

BASCO BULLETIN...



We are glad to present our 16th Edition Newsletter “BASCO Bulletin”. I would also like to extend my thanks to my peers, friends and to the team of BASCO for having contributed to this edition. I further extend my heartiest Gratitude and wishes for the New Financial Year 2022-23 and wish you all the success.

We have been in continuous endeavor to match evolving informative needs of our clients and peers and to be a part of the Global Village of our fraternity.

Form 26AS, AIS and TIS

Till now we have a 26AS statement which primarily provides the details as regards taxes deducted/collected from your income as well as the details of taxes paid by you directly. Now the government intends to expand the scope of details which would be available to the taxpayer which will help the taxpayer in filing their income tax returns more accurately.

Form 26AS (Annual Statement) is a comprehensive statement which consists of TDS deducted, TCS collected, Income Tax refund, high-value transactions, advance tax paid of a “person”. Now days after introduction of GST, it also collects turnover details too.

Steps to Views or Download Form-26AS:

- E-filing Portal
- Net-banking
- Via Login to Traces (TDS Reconciliation Analysis and Correction Enabling System).

The taxpayer's information which was earlier available for Assessing Officer only. From F.Y.2020-21 Central Board of Direct Taxes has announced availability to assessee too in the form of Annual Information Statement (AIS) & Taxpayer Information Summary (TIS). The move will bring more transparency and detail to the form and the financial condition of the assessee.

The newly launched (AIS) is a tool that tells taxpayers what the tax department knows about them. AIS is a statement containing details of all the financial transactions undertaken by you in a financial year (FY), i.e. it contains the information that is specified under the Income-tax Act. AIS contains information related to income earned from various sources such as salary, dividend, interest from savings account, recurring deposits, sale and purchase of equity shares, bonds, mutual funds etc. The statement also contains information related to TDS, TCS and any tax demand or refund.

TIS is a category showing a summary of all transaction during the financial year. It is a consolidated summary of AIS. AIS and TIS both can be downloaded from e-filing portal.

AIS provides ease of access! It can be accessed now on the e-filing portal & downloaded easily in downloadable formats of PDF, CSV & JSON (machine-readable format). Click on link 'AIS' under 'Services' tab on <https://incometax.gov.in>.

Whilst Form 26AS only mentions high-value transactions and tax deducted at source, the AIS includes full data of savings bank interest, interest on deposits, capital gains, foreign remittances, and share transactions.

While preparing an Income tax return, "person" should check as it is important to consider Form 26AS, AIS & TIS. We should check the authenticity and accuracy of information available in these Forms, So, we can mitigate the chances of inaccuracy while preparing the ITR.

In case of difference between the actual and stated TDS, the taxpayer cannot claim the TDS of the actual amount. The discrepancy can occur due to the following reasons:

Non-compliance of details to the Department

- Incorrect Account Number
- wrongly filed TDS return
- Incorrect Assessment Year
- Late deposition of TDS
- Omission in Return
- Mismatch in Quoted and Actual TDS

In this case, the taxpayer should approach the deductor and request him to take necessary steps for the rectification of the TDS. The deductor may file the correct TDS/TCS or submit a correction statement for the same. . Any incorrect entry whether it is from our side or other will be highlighted in Form 26AS and it will help you to take appropriate action and if you find something not correct then you can also verify, report, and remove it. This makes things a bit easier for everyone.

Contributed by
-Mrs. Sonu Giya

Need of the hour: Cloud Accounting

First and foremost, please allow me to ask you few questions

Are you finding it difficult to arrange your Financial Data?

Are you finding the New Software costly?

Are you finding it difficult to find an accountant?

Are you finding it difficult to understand complex Financial Transactions?

Most of the professionals like Doctor's, Air captains, Ship Captains, Professors, Lawyers and engineers would answer the above questions as YES! Not only professionals small and mid- size business man would also say YES!

In today's era, where technology is constantly changing, the professionals are finding it nearly impossible to look for a cost-effective software and an accountant and stay financially informed.

Let me share this -Every Year **at the time of Return filing**, clients come to us with their Financial DATA. But those Data fail to provide us appropriate **INFORMATION**. Data provided by them is also **unorganized and scattered**. It becomes very challenging for us as Chartered Accountants to convert *-scattered data into organized information* and prepare a *proper reconciliation of information* provided by the client and information available on various portals like NSDL, Income Tax (Reconciliation with Form 26AS,AIS,TIS). There may be large number of inaccuracies in 26AS, AIS, TIS by wrong filing of returns by third persons. Secondly, how a person can plan for investments without having access to FI in the form of Balance Sheet?

Net-banking, Online ITR Filing, TDS & GST Compliances, staying updated with the ever changing norms has made the lives complex. India striving towards a cashless economy. Digitalization without appropriate technical education is adding up to complexities. Reporting Needs of various Authorities like Income Tax has increased manifold. To elaborate, the ITR and Tax Audit demands detailed reporting of high value financial transactions, adequate calculation of equity and other capital asset gains bifurcated in short and long, collaborating data with 26AS, AIS, TIS.

Such intricate reporting is possible only if the assessee provides us with appropriate information. But the story is sad! What do we get? USER ID's and Passwords of various portals.

To my surprise, common man these days do not prepare and analyse their Financial Statements on regular basis. Unavailability of correct financial information results in wrong and unmatchable financial commitments and decisions.

Real time Information of your Financials in click of a button.

Best available Software for accounting and compliances at very reasonable price.

Your finances to be in safe, reliable and professional hands?

Let me give you the revolutionary solution: CLOUD ACCOUNTING!

What exactly is cloud accounting?

In simple words, cloud accounting is a way to access accounting software via the internet anytime and from anywhere, without actually installing it on your computer or server. Data is stored in the cloud – on a remote server, provided by third-party providers. The most common example of the cloud is internet banking.

Cloud Accounting will benefit you with:

- Easy Reconciliations
- Monthly closing of financial data
- GST and TDS compliance
- Management reports
- Intelligent business Insights from Financials
- Navigate business risks with confidence
- Never miss business opportunities due to a lack of data or financial insights again.
- Accessing accounts anywhere
- Live and Real Information
- Always working with the latest version
- Secure sharing of Data
- Birds eye view of family Net worth
- Will give you cutting edge over other competitors.

Some of the Cloud Software's in the market:



*Contributed by
-CA Rajshree Mimani*

Different Types of ITR form and its applicability

Department has notified 7 different ITR forms i.e. ITR1, ITR2, ITR3, ITR4, ITR5, ITR6 and ITR 7 till date

1. **ITR 1 or SAHAJ** : This Return Form is for a resident individual whose total income for the AY 2021-22 includes:
 - a. Income from Salary/ Pension; or
 - b. Income from One House Property (excluding cases where loss is brought forward from previous years); or
 - c. Income from Other Sources (excluding Winning from Lottery and Income from Race Horses)
 - d. Agricultural income up to Rs.5000.

The form is not applicable for:

- a. Person having total income exceeding Rs.50 lakh.
 - b. Person who is a Director in a company.
 - c. The person have investments in unlisted equity shares at any time during the financial year.
 - d. Person owning assets (including financial interest in any entity) outside India) if you are a resident, including signing authority in any account located outside India
 - e. Person who is resident not ordinarily resident (RNOR) and non-resident
 - f. Person having foreign assets or foreign income
 - g. If a person is assessable in respect of income of another person in respect of which tax is deducted in the hands of the other person.
2. **ITR 2** : ITR 2 is for an individual or a Hindu Undivided Family (HUF) whose total income includes:
 - a. Income from Salary/Pension; or
 - b. Income from House Property; or
 - c. Income from Other Sources (including Winnings from Lottery and Income from Race Horses).
(Total income from the above should be more than Rs 50 Lakhs)
 - d. An Individual who is a Director in a company
 - e. Person having investments in unlisted equity shares at any time during the financial year.

- f. Being a resident not ordinarily resident (RNOR) and non-resident
- g. Being a resident not ordinarily resident (RNOR) and non-resident
- h. Income from Capital Gains; or
- i. Foreign Assets/Foreign income
- j. Agricultural income more than Rs 5,000

3. ITR 3: ITR 3 is for Individuals & HUFs having income from proprietary business or are carrying on any business or profession. The persons having income from the following sources are eligible to file ITR 3 :

- a. An Individual who is a Director in a company
- b. Person having investments in unlisted equity shares at any time during the financial year
- c. Return may include income from House property, Salary/Pension and Income from other sources
- d. Income of a person as a partner in the firm

4. ITR 4 or SUGAM: ITR 4 applies to individuals and HUFs, Partnership firms (other than LLPs), which are residents and whose total income include:

- a. Business income according to the presumptive income scheme under section 44AD or 44AE
- b. Professional income according to presumptive income scheme under section 44ADA
- c. Income from salary or pension up to Rs.50 lakh
- d. Income from one house property, not more than Rs.50 lakh (excluding the amount of brought forward loss or loss to be carried forward)
- e. Income from other sources having income not more than Rs.50 Lakh (excluding income from lottery and race-horses)

The form is not applicable for:

- a. Person having total income exceeding Rs.50 lakh.
- b. Person who is a Director in a company.
- c. The person have investments in unlisted equity shares at any time during the financial year.
- d. Person owning assets (including financial interest in any entity) outside India) if you are a resident, including signing authority in any account located outside India
- e. Person who is resident not ordinarily resident (RNOR) and non-resident
- f. Person having foreign assets or foreign income
- g. If a person is assessable in respect of income of another person in respect of which tax is deducted in the hands of the other person.

5. **ITR 5:** ITR 5 is for firms, LLPs (Limited Liability Partnership), AOPs (Association of Persons), BOIs (Body of Individuals), Artificial Juridical Person (AJP), Estate of deceased, Estate of insolvent, Business trust and investment fund.
6. **ITR 6:** For Companies other than companies claiming exemption under section 11 (Income from property held for charitable or religious purposes)
7. **ITR 7:** For persons including companies required to furnish returns under section 139(4A) or section 139(4B) or section 139(4C) or section 139(4D) or section 139(4E) or section 139(4F).
- Return under section 139(4A) is required to be filed by every person in receipt of income derived from property held under trust or other legal obligation wholly for charitable or religious purposes or in part only for such purposes.
 - Return under section 139(4B) is required to be filed by a political party if the total income without giving effect to the provisions of section 139A exceeds the maximum amount, not chargeable to income-tax.
 - Return under section 139(4C) is required to be filed by every –
 - Scientific research association;
 - News agency ;
 - Association or institution referred to in section 10(23A);
 - Institution referred to in section 10(23B);
 - Fund or institution or university or other educational institution or any hospital or other medical institution.
 - Return under section 139(4D) is required to be filed by every university, college or other institution, which is not required to furnish return of income or loss under any other provision of this section.
 - Return under section 139(4E) must be filed by every business trust which is not required to furnish return of income or loss under any other provisions of this section.
 - Return under section 139(4F) must be filed by any investment fund referred to in section 115UB. It is not required to furnish return of income or loss under any other provisions of this section.

Contributed by
-Ms. Ankita Chopra

FINANCIAL RATIOS

The MCA vide its notification dated 24th March, 2021 regarding amendment to Schedule III has mandated disclosure of following 11 ratios in the financial statements by all the companies in respect of financials prepared beginning with **1st April' 2021**.

S. No.	Ratios	Numerator		Denominator
1	Current Ratio	Current Assets	/	Current Liabilities
2	Debt-Equity Ratio	Total Debt	/	Shareholder's Equity
3	Debt Service Coverage Ratio	Earnings Available for Debt Service	/	Debt Service
4	Return on Equity Ratio	Profit after tax - Preference Dividend	/	Average Shareholder's Equity
5	Inventory Turnover Ratio	Cost of Goods Sold	/	Average Inventory
6	Trade Receivables Turnover Ratio	Net Credit sales	/	Average Trade Receivables
7	Trade Payables Turnover Ratio	Net Credit Purchases	/	Average Trade Payables
8	Net Capital Turnover Ratio	Net Sales	/	Average Working capital
9	Net Profit Ratio	Profit after tax	/	Net Sales
10	Return On Capital Employed	Earnings Before Interest & Tax	/	Capital Employed
11	Return On Investment	FVI(T1) - FVI(T0) + Inv Income - Addition (At cost) + Deletion (Sale value)	/	Weighted Average cost of Investment

Notes:

- ✓ **Debt:** Long Term Borrowings + Short Term Borrowings.
- ✓ **Shareholder Equity:** Share Capital (Equity + Preference) + Reserves & Surplus + Money received against Share Warrants + Shareholder money (pending allotment).
- ✓ **Earnings Available for Debt Service:** Net profit before Taxes + Non-Cash expenses (like depreciation, etc.) + Interest + Other Adjustments like loss/ (profit) on sale of Fixed Assets, etc.
- ✓ **Debt Service:** Interest & Lease Payments + Principal Repayments.
- ✓ **Cost of Goods Sold:** Sales - Gross Profit (In case if GP is not ascertainable, calculate using sales and provide a note for the same).
- ✓ **Working Capital:** Current Assets - Current Liabilities.
- ✓ **Earnings before Interest & Tax:** Earnings before Tax + Interest.
- ✓ **Capital Employed:** Net worth + Total Debt + Deferred Tax Liability.
- ✓ **FVI (T1)** = Market value (Cost, if MV not avbl) of Investment at end of period.
- ✓ **FVI (T0)** = Market value (Cost, if MV not avbl) of Investment at beginning of period.
- ✓ **Inv Income** = such as Dividend, etc.
- ✓ **Weighted Average Cost of Investment** = Based on no of days outstanding during the year.
- ✓ **Average** = Means Average of Opening & Closing figures for the year.

*Contributed by
-Ms. Priya Agarwal*

Role of Administration in an organization

The **administration department** is the **backbone** of a company. **Planning** is the most vital task of an Administrator. It is a responsibility for him/her to plan long term objectives that can help the organization to reach its ultimate goal. The professionals in the admin department in any company need to analyse that how, when, where and with whom the plan should be made and executed accordingly.

An **efficient administrator** is **connecting link between employees and management**. The admin team understands the need for the employees as well as the management and hence plans things accordingly to meet their demands. It is the sole responsibility of an administrator to take care of the expectations and performances of each individual.

It is very difficult to run an organization without a good administration faculty. The administrative department manages the finances of an organization from both an accounts-payable and accounts receivable view point.

Administrator makes the rules & regulations and applies these rules in an organization. Unity of command, order, discipline, planning and separation of powers are the principles of administration. But without presence of an administrator an organization can never work in a sound way.

It ensures the smooth functioning of an organization. The basic role is to ensure the compliances of rules & regulations framed by the company. Each and every individual should understand the role and importance of an organization and it paves way for growth of the company and it helps in creating sound image of the company.

*Contributed by
-Mr. Bijay Singh*

I

The most common word used in our life is 'I'. The word has got very simple meaning as per the Doha written by **"Rahim Dasji"** which is as given below:-

"Jab main tha, tab Hari nahin, ab Hari hai main nahin,

Prem gali ati saankri, jaame do Na samahin."

It clearly says that I means arrogance. Rahim Dasji was very clear that arrogance and God cannot co-exist. And nobody can deny that. In the write up, I have tried to elaborate 'I' in different context. Here I say 'I' in the way that I am arrogant but arrogant for the following traits. Everyone should write with proud that I am what I am and I improvise by writing honestly in the following format:-

I am PUNCTUAL.

I do EXERCISE daily.

I don't carry forward my routine WORK.

I don't OVER EAT.

I eat HEALTHY FOOD.

I REPLY my mails, sms, WhatsApp messages, and calls on daily basis.

I READ a lot.

I SEE and LISTEN more and SPEAK less.

I respect ELDERS.

I try to be RICH by following fair means.

I hate LAST minute RUSH.

I love GARDENING.

I EDUCATE students.

I do ZAKAT.

I avoid ARGUMENTS.

I practice TIME MANAGEMENT.

I practice to be a good TEAM LEADER.

I believe in ' WORK IS WORSHIP!'.

I avoid using PHONE during meetings.

I keep my workspace CLEAN.

I maintain BOUNDARY for every person

I RESPOND on regular basis to my seniors on the work allotted to me.

I try to be the ROLE MODEL for my team members

I love my COUNTRY.

I bow my head before SOLDIERS.

I bow my head before ROLE MODELS.

*Contributed by
- CA Arun Patodia*

The Era of Digital Innovation:

We all wear multiple hats-as individuals, as citizens, as members of a community, an entity, a sector, a profession. If we ask ourselves how the digital revolution has reshaped our world in the last decade plus, irrespective of these multiple hats or personas, the simple answer will be 'irreversibly and astoundingly!' The new normal as defined by Digital is here and how:

- The Smart Phone is our new personal assistant
- Music is streamed and not bought in CDs or downloaded
- OTT is new entertainment rage and not Friday Blockbuster
- there are only six degrees of separation between any two people around the world and reducing
- We communicate over WhatsApp, shop online, order food online
- Cloud has a new meaning
- People never really leave the office; the office is at home.....

The last decade has seen tremendous technological innovation, which has fundamentally redefined businesses and changed the way we live and work. This was led largely by the proliferation of telecom and smartphones and the rise of data, which accelerated the growth of e-commerce, social media, artificial intelligence and biotechnology. We have seen the emergence of new business models in the era of 'Access Economy' where customers access/rent goods and services instead of buying them outright. Companies such as Airbnb and Uber are good examples of the access economy in practice.

The incentive driven market is known to be the leader when it comes to technological adoption whereas the non-market is mundanely known to be the laggards. In the past decade, courtesy of the political will to bring transparency and efficiency in the governmental processes, the digitization inside the government machinery has seen a rapid adoption bringing them from the laggards to somewhat the leaders in the digitization marathon. This rapid digitization has not only brought transparency in the system but also made the policy rollout less costly and swift.

Using the digital building blocks approach, India achieved in a decade what would have taken its peers 47 years, based on historical trends.

Digital transformation is an ongoing societal process. Many of the digital tools we use today did not exist a decade ago and some may not survive beyond the next decade. The only constant in the digital world is change, and individuals, businesses, governments, and societies need to adapt quickly to keep up with it.

Professionals engaged in either government or the market need to understand the system level effects of this digitization era and need to equip themselves to maintain relevancy.

Let us look at some of the fundamental effects of this digitization on businesses and professionals:

□ Digital tools for driving productivity and efficiency: The resilience of the economy supported by technology and innovative thinking during the course of the pandemic has astounded many across segments. The business continuity during periods of lockdowns - virtual meetings, paperless offices, and cloud based collaboration tools to support work from home, have set the new normal and also discovery of useful tools to drive productivity and cost efficiencies. What was a 'nice to do' became a 'must do'.

□ Businesses are pivoting around data: If cloud is the digital foundation, then data are the building blocks of the new world technology. There is a data deluge, thanks to the virtual world and channels. As our cities, businesses and citizens use smart technologies, the true value and smartness will reside in unlocking power of data. This will be one of the biggest business priority of the next decade. Also with this comes the facet of how as professionals we can leverage data in our sphere of influence and control.

□ Experience is everything: Customer insights are no longer a support function. Customers want real time action and personal experiences. Companies can use tech to differentiate, by delivering exceptional experiences, bolstering positive brand perception and market differentiation. It is pertinent to understand this applies to both external and internal customers and the partner ecosystem.

Importance of security and privacy: IT security has always been important, but in this era of digital transformation it has come to fore. As data grows rapidly, cyber security and threat actors have also become major security issues. Meanwhile, regulation is tightening, raising the stakes for companies even further. Hence the accountability at an individual, company and regulatory level have all become significant.

□ Ecosystem approach to bridge skill gap: The wave of digitization has accelerated dramatically and it is very challenging to keep pace with it. Employees must know how to get the benefits of digital technology before they can help customers do the same. The persistent skill gap across levels cannot be addressed with age old practices of building solutions. These times call for a partnership approach coupled with a lifelong learning adoption. "Digital Transformation is more about humans than Digital" is the holy grail of digital adoption.

*Contributed by
-CS Khushbu Gupta*



Compliance Check

Due Date for Annual ROC Compliance for the F.Y 2021-22 for next 3 months:

E-forms	The object of e-form	Time-line	Last Date	Remarks
• E-Form MSME 1	• Outstanding Payment to MSME	• October 2021 to March 2022	• 30.04.2022	• -----
• E-Form LLP 11	• LLP Annual Return	• Annual Compliance	• 30.05.2022	• Applicable to all LLPs
• E-Form PAS 6	• Reconciliation of share capital audit report	• For half-year ending on 31st March, 2022	• 30.05.2022	• Applicable to all unlisted Public Company
• E-Form DPT 3	• Return of Deposit	• Annual Compliance	• 30.06.2022	• Applicable to all Company

*Contributed by
- Ms. Vrinda Rajgharia*

TDS Due Date For F.Y 21-22

Quarter	Period	Last Date of Filing
1st Quarter	1st April to 30th June	31 st July 2021
2nd Quarter	1st July to 30th September	31 st October 2021
3rd Quarter	1st October to 31st December	31st Jan 2022
4th Quarter	1st January to 31st March	31st May 2022

Due Date for submission of Return of Income

Different Situations	Due date of submission of return
Where the assessee is required to furnish a report under section 92E Pertaining to international / specified domestic transaction(s)	30th November
Where the assessee is a company [not having international or specified domestic transaction(s)]	31st October
Where the assessee is a person [not having international or specified domestic transaction(s)] --	
1. In case where accounts of the assessee are required to be audited under any law	31st October
2. where the assessee is a partner in a firm whose accounts are required to be audited under any law	31st October
3. In any other case	31st July

***Contributed by
-Ms. Ankita Chopra***

LIFE AT BASCO

Star Performers



Festives at Basco



Saturday activities





CCHI Performer





Nothing worth having comes easy

A man found a cocoon of a butterfly. One day a small opening appeared. He sat and watched the butterfly for several hours as it struggled to force its body through that little hole.

Later it **suddenly stopped making any progress** and looked like it was stuck.

So the man decided to help the butterfly. He took a pair of scissors and snipped off the remaining bit of the cocoon. The butterfly then emerged easily, although it had a swollen body and small, shrivelled wings.

The man didn't think anything of it and sat there waiting for the wings to enlarge to support the butterfly. But that didn't happen. The butterfly spent the rest of its life unable to fly, crawling around with tiny wings and a swollen body.

Despite the **kind heart of the man**, he didn't understand that the restricting cocoon and the struggle needed by the butterfly to get itself through the small opening were God's way of forcing fluid from the body of the butterfly into its wings. To prepare itself for flying once it was out of the cocoon.

Moral of the story: Our struggles in life develop our strengths. Without struggles, we never grow and never get stronger, so it's important for us to tackle challenges on our own, and not be relying on help from others.

*Contributed by
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Disclaimer- This newsletter is meant for internal circulation and general information purposes only. These informational materials are not intended, and must not be taken, as legal advice on any particular set of facts or circumstances.



We have been engaged in the profession of Chartered Accountants since 1997. We have a professional team of young and energetic individuals having dynamic approach towards offering high quality professional services to our clients which has helped us immensely in building long term mutual benefit relationships.

AREAS OF SERVICES: -

- Audit
- Taxation (Direct Tax)
- International Taxation
- Consultancy
- Secretarial works
- Valuation
- Registration

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