



# Why did God allow that to happen?

## Tsunami in Indonesia Kills Over 280,

## With No Warning or Quake





# ZEN STORY

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

A soldier named Nobushige came to Hakuin, and asked: "Is there really a paradise and a hell?"

"Who are you?" inquired Hakuin.

"I am a samurai," the warrior replied.

"You, a soldier!" exclaimed Hakuin. "What kind of ruler would have you as his guard? Your face looks like that of a beggar."

Nobushige became so angry that he began to draw his sword, but Hakuin continued: "So you have a sword ! Your weapon is probably much too dull to cut off my head."

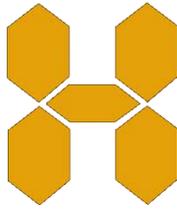
As Nobushige drew his sword Hakuin remarked: "Here open the gates of hell!" At these words the samurai, perceiving the master's discipline, sheathed his sword and bowed.

"Here open the gates of paradise," said Hakuin.

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The rock band was playing its second song of a set when a wave nearly 10 feet high burst through a backdrop behind the stage, crashed into the drummer, his drum set and the other musicians, and swept the stage into the audience.

It was the second deadly tsunami in Indonesia this year, and a devastating end to what was a horrific year for disasters in the country, with earthquakes, floods, fires and an airline crash that together have killed more than 4,500 people, the most in more than a decade.

The tsunami destroyed at least 611 homes, 69 hotels and villas, 60 small shops

and 420 boats. More than 1,000 people were injured by the enormous wave, which also destroyed hundreds of buildings.

### No Warning

Tsunamis triggered by earthquakes don't always result in a warning, either.

Mr. Sutopo noted that Indonesian officials were unable to detect the tsunami and provide a warning because "we do not have a tsunami early-warning system that's triggered by underwater landslides and volcanic eruptions."

In the Sept. 28 earthquake and resulting tsunami that struck the city of Palu on the island of Sulawesi, no

siren sounded. And some of the city's largest residential areas were built atop land particularly at risk for liquefaction, when the shuddering of an earthquake transforms solid earth into a gelatinous gush. More than 2,100 people were killed in that disaster.





## Impact

Indonesia, an archipelago of more than 17,000 islands, sits in an active volcanic and seismic area known as the Ring of Fire.

The Sunda Strait lies between Java, the country's most-populous island, and Sumatra, the second-most populous.

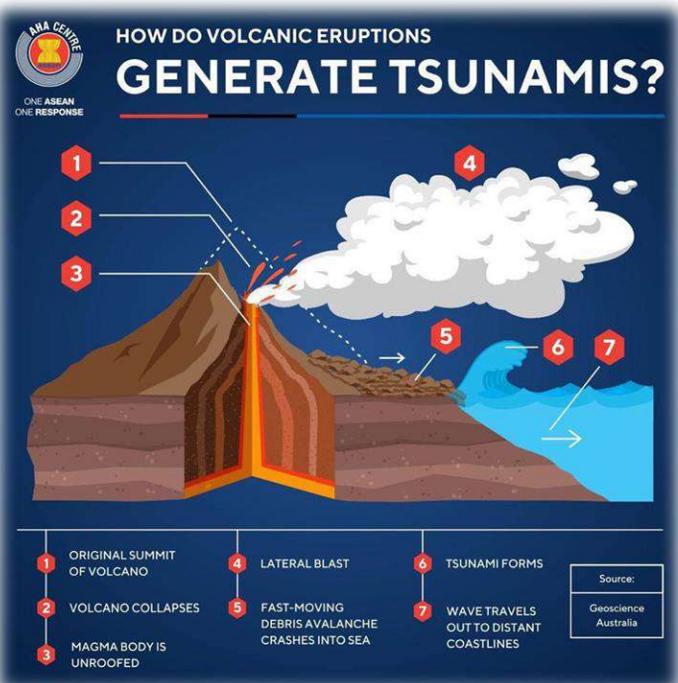
The volcanic island has been growing steadily ever since, and in recent weeks has been erupting frequently. Officials said they would investigate whether volcanic activity had set off an undersea landslide that caused the tsunami.

## Previous Incidents

The biggest disaster to strike Indonesia in modern times was the Indian Ocean earthquake and tsunami that hit a dozen countries on Dec. 26 in 2004. In Indonesia, it obliterated much of the city of Banda Aceh, on the northern tip of Sumatra, and killed about 225,000 people.

In August, a 7.0 magnitude earthquake hit Lombok island, killing more than 550.

The death toll from disasters in Indonesia this year is the worst since 2005, when a 6.3 magnitude earthquake struck the city of Yogyakarta on Java island, killing more than 5,000 people.



Christmas celebrations were replaced by somber prayers, as church leaders called on Christians across Indonesia, the world's most populous Muslim nation, to pray for tsunami victims.



In our present day economy structure, Income Tax plays a vital role as a source of Revenue and a measure of removal economic disparity. Our Taxation structure provides for Two types of Taxes - DIRECT and INDIRECT; Income Tax and Gift Tax are Direct Taxes whereas Goods & Services Tax and Custom Duties are Indirect Taxes.

Based on the name itself, we can come to an understanding that it is a Tax on Income. The fundamental understanding required to pay tax is to know on what you should pay tax on. Let us understand the meaning of Income.



## Income

The word Income has a very broad and inclusive meaning which is defined under section 2[24] of income tax act, without getting too in depth let us understand it broadly.

- In case of a salaried person, whatever amount received from an employer, either in cash or kind or as a facility is considered as income.
- For a businessman, his profits and gains will constitute income
- For professionals, freelancers etc. the earnings from various sources like professional fees, other incomes etc. are considered as Income after reducing the expenses in relation to the same.
- Receive Rental income from houses/ properties owned.
- Or capital gains from sale of shares, buying or selling of property etc.
- Income may also flow from investments in the form of Interest, Dividend, and Commission etc.



## Previous Year

Previous year or the financial year or your tax year is the 12 month period that begins on 1st April and ends on the 31st March of the next year.

No matter when you start earning your income, your tax year closes on 31st March and a new tax year starts on 1st April. So, it is important to plan your taxes for each financial year.

we bring to you basics of Income Tax you'll need to equip yourself with and this should help you in handling Income Taxes



## Assessment Year

It is a term you'll often hear in relation to tax filing. It is the financial year after the previous year in which you will 'assess' and file your return for the previous year. So, assessment year is 2019-20 for the previous year 2018-19. AY is the year in which you will file your return of income



### Income from Salary

The amount received from employer every month comes under this head. As per law, employer-employee relationship is must to consider the amount as income from salary else it will be considered under other head.

Salary includes basic pay, dearness allowance, medical, transport, annuity, gratuity, advance of salary, allowances, commission, perquisites in lieu of salary and retirement benefits etc.; The aggregate of the above incomes, after the exemptions but before the deductions, is known as Gross Salary.



### Income from Capital Gains

Any profit or gain arising from transfer of capital asset held as investments such as house, Jewellery, shares, mutual funds etc.. are chargeable to tax under the head capital gains.



### Income from House Property

Any Rental Income from residential or commercial property that you own will be taxed. If you have home loan then interest part of it would qualify for deduction from the income from House property.



### Income from Business or Profession

Income earned through business or profession is taxable under the head 'profits and gains of business or profession. Tax shall be levied on the income net of expense.



### Income from Other Sources

Any income that does not fall under the other heads is taxed under the head income from other sources. Eg. savings bank interest, lottery or the earnings from online gaming, like Dream11, Rummy.com. or Reality shows like KBC

Tax laws are an economic reality in the Business world. Thanks to GST as most of us today know its meaning, tax rates and the impact of GST on our day to day purchases.

In the same way, understanding Income Tax is also equally important not merely to comply with law in timely and regular manner, but also arranging the affairs in such a manner that it reduces the tax liability burden. Few of them are

- Filing of Return
- Submitting the Investment/ tax documents to employer
- Complying with the notices of Income Tax Department.
- Payment of Taxes in advance

**MAKING YOU UNDERSTAND THE INCOME TAX, IS OUR MOTTO, KEEP READING AND GROW YOUR KNOWLEDGE.**



Tata Sky Ltd. v. Asst CIT [Mum Tri]

Installation of dish antenna and incidental hardware by installation service providers [ISPs] amounted to work contract under section 194C and no technical expertise was required so as to make assessee liable under provisions of section 194J



Tata Sky Ltd. v. Asst CIT [Mum Tri]

Assessee, engaged in business of providing DTH services, sold set top Box [STB] and recharge coupon vouchers to distributors at a discounted rate, discount so offered could not be considered as commission and, hence, not liable for deduction of tax at source under provisions of section 194H

CIT v. Bhawani Singh ji [Del HC]

Where assessee's succession to estate of Ruler was not governed by principle of primogeniture, general law of succession i.e. rules applicable to HUF, would apply and, thus, after his death, assessment was to be completed by taking status of deceased assessee as that of HUF

High Volt Electricals [P] Ltd v. Asst CIT [Mum Tri]

Where assessee deposited amount towards employees' contribution to Provident Fund, beyond stipulated date contemplated under Provident Fund Act but before 'due date' applicable in its case for furnishing 'return of income' under sub-section [1] of section 139, in view of amended provisions of section 43B, amount so deposited could not be disallowed by invoking provisions of section 36[1] [va], read with section 2[24] [x]

ITO v. Vinayak Hari Palled [Bangalore Trib]

Interest awarded on enhanced compensation paid by Government for acquisition of agricultural land of assessee under section 28 of Acquisition Act would partake of character of compensation and would be eligible for exemption under section 10[37]

Tata Sky Ltd. v. Asst CIT [Mum Tri]

As per provisions of section 71, there is an option to assessee to set off business loss against capital gains, however, it is not mandatory to do so





### Ratanlal Biharilal Atal v. ITO [Nagpur Tri]

Where due to mistake, TDS related to HUF of assessee whereof assessee was karta was credited to assessee's TDS account, assessee could claim refund of such TDS credit, provided HUF had not availed benefit of such TDS certificate

### National Insurance Company Ltd. v. Indra Devi [HP HC]

Compensation awarded under Motor Vehicles Act or Employees' Compensation Act in lieu of death of a person or bodily injury suffered in a vehicular accident, is a damage and not an income and cannot be treated as taxable income

### GST Council [31<sup>st</sup> Meeting]

- ❑ Due date for GST Annual Return and Audit Report extended till 30th June 2019.
- ❑ Amendment of section 50 of the CGST Act to provide that interest should be charged only on the net tax liability of the taxpayer, after taking into account the admissible input tax credit, i.e. interest would be leviable only on the amount payable through the electronic cash ledger
- ❑ 5% GST on Air Tickets for Economy Class for Pilgrims. 12% on Premium Tickets.
- ❑ Only Luxury and Sin Products in 28% Slab Now. Out of this, rates of 6 Items reduced Today.
- ❑ GST on Movie Tickets reduced. 12% GST on Tickets up to 100 and Rs. 18% on Tickets valuing more than 100 Rupees.
- ❑ Composition Scheme to be restricted for Small traders only. Threshold Limit for Scheme will also be modified. Final Decision in Next Meeting.
- ❑ Air conditioners, dishwashers largely used by upper segment of society, left at 28%. 13 items of automobile parts, 8 items of cement industry will remain under the 28%
- ❑ Services supplied by banks to PMJDY to be exempted from GST.
- ❑ Services by Banks to Basic Savings Deposit Accounts, PMJDY exempted
- ❑ Taxpayers who have not filed the returns for two consecutive tax periods shall be restricted from generating e-way bills. This provision shall be made effective once GSTN/ NIC make available the required functionality.
- ❑ Late fee shall be completely waived for all taxpayers in case FORM GSTR-1, FORM GSTR-3B & FORM GSTR-4 for the months / quarters July, 2017 to September, 2018, are furnished after 22.12.2018 but on or before 31.03.2019.

The next meeting is scheduled to be in January where a new composition scheme will be framed for small service providers. The threshold for small services will be taken up in next month.



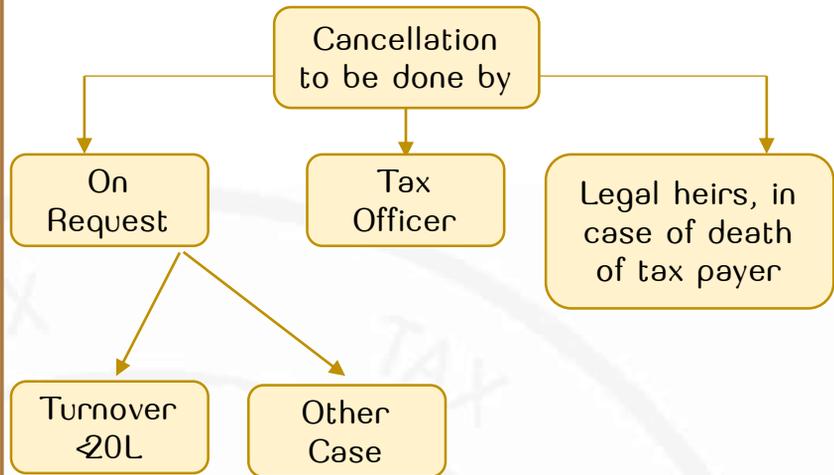
## GST DE-REGISTRATION

### What?

Deregistration of GST shall be in cases where the business is shutting its operations or due to non applicability of GST to the said business.

### Consequences

- The taxpayer will not pay GST anymore
- For certain businesses, registration under GST is mandatory. If the GST registration is cancelled and business is still continued, it amounts to offence



\*\*\* Application for cancellation, in case of voluntary registrations made under GST, can be made only after one year from the date of registration.

### Cancellation if Turnover $\leq 20$ lakhs

- Every person who was registered under old laws had to mandatorily migrate to GST. Many such persons are not liable to be registered under GST. For example, the threshold under VAT in most states was 5 lakhs whereas it is 20 lakhs under GST.
- Such a taxpayer can submit an application electronically in FORM GST REG-29 at the common portal.
- The proper officer shall, after conducting an enquiry as required will cancel the registration.

### Cancellation by Tax Officer

The registration can be cancelled, if the taxpayer-

- Does not conduct any business from the declared place of business or
- Issues invoice or bill without supply of goods/ services i.e., in violation of the provisions OR
- Violates the anti-profiteering provisions for example, not passing on benefit of ITC to customers.

### Cancellation in other cases

- The business has been discontinued
- The business has been transferred fully, amalgamated, demerged or otherwise disposed — The transferee has to get registered. The transferor will cancel its registration if it ceases to exist.
- Change in the constitution of the business [For example- Private limited company has changed to a public limited company]

### Revocation of cancellation

This is applicable only when the tax officer has cancelled the registration of a taxable person on his own motion. Such taxable person can apply to the officer for revocation of cancellation within thirty days from the date of the cancellation order.

**Note:** Revocation cannot be filed if the registration has been cancelled because of the failure to file returns. Such returns to be furnished along with payment of all dues

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## Click of the Month



## Book of the Month -

### You Can Be Healthy

A treatise on holistic health

There is no success like failure

## Natural Remedies Cough vs Ginger



Ginger tea not only tastes good but also helps in treating common cold and cough. The tea helps in drying running and dripping nose, thus expelling phlegm from the respiratory tract. Among various health benefits of ginger, it is known to soothe common cold and speeds up the recovery process.

- o 200 pages
- o Published in 2017
- o Laxmi Publications

This book revolves around the concept that the mind and body are dependent on one another. While anxiety is the root cause of all diseases, a healthy mind boosts the immune system.

The glorious role of Ayurveda, an ancient system of Indian medicine is highlighted so as to demonstrate the innate wisdom of the human body in the present context. The lucid text, thought-provoking topics, catchy verses and observations make the book an interesting read for everyone.



## Trivia

Narayana Murthy was a self-proclaimed socialist, but during his visit to Bulgaria, he was arrested and jailed on talking against Bulgarian govt.

The experience pulled him towards capitalism and he learnt that entrepreneurship and job creation is the way to alleviate poverty. He then founded Infosys.