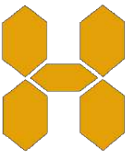


Elections

INDIA

VS UNITED STATES OF AMERICA



SHORT STORY

Sometimes a story can teach much more than entire philosophical treatises

A gentleman was walking through an elephant camp, and he spotted that the elephants weren't being kept in cages or held by the use of chains.

All that was holding them back from escaping the camp, was a small piece of rope tied to one of their legs.

As the man gazed upon the elephants, he was completely confused as to why the elephants didn't just use their strength to break the rope and escape the camp. They could easily have done so, but instead, they didn't try to at all.

Curious and wanting to know the answer, he asked a trainer nearby why the elephants were just standing there and never tried to escape.

The trainer replied;

"when they are very young and much smaller we use the same size rope to tie them and, at that age, it's enough to hold them. As they grow up, they are conditioned to believe they cannot break away. They believe the rope can still hold them, so they never try to break free."

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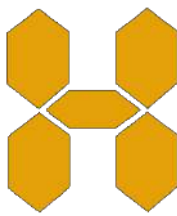
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Elections

INDIA VS USA



The Indian and the US democracies are two of the largest democracies in the world. While the subcontinental system is just about 70 years old, the United States version has been in action for nearly 240 years. These systems basically mean that the citizens of the respective nations have a major say over who comes into power and how they approach their policies. However, one of the most prominent part of these two democracies is that of the election systems they have in place.

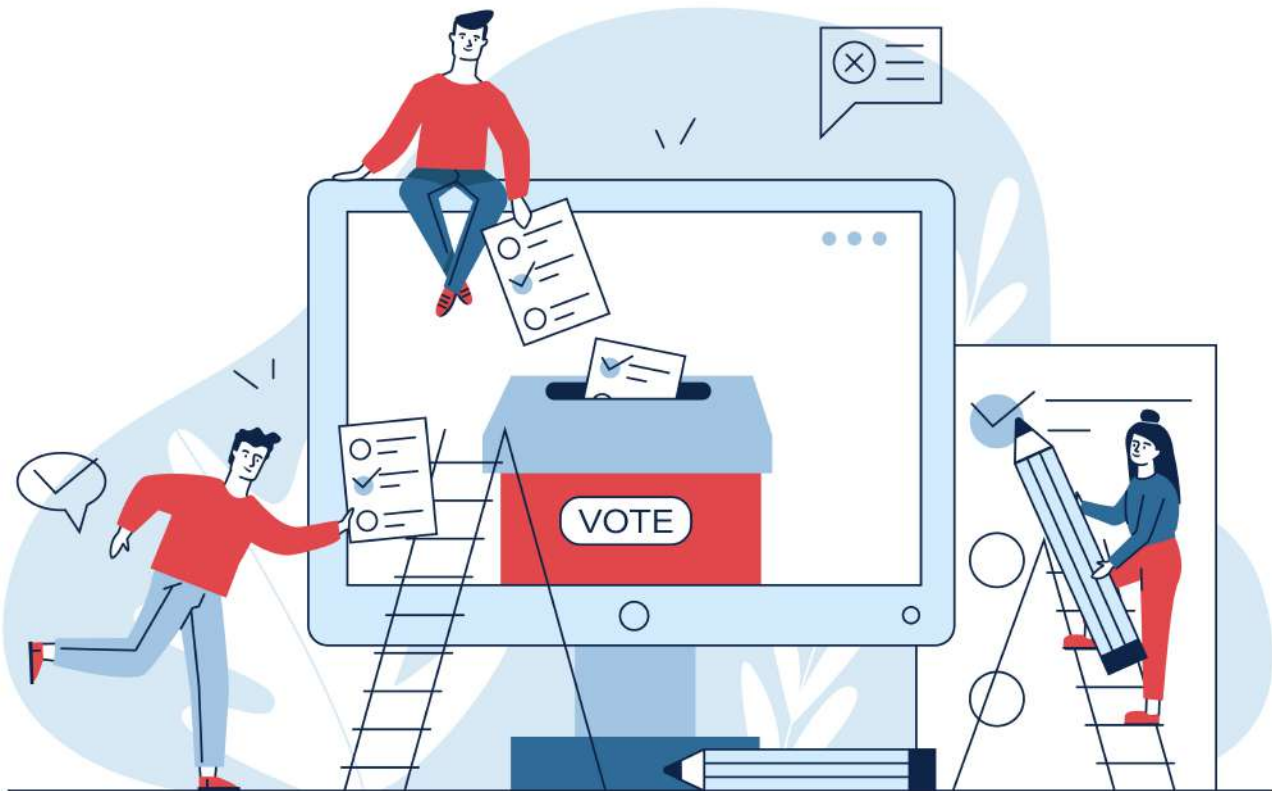
In fact, one can safely say that except for the countries having a democracy, there's little to no similarities between their electoral systems. So, what are the major differences between the two systems?

HILLARY CLINTON DESCRIBED THE INDIAN ELECTION SYSTEM AS THE “GOLD STANDARD”.

POLITICAL PARTIES

US has two prominent parties that have the most power, both in terms of reach and popularity. These parties are the Republican Party and the Democratic Party, both of which are built on a specific ideology. Although, there are other parties like the Libertarian Party and the Green Party, they are mostly considered to be the outliers and are commonly referred to as independent entities.

In India, while the Congress Party takes the mettle for being the most popular party, the Bharatiya Janata Party comes a close second in terms of reach. Apart from these two, India is riddled with countless other regional parties which often differs from one state to the other. For instance, in Tamil Nadu, both BJP and Congress have no reach whatsoever as the state is dominated by regional parties like AIADMK and DMK among others.



ELECTION BOARDS

India and US both have autonomous election bodies which take up the responsibility for hosting the elections. In the case of the US, it has two federal bodies called the Federal Election Commission and US Election Assistance Commission (EAC). However, these entities don't have the liberty to exert control as their role is mostly confined to setting up campaign finance regulations.

Election Commission of India (ECI) has a larger power to yield, wherein it deals with setting up elections, counting votes, setting up financial regulations, enlisting the service of police of domestic military forces to keep the voting process as incident-free as possible.

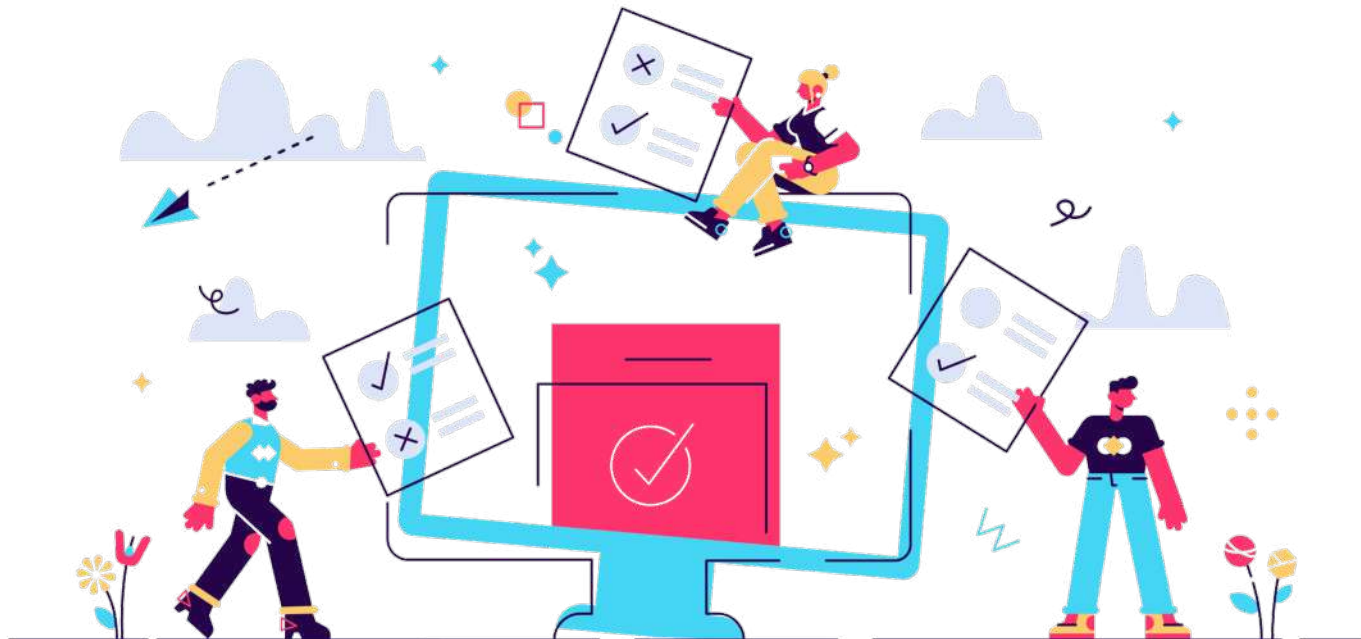
VOTING TURNOUTS

India boasts of a much larger voter turnout when compared to the United States. For instance, here's how the statistics stand from the latest national elections in both the countries.

Voter turnout has been historically low in America when compared to other democracies. During the recently concluded elections, US saw a turnout of just 61.8% when compared to 66.8% in India. Also, voter demographic in the US is primarily older people above the age of 65 who vote 25% more than that of the 18-24 age group.

The US doesn't automatically register anyone who's eligible to vote. Instead, people have to remember to register. While in India over 95% of all eligible persons are already registered, in the US it was just above 71%





EFFECTIVENESS OF THE SYSTEM

The complexity of the election process and the multiplicity of authorities in the U.S is a perfect breeding ground for confusion. E.g In the infamous Florida recount incident of the year 2000, the results were first challenged in the Supreme Court due to the confusing voting system called "butterfly ballot". But it was not pursued to the hilt, as Al Gore who lost to Bush by just a few hundred votes chose not to contest the results.

Perhaps the first time that a candidate — Donald Trump — doubted the legitimacy of the election even before the first vote has been cast.

- ✓ *What has worked well for India is a fully empowered but fiercely independent and neutral election commission. The biggest reason for the success of the Indian system is extreme simplicity. All things considered, Indian elections are regarded as a model for a large part of the world.*
- ✓ *We were often asked why we use EVMs when even the US does not. But actually, the question should be pointed at them for not using the effective method.*
- ✓ *Indian election system is effective in coverage by setting up the poll in every 2 kms which includes a poll booth for a lone voter in Gujarat's Gir forest and the world's highest polling booth will be located in Himachal Pradesh, at a height of over 15,000 feet.*
- ✓ *While India gave equal voting rights to women on Day One in 1950, the US had taken 144 years. And, while India elected a woman prime minister within 19 years, the US has not had a woman president in 240 years.*

Along with higher registration, higher turnout and an effective and neutral election management system makes our election process more democratic and in effect the greatest democracy in the world.



OVERVIEW - STPI

Software Technology Park of India (STPI), an autonomous society under the Ministry of Communication and Information Technology, Department of Electronics and Information Technology, GOI has been set up with a distinct focus to boost up Software export from the country. STPI is constantly working with an objective to implement STP/EHTP scheme formulated by Govt. of India, to set up and manage infrastructural facilities.



STP

The Software Technology Park (STP) scheme is a 100% export-oriented scheme for the development and export of computer software using data communication links or in the form of physical media including the export of professional services. The major attraction of this scheme is the single point contact service to the STP units.

STP units were exempted from payment of corporate income tax

All the imports of Hardware & Software in the STP units are completely duty free. Import of second hand capital goods are also permitted

WHO CAN BECOME A MEMBER OF STP

To become certified member unit under STP scheme, approval from the competent authority is required.

- An Indian company
- A Subsidiary of a Foreign Company
- A branch office of Foreign Company

STP units can take up domestic projects subject to meeting the Minimum Export Performance norms, STP unit can do business in the DTA

PROCESS AFTER BECOMING A MEMBER OF STP

The approved unit will be signing a legal agreement, with a list of capital goods and Indigenous purchases for attestation to obtain Private Bonded Warehouse License from the Customs Department.

Operations under the STP Scheme can be carried out from any location in the country

IMPORTS BY STP UNIT

A unit operating under STP Scheme can import capital goods (i.e., Computer Hardware & Software and basic infrastructure support) without paying any Customs Duty, as may be levied to the importer in normal cases.



NON-STPI

Any business entity which is into the development of Export-oriented Computer Software/IT Enabled Services, is required to register itself as NON-STP unit under STPI to avail Softex certification.

As per RBI Master Circular, Softex Certification is mandatory for any company that does IT/ITES exports through Data communication links.



WHO CAN BECOME A MEMBER OF NON-STP UNIT

Any of the following type of entity which is into development of Export oriented Computer Software/IT Enabled Services can register itself as NON-STP unit to avail Softex Certification.

- Company
- Partnership firm
- Proprietorship

Registration Certificate with a validity of 3 years

Renewal of registration will have to be applied 3 months prior to the expiry

PROCEDURE TO OBTAIN SOFTEX FORMS

Non-STP units should register each of their export contracts prior to the submission of Softex against that contract. The Unit also needs to submit its projected exports during the next financial year as well as applicable STPI service charges.

As per RBI Master Circular RBI/2013-14/14 dated 1st July 2013, RBI Circular No.43 dated 13th September 2013, “any company who does IT/ITES exports through Data communication links needs to submit the Softex to Designated Authority for certification.” The Softex is required to be submitted within 30 days from the date of last invoice raised in that month.

Operations under the STP Scheme can be carried out from any location in the country

NON FILING OF SOFTEX FORMS

Further as per RBI Master Circular, Softex Certification is mandatory for any company that does IT/ITES exports through Data communication links. For Non-Filing of Softex forms:

- Funds received from Out India is treated as General Income rather than as Export Income
- Banker may issue a letter for holding your account
- Violation of FEMA Regulations



ITO v. A. Shihabudeen [Coch Trib]

No penalty could be levied if notice didn't clearly include reasons for initiation of penalty proceedings :

ITAT held that, AO had not struck out the irrelevant portion in the Notice. It was not clear whether he had levied the penalty for concealment of particulars of income or furnishing of inaccurate particulars of income. Therefore, penalty order passed under section 271(1)(c) in pursuance of said notice had rightly been set aside by Commissioner (Appeals).



Pentamedia Graphics Ltd. v. DCIT [Chen Trib]

Where assessee developed 'digital content/animation software' utilized in multimedia and entertainment industry which are stored in hard disc of computer, this digital content was a copyrighted intangible asset to be used in various films etc. and, therefore, assessee was eligible for depreciation at rate of 25 per cent

Ivan Singh v. ACIT [Bom HC]

Where assessee paid Rs. 2.65 crores in cash towards labour charges and claimed deduction of same and Assessing Officer looking to position of preceding year disallowed 10 per cent of labour charges and both Appellate Authorities sustained disallowance, disallowance was not based on mere suspicion

PCIT v. Suzlon Energy Ltd. [Guj HC]

No waiver of Sec. 234B/C if advance tax wasn't paid on undisclosed income admitted during survey:

The assessee could not take shelter under the survey proceedings for covering the default committed in filing the true and correct return of income within the period prescribed. Further if delay in filing of return is to be attributed to the impounding of the documents during survey, only interest under section 234A would be waived of and not the interest under section 234B and 234C.

DCIT v. JSW Ltd. [Mum Trib]

Where assessee had not earned any tax exempt income in relevant previous year, no disallowance under section 14A could have been made

Precision Wires India Ltd. v. ACIT [Guj HC]

Expenditure incurred on dies and tools, in nature of consumables, is revenue expenditure





Ivan Singh v. ACIT [Bom HC]

For the financial year 2006-2007, some amounts were found credited in the book of accounts of the assessee. AO made additions under section 68 for said credits during financial year 2008-09. However Bombay HC held that the Supreme Court in case of Bhor Industries Ltd. v. CIT [1961] 42 ITR 57 (SC), has interpreted the expression "any previous year" to mean as not referring to all the previous years but, the previous year in relation to the assessment year concerned. Section 68 also provides that the sum so credited in the books and which is not sufficiently explained may be charged to the income tax as income of the assessee of "that previous year ". Thus, the additions made by the AO were liable to be deleted.

Landbase India Ltd. v. v. ACIT [Del Trib]

Golf Course developed on land to be considered as 'Plant & Machinery'; eligible for depreciation.

Assessing Officer (AO) disallowed depreciation by holding that the golf course was developed on the land and whatever improvement is made on that it remains as a land. Construction of golf course had enhanced the value of land only. Thus, it was only land which was not depreciable

ITAT held that the golf course is a plant and machinery and assessee is eligible for depreciation thereon at the rate of 15%.

Mukesh Manekchand Sheth v. ACIT [Guj HC]

In case, notices under section 153C have been issued for assessment years beyond six assessment years, such notices would be without jurisdiction

Updates

❖ **Notification No. 80 /2020 – Central Tax, dated 28-10-2020**

Due to file GSTR-9 & GSTR-9C for F.Y. 2018-19 further extended to 31 December, 2020

❖ **Notification No. 85/2020, dated 27-10-2020**

Due-date for payment under Vivad Se Vishwas Scheme (without any additional charges) to 31-03-2021

❖ **Notification No. 88/2020 dated 29-10-2020**

The CBDT has extended due dates for furnishing tax audit report and filing of Income-tax Return for the Assessment Year 2020-21.

- *The new due date for furnishing of tax audit report is 31-12-2020.*
- *The due date for filing of ITR in case where taxpayer is required to get books of account audited or furnish report in respect of international/specified domestic transactions is 31-01-2021*
- *In all other cases is 31-12-2020*



FORM PMT-09

WHAT ?

The CBIC has recently introduced Form PMT-09 (i.e. a challan) for shifting wrongly paid taxes. This enables a registered taxpayer to transfer any amount of tax, interest, penalty, etc. that is available in the electronic cash ledger, to the appropriate tax or cess head under IGST, CGST and SGST in the electronic cash ledger.

Hence, if a taxpayer has wrongly paid CGST instead of SGST, he can now rectify the same using Form PMT-09 by reallocating the amount from the CGST head to the SGST head.

APPLICABILITY

All taxpayers registered under GST are eligible to shift any balances available in the electronic cash ledger using Form GST PMT-09.

The facility to use PMT-09 was made LIVE on the GST Portal on 21 April 2020. The option is available after the taxpayer logs in, under the electronic cash ledger tab. Thus, a taxpayer can now easily rectify wrongly paid taxes or other amounts.

KEY POINTS

- If the wrong tax has already been utilized for making any payment, then this challan is not useful. This challan only allows shifting of the amounts that are available in the electronic cash ledger.
- For instance, in case an amount has been misreported in the GSTR-3B, there is no way to rectify the same as the GSTR-3B is non-editable. In such case, only an adjustment in the next month's return can be made.
- The amount once utilized and removed from cash ledger cannot be reallocated.
- Major head refers to- Integrated tax, Central tax, State/UT tax, and Cess.
- Minor head refers to- Tax, Interest, Penalty, Fee and Others.

Illustration:

Mr. A. had to pay Rs.100 as Central Tax under the major head and Rs.50 as interest under the minor head and he has wrongly paid Rs.50 under Central tax head and Rs.100 as interest under the minor head.

In this case, he can file PMT-09 to shift the amount from the major head (i.e. Central tax) to the minor head (i.e. interest). This shifting of the amount can be done from minor head to major head as well.

An amount can also be transferred from one minor head to another minor head under the same major head.

Example, in the case of interchange of interest & penalty amount under Central Tax can be rectified by filing PMT-09.

FORMAT

PMT-09 comprises of minor and major heads. The taxpayer can mention the amount of tax which he wants to transfer from one head to another. The amount can be transferred from the head only if there is a balance available under that head at the time of transfer. A taxpayer can provide his GSTIN and fill the details in Table 5- Details of the amount to be transferred from one account head to another in Form GST PMT-09.

App of the Month -



Aadhaar Card has become the go-to Know Your Customer (KYC) or identity verification document. With this app, you do not have to carry your Aadhaar card everywhere.

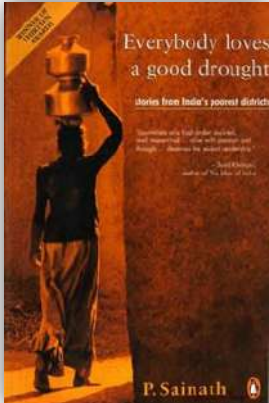
The app can be used to store a digital version or a soft copy of your Aadhaar card, which can be used for verification. You can also perform functions like updating your address or ordering a reprint of your Aadhaar card with the help of this app.

Click of the Month



Book of the Month -

EVERYBODY LOVES A DROUGHT



- 470 pages
- Published in 2000
- Penguin India

The poor in India are, too often, reduced to statistics. In the dry language of development reports and economic projections, the true misery of the 312 million who

live below the poverty line or the 26 million displaced by various projects, or the 13 million who suffer from tuberculosis gets overlooked.

In this thoroughly researched study of the poorest of the poor, we get to see how they manage, what sustains them, and the efforts, often ludicrous, to do something for them.

The people who figure in this book typify the lives and aspirations of a large section of Indian society, and their stories present us with the true face of development.

“Love For All, Hatred For None”

Doctor's Diary

AVACADO



Avacados are high in monounsaturated fats and rich in potassium. Therefore essential for heart health as it helps to lower blood pressure and avoid the risk of metabolic syndrome.

Avacados are great sources of vitamin C, K, E and vitamin B-6. They contain more potassium than banana

Trivia

Former Prime Minister Indira Gandhi asked the first Indian in space, Rakesh Sharma, about how India looked from space. His response was our famous patriotic song, "Saare Jahaan Se Achcha."

