African elephants. A true engineering and architectural marvel.