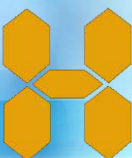


Bhive

Volume 05 ** November 2018 ** Issue 11

Ummati : Companion for Start-ups

To boost entrepreneurs from SC/ST communities





ZEN STORY

Sometimes a story can teach much more than entire philosophical treatise.

Tanzan and Ekido were once traveling together down a muddy road. A heavy rain was still falling.

Coming around a bend, they met a lovely girl in a silk kimono and sash, unable to cross the intersection.

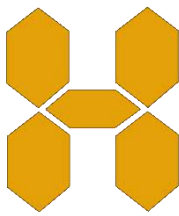
“Come on, girl,” said Tanzan at once. Lifting her in his arms, he carried her over the mud.

Ekido did not speak again until that night when they reached a lodging temple. Then he no longer could restrain himself. “We monks don’t go near females,” he told Tanzan, “especially not young and lovely ones. It is dangerous. Why did you do that?”

“I left the girl there,” said Tanzan. “Are you still carrying her?”

CONTENTS

UNNATI	04
CORPORATE MYTHOLOGY	05
KNOWLEDGE HIVE – GST & VAT AUDIT	06
CASE STUDY HIVE	08
GOODS & SERVICES TAX – SERIES 10	10
BY2 COFFEE	11



WE HELP TO

TAKE YOUR BUSINESS

TO THE NEXT LEVEL

CONTACT US:

CALL: 080-4202 4038

WEBSITE: www.hiveconsultants.in

EMAIL: info@hiveconsultants.in



The Karnataka Department of Social Welfare has launched Unnati, a scheme to foster entrepreneurs working on rural and social impact technologies. As part of the scheme, the department will invest up to Rs.20 crore to create end-to-end support infrastructure for start-ups and entrepreneurs from a marginalised background.

The first stream of Unnati is technology innovation. Many people across the State are doing it, but entrepreneurs from SC/ ST background are denied a chance. This scheme will identify and promote these entrepreneurs. The second stream of Unnati is social impact. Unnati will identify companies that are working on products and solutions for problems that are plaguing both the Government and society at large.



ಉನ್ನತಿ

ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಸಹಯೋಗದೊಂದಿಗೆ

Please refer to

<http://kalyanakendra.com> for further details

Eligibility Criteria for Technology Innovations:

- Startups with an innovative tech based idea/ solution
- Should be registered as an entity in Karnataka
- At least one of the members/co-founders should belong from SC/ ST community and should hold a substantial share
- Such SC/ST member/co-founder should continue to be a part of the business for one year from the date of receiving benefits from the department
- His terms and conditions of ownership should not be altered to his disadvantage during the course of business
- Total revenue generated in terms of turnover from the date of incorporation should be less than INR. 50 Crore
- At least 50% of qualified workforce should be engaged in Karnataka
- Less than 4 years from the date of incorporation for Technology based and 7 years for Biotechnology based companies
- Startups who have been winners under IDEA2PoC/ Elevate 100 / Grand Challenges from Dept of IT BT, Government of Karnataka will be eligible to apply.

Eligibility Criteria for Innovations with a Social Impact:

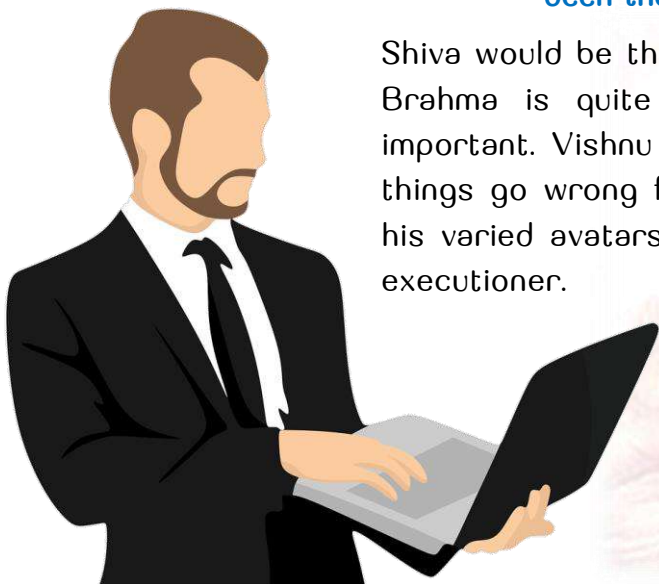
- Startups with an innovative tech based idea/ solution
- Should be registered as an entity (Pvt Ltd/ OPC, LLP/ Partnership, Proprietorship) in Karnataka
- Total revenue generated in terms of turnover from the date of incorporation should be less than INR.50 Crore
- At least 50% of qualified workforce should be engaged in Karnataka
- Less than 4 years from the date of incorporation for Technology based and 7 years for Biotechnology based companies
- Startups who have been winners under IDEA2PoC / Elevate 100 / Grand Challenges from Dept of IT BT, Government of Karnataka will be eligible to apply.

Screening Process:

- Stage 1 : (Pre-Screening for Eligibility and Data Sufficiency by Startup Cell, KBITS)
- Stage 2 : (Level 2 Final Pitch and Evaluation)
- Stage 3 : (Recommendations from the Unnati Evaluation Committee - chaired by Hon'ble minister for Social Welfare)



If Hindu mythology was a corporation, which god would be the CEO, and what would have been the hierarchy?



Shiva would be the CEO, Brahma the CTO and Vishnu the CFO. Brahma is quite brainy, but no one outside sees him as important. Vishnu funds the expeditions of the group and when things go wrong for his boss, gets into a rescue mission with his varied avatars. Shiva ultimately holds the key by being the executioner.

Karthik is the south division head — no body in the north pays attention to him, but still respect him (sort of). Kali is the HR head — in regular times, we don't pay much attention to the kinder avatar of Parvati, but when things go wrong, she can terrorise even the CXOs.

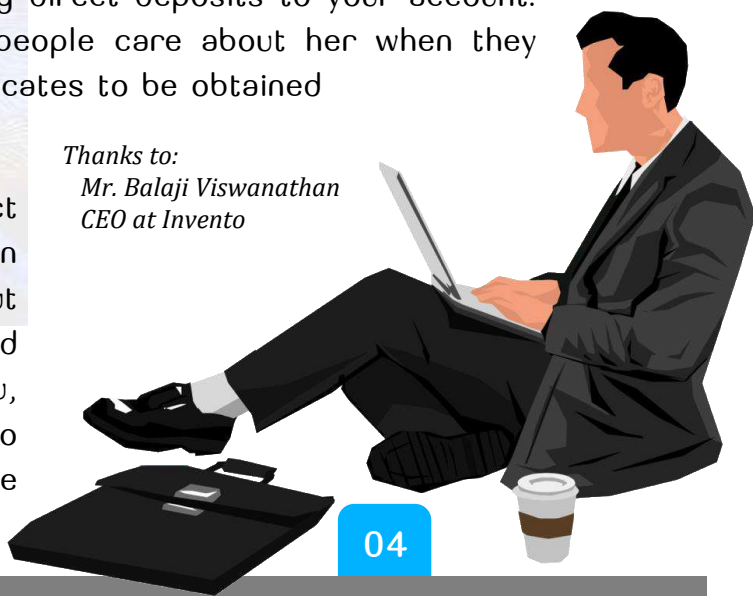
The Kerala state representative Ayyappan seems more reclusive & inaccessible, and the company heads are still figuring out if everyone can approach him. The Bengal unit head Durga also heads the internal vigilance and people are afraid of her temper. Ram is the perfect engineer bringing cool new ideas. Everyone in the company idolises him, but no one really follows him. His subordinate Hanuman is equally good engineer but doesn't know his strengths as well.

Krishna is the sales head who can get deals done by whatever methods available. He is the cool dude as he drives the Ferrari and gets the girls. Everyone adores him. Ganesha is a down-to-earth executive who mentors everyone. He doesn't have ambitions to go the C-Suite and is a jolly type and is a natural favourite of everyone. Kal Bhairav is the chief security officer and looks quite shady.

Lakshmi manages payroll and when it comes to the salary day you hope that she doesn't make mistakes in doing direct deposits to your account. Saraswathy heads internal training — people care about her when they are new to the company and have certificates to be obtained to progress in career.

Indra is the head of an older product division that used to be quite relevant in the early stages of the company, but now not many bother about. With his old timer buddies like Agni, Mitra, Vayu, Varuna etc he sometimes brings hell to rank & file employees. Narada is the company's Gossip Girl.

Thanks to:
Mr. Balaji Viswanathan
CEO at Invento





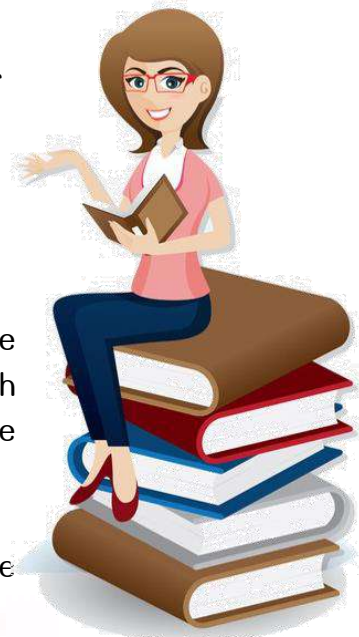
It's been more than a year since GST was implemented in India. The government is still working out the kinks and fine-tuning the details of the new taxation regime. Many radical changes have been introduced to ease the migration to GST with GST registration procedure and simplification of GST Returns.

The government has also introduced anti-evasion measures for GST by Appointing the office of GST commissioner (Investigation). On the 13th September 2018, the Central Board of Indirect Taxation and Customs (CBIC) introduced the form GSTR 9C

What is GSTR-9C

GSTR 9C is an annual audit form for all the taxpayers having the turnover above 2 crores in a particular financial year. Along with the GSTR 9C audit form, the taxpayer will also have to fill up the reconciliation statement along with the certification of an audit.

The authorities have also introduced the format of GSTR 9C in the notification No. 49/2018 - CT dated September 13, 2018.



Who is Required to File

All those taxpayers having the turnover above **2 crores** in a financial year are required to file Form GSTR 9C along with reconciliation statement and certification of an audit.

Significance of GSTR 9C

GSTR-9C is the only yardstick or indicator for GST Authorities to measure the correctness of GST returns filed by taxpayers during a given financial Year.

- GSTR-9C is a reconciliation statement which must be certified by a Chartered Accountant or a CMA.
- GSTR-9C must be digitally signed by the GST Auditor and must report all discrepancies or liabilities in filing any of the GST returns during the financial year.
- All additional liabilities arising out of the reconciliation exercise and GST audit must be reported and certified by a CS in GSTR-9C.

Due Date for Filing GSTR 9C

Due date of GSTR 9C is **31st December 2018** for eligible taxpayers of India.

Due Date for Filing GSTR 9C

the taxpayer has to pay Rs.200 per day as a penalty in which Rs.100 consist of SGST and Rs.100 for CGST. Also, it is to be noted that the total penalty cannot exceed 0.25% of the total turnover

How to File the GST Audit Form

The GSTR-9 has two major parts:

- ❖ Part-A: Reconciliation Statement
- ❖ Part-B: Certification

Segregation of GSTR-9C

The GSTR-9C has been segregated into following:

- ❖ Gross turnover (including taxable and non-taxable turnovers)
- ❖ Taxable Turnover
- ❖ Tax liability and payments - rate-wise
- ❖ Input Tax credit



Frequently Asked Questions (FAQ) on GST Audit

Question	Answer
Turnover to reckon applicability of GST Audit	Rs.2 crores to include for the whole of the FY (including turnover of Q1 of the FY 2017-18)
Alcohol for human consumption	Yes
Stock transfers between branches in different states	Yes
Stock transfers between branches in same state	No. Except where more than one GSTIN's has been taken for branches located in the same state
Exclusively having exempted supplies	Yes
GSTR 9C required to be filed for each registration obtained by a person in respect of each of the states	Yes
Should Form GSTR 9 and Form GSTR 9C be filed separately	GSTR 9C has to be filed along with Form GSTR 9 (only in cases where aggregate turnover \geq Rs.2 crores.)
Is there any provision of filing the Revised Form GSTR 9C	No
What are the records to be reconciled in Form GSTR-9C	<ul style="list-style-type: none"> ○ Books of accounts ○ Annual Return in Form GSTR 9

VAT AUDIT

As per the Karnataka Value Added Tax Act, 2003, every dealer with a turnover exceeding the prescribed limit during a financial year is required to get his accounts audited by a Chartered Accountant, or a Cost Accountant or a Tax Practitioner (tax practitioner cannot certify the accounts of a Company)

Turnover (April to June 17)	Due Date
25Lakhs to 1Crore	31st March 2019
Above 1Crore	31st December 2018

Specific points on VAT Audit:

- Audited Financial Statements to be bifurcated into two periods - Pre GST for VAT audit and Post GST Period for GST Audit
- Sales Returns of goods sold under VAT Regime from a registered person- Returns will be treated as supplies in the hands of the purchaser and he is required to charge GST on the same;
- Sales Returns of goods sold under VAT Regime from an unregistered person - Seller required to claim a refund of the VAT



Maharashtra Industrial Development Corporation Udyog Sarathi v. DCIT [Mum Tri]

Where State Government placed certain industrial land at disposal of assessee for development of infrastructure facilities like roads, water supply, drainage etc., since ownership of said land vested with State Government, amount of rent/ lease premium received by assessee from allotment of those industrial plots to various parties, was not liable to tax in assessee's hands



PCIT v. v. Escorts Ltd. [Del HC]

Expenditure incurred by assessee on account of sales incentive paid to several dealers for meeting sales target in period of 15 months i.e. from 1-4-2003 to 30-6-2004 could not be disallowed on ground that expenditure was related to earlier assessment year 2004-05

Bhojison Infrastructure (P.) Ltd. v. ITO [Ahmd Trib]

Right to sue is a right in personam which cannot be transferred and, thus, amount received as compensation in lieu of said right is not chargeable to tax u/ s 45

PCIT v. v. Reebok India Company [Del HC]

Money borrowed by assessee even when advanced to its subsidiary for some business purpose would qualify for deduction of interest paid on such borrowings

T.A. Taylor (P.) Ltd. v. ACIT [Chen Trib]

Where assessee sold its business unit as a going concern on slump sale basis and claimed that a part of consideration was received during year and balance sum was kept in Escrow account which was received in subsequent year, thus, only amount received during year was to be considered for capital gain, segregation of consideration in to two parts could not be a reason to say that capital gain arose only with reference to first part, thus, entire sale consideration was to be taxed as capital gain





CBIC Notifications

- ❑ **Notification No. 62/ 2018- Central Tax, Dated 29-11-2018**
Seeks to extend the last date for filing of FORM GSTR-3B for taxpayers in Srikakulam district of Andhra Pradesh and 11 districts of Tamil Nadu.
- ❑ **Notification No. 63/ 2018- Central Tax, Dated 29-11-2018**
Seeks to extend the due date for filing of FORM GSTR - 1 for taxpayers having aggregate turnover above Rs 1.5 crores for taxpayers in Srikakulam district in Andhra Pradesh and 11 districts of Tamil Nadu
- ❑ **Notification No. 64/ 2018- Central Tax, Dated 29-11-2018**
Seeks to extend the due date for filing of FORM GSTR - 1 for taxpayers having aggregate turnover up to Rs 1.5 crores for the quarter from July, 2018 to September, 2018 for taxpayers in Srikakulam district of Andhra Pradesh.
- ❑ **Notification No. 65/ 2018- Central Tax, Dated 29-11-2018**
Seeks to extend the due date for filing of FORM GSTR - 4 for the quarter July to September, 2018 for taxpayers in Srikakulam district of Andhra Pradesh.
- ❑ **Notification No. 66/ 2018- Central Tax, Dated 29-11-2018**
Seeks to extend the due date for filing of FORM GSTR - 7 for the months of October, 2018 to December, 2018
- ❑ **Circular No. 69/ 2018- GST, Dated 26-10-2018**
Application for cancellation of GST registration is not to be rejected because of violation of 30 days deadline from the occurrence of the event warranting cancellation.
- ❑ **Circular No. 73/ 2018- GST, Dated 05-11-2018**
Scope of principal and agent relationship under Schedule I of CGST Act, 2017 in the context of del-credre agent.
- ❑ **Circular No. 74/ 2018- GST, Dated 05-11-2018**
Tea Board of India is required to collect TCS from sellers (i.e. tea producers) on the net value of supply of goods (i.e. tea); and from auctioneers of the tea on the net value of supply of Services (i.e. brokerage)

Others

- ❑ The Central Board of Direct Taxes (CBDT) through a notification amended the income tax rules by giving an option to the applicant as to whether mother is a single parent and the applicant wishes to furnish the name of mother only.
The new rules would come into effect from December 5.
- ❑ Entities that have made financial transactions worth Rs 2.5 lakh or more in a financial year to apply for a PAN card. The application has to be filed on or before May 31 of the assessment year for which such income is assessable.

Transfer of securities only in Demat form- Deadline extended till

April 1, 2019



GSTR-9

What?

It is an annual return to be filed once in a year by the registered taxpayers under GST including those registered under composition levy scheme. It consists of details regarding the supplies made and received during the year under different tax heads i.e. CGST, SGST and IGST. It consolidates the information in the monthly/ quarterly returns during the year.

Due Date?

GSTR-9 due date is on or before 31st December of the subsequent financial year. For FY 2017-18, the due date is 31st December 2018.

FAQ:

Question	Answer
Statutory Provision	Rule 80 r/w Notification 39/2018
To be filed entity level or in respect of each GSTIN	To be furnished by every registered person. Thus, to be furnished in respect of each GSTIN
Relevant Period for Annual Return	July 2017 to March 2018
Requirement of filing of return by person filing NIL Returns for entire FY	Every registered person includes person filing NIL Returns
Can GSTR9 be revised	No
Can differential payment be made in GSTR9	No

Details Required in GSTR-9

Part	Information
I	Basic details of the taxpayer
II	Details of Outward and Inward supplies declared during the FY
III	Details of ITC declared in returns filed during the FY
IV	Details of tax paid as declared in returns filed during the FY
V	Transactions for the previous FY declared in returns of April to September of current FY or up to the date of filing of annual returns whichever is earlier.
VI	Other Information comprising - GST demands, refunds, HSN wise summary, Late fees payable.

Who should file?

All the registered taxable persons under GST must file GSTR 9 form. However, the following persons are not required to file GSTR 9

- ❖ Casual Taxable Person
- ❖ Input service distributors
- ❖ Non-resident taxable persons
- ❖ Persons paying TDS under section 51 of GST Act.

Penalty for late filing?

Late fees for not filing the GSTR 9 within the due date is Rs.100 per day per act up to a maximum of an amount calculated at a 0.25% of the taxpayer turnover in the state or union territory.

App of the Month -



Music is more than just listening — music also includes creating, sharing, discovering, participating and connecting.

Smule is vibrant, global community of music lovers where millions of people across the world come together each day to share their passion for music, make new friends, cheer each other on, and simply have fun.

Click of the Month

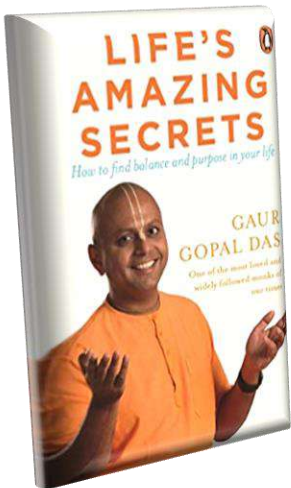


Book of the Month -

Life's Amazing Secrets

How to Find Balance and Purpose in Your Life

- o 256 pages
- o Published in 2018
- o Penguin Ananda



While navigating their way through Mumbai's horrendous traffic, Gaur Gopal Das and his wealthy young friend Harry get talking, delving into concepts ranging from the human condition to finding one's purpose in life and the key to lasting happiness.

Life's Amazing Secrets, distils his experiences and lessons about life into a light-hearted, thought-provoking book that will help you align yourself with the life you want to live.

Dreams Don't Work Unless You Do....

Health Tips -

Keep Yourself Hydrated



- ❖ Water makes up for 2/3rd of the body & performs important functions like - acting as a solvent, carrier of nutrients, temperature regulator
- ❖ Consuming enough water increases vitality and energy levels, including mental alertness.
- ❖ Aim to drink around 4-5 litres a day to keep your body hydrated all the time.

Trivia

India has an Airforce base in Tajikistan. Farkhor Air Base is India's one and only military base outside its territory

