



We are glad to present the 6th **Edition** of our 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 shall be glad to receive all kinds of suggestions for our future editions. Through our newsletter we are taking this initiative, keeping in mind such evolving informative needs of our clients and peers and to be a part of the Global Village of our fraternity.

As we all now gear up for another cycle of ITR Return Filing and Audits, inclusive of the GST Audit, its becomes more so pertinent on our part to get ourselves equipped with the latest changes and also to educate the clients with the increasing information requirements. Here I have tried to present a synopsis of the recent changes with respect to ITR forms along with multi fold increase in Information Requirements, which makes it mandatory to prepare ourselves in advance and avoid last minute rush.

ITR Forms: A.Y. 2019-2020

Income-tax Return Forms or in short ITR Forms are the prescribed formats in which a taxpayer has to provide the information about his income, source of such income and income-tax paid or payable thereon to the Income-tax Department. The Dept. has issued seven types of ITR Forms which are to be used by different class of taxpayers.

A taxpayer might have different complexities, in terms of nature of income and source of such income, from another taxpayer. Therefore, different ITR forms are prescribed for various classes of taxpayers.

ITR 1:

- Earlier ITR-1 was applicable for both Residents, Residents Not ordinarily resident (RNOR) and also Non-residents. Now, this form (in phased manner in previous years) has been made applicable only for resident and Ordinarily Resident individuals.
- The condition of the individual having income from salaries, one house property, and other income and having total income up to Rs 50 lakhs continues.
- There is a requirement to furnish a break-up of salary. Until now, these details would appear only in Form 16 and the requirement to disclose them in the return had never arisen.
- There is also a requirement to furnish a break up of Income under House Property which was earlier mandatory only for ITR -2 and other forms.
- Salary and House property changes can be noted from the below screenshot.

PART B GROSS TOTAL INCOME		Whole- Rupee(₹) only	
SALARY / PENSION	B1 i Salary (excluding all allowances, perquisites and profit in lieu of salary)	i	
	ii Allowances not exempt	ii	
	iii Value of perquisites	iii	
	iv Profit in lieu of salary	iv	
	v Deductions u/s 16	v	
	vi Income chargeable under the head 'Salaries' (i + ii + iii + iv - v)		B1
HOUSE PROPERTY	B2 Tick applicable option <input type="checkbox"/> Self Occupied <input type="checkbox"/> Let Out	If let out, furnish details below -	
	i Gross rent received/ receivable/ lettable value	i	
	ii Tax paid to local authorities	ii	
	iii Annual Value (i - ii)	iii	
	iv 30% of Annual Value	iv	
	v Interest payable on borrowed capital	v	
vi Income chargeable under the head 'House Property' (iii - iv - v)		B2 ()	
B3	Income from Other Sources		B3

- Under the Schedule on TDS, there is also an additional field for furnishing details of TDS as per Form 26QC for TDS made on rent. Also, provision for quoting of PAN of Tenant for such rent cases has been made.
- Agricultural Income upto Rs. 5000/- can only be disclosed in ITR 1.
- Not for an Individual who is either Director in a company or has invested in Unlisted Equity Shares.
- Only Applicable to be filed in Paper form for Super Senior Citizens.

ITR 2:

- Given that ITR-1 is not applicable for the RNORs and the non-residents, they have to necessarily go with ITR-2 for filing their return of income.
- The applicability of ITR-2 has been made clearer in as much as now it is applicable for individuals and HUF having income other than income under the head “Profits and Gains from Business or Profession”.
- The field of “Profits and Gains from Business or Profession” which was earlier featuring under Part B – TI has now been removed.
- Following this, Schedule-IF (Income from Firm) and Schedule-BP have also been removed. This now means, anyone earning income from a partnership firm, now has to file ITR-3 and not ITR -2
- Additionally, under Schedule AL, the field pertaining to “Interest held in the assets of a firm or association of persons (AOP) as a partner or member thereof” has been done away with
- Similar to ITR -1, even in ITR-2, under the Schedule on TDS, there is also an additional field for furnishing details of TDS as per Form 26QC for TDS made on rent. Also, provision for quoting of PAN of Tenant for such rent cases has also been made.

ITR 4:

- There is an additional requirement to quote GSTR No. and turnover/gross receipts as per GST return filed.
- Further, fields have been added under Financial particulars where now an assessee has to declare the following additional information.
 - a. Partners/ Members Capital
 - b. Secured Loan
 - c. Unsecured Loan
 - d. Advances
 - e. Fixed Assets
- For Individuals, HUFs and Firms (other than LLP) being a Resident having Total Income upto Rs.50 lakhs & having income from Business and Profession which is computed under sections 44AD, 44ADA or 44AE
- Not for an Individual who is either Director in a company or has invested in Unlisted Equity Shares.
- Only Applicable to be filed in Paper form for Super Senior Citizens

INFORMATION REGARDING TURNOVER/GROSS RECEIPT REPORTED FOR GST			
E9	GSTR No.	E9	
E10	Amount of turnover/Gross receipt as per the GST return filed	E10	
FINANCIAL PARTICULARS OF THE BUSINESS			
NOTE—For E11 to E25 furnish the information as on 31st day of March, 2018			
E11	Partners/ Members own capital	E11	
E12	Secured loans	E12	
E13	Unsecured loans	E13	
E14	Advances	E14	
E15	Sundry creditors	E15	
E16	Other liabilities	E16	
E17	Total capital and liabilities (E11+E12+E13+E14+E15+E16)	E17	
E18	Fixed assets	E18	
E19	Inventories	E19	

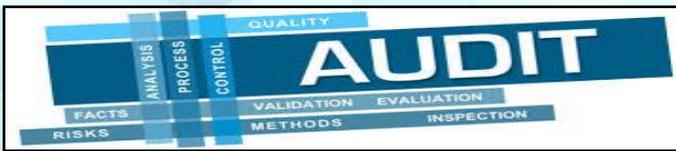
ITR 3 & 5:

- This ITR-3 has been specifically prescribed for individuals and HUF having “Income from Profits and Gains from Business or Profession”. ITR-5 for Firms, Including LLPs
- New Schedules introduced for Manufacturing Account and Trading Account Cost of Goods Produced is transferred to Trading Account and Gross Profit if transferred to Profit & Loss A/c
- Under General Information, a field relating to Section 115H has been added which relates to benefit being availed under certain cases even after the taxpayer becomes a resident.
- Fields under Schedule PL have been modified to include GST related details.
- Depreciation has been limited to a maximum of 40% in all depreciation related schedules.

ITR 6:

- Shareholding of unlisted company, other than start ups for which SH 2 to be filled up. Details of shareholders of the unlisted company is sought in three parts
- New point in respect of Startups (in consonance with circulars exempting applicability of 56(2)(x))
- In addition to the balance Sheet figures having reported somewhere in the IT Return, certain Assets and liabilities, as per the Schedule AL-1 are required to be reported which are present as at the close of the Financial year i.e. Assets and liabilities as at the end of the year. Mandatorily required to be filled up by an unlisted company.

- *Contributed by CA Ayush Goel*



Standards on Auditing

To ensure that information provided in the financial statements are of high quality and are acceptable worldwide the Auditing and Assurance Standards board under the council of Institute of Chartered Accountants (ICAI) have formulated few Standards. These are in line with the International Standards issued by the International Auditing and Assurance Board (IAASB).

Auditing and Assurance Standard ('AAS') have been re-numbered and classified in five categories as Standards on Auditing:

- **Standards of Quality Control (SQC)** for all the services under Engagement Standards. These standards are applicable to all auditing firms which perform audits and reviews of historical financial information including assurances and related service engagements.
- **Standards on Auditing (SAs)** for auditing historical financial information. These apply whenever any independent Audit is carried out. All SAs are interlinked and have to apply in unity. The number given to SA is similar to the numbering system followed for International Standards on Auditing formulated by IAASB.
- **Standards on Review Engagements (SREs)** for reviewing historical financial information
- **Standards on Assurance Engagements (SAEs)** for assurance engagements other than the audits and reviews of financial information
- **Standards on Related Services (SRSs)** for all engagements about the application of agreed procedures to information, compilation engagements, and other related services engagements

In simpler words, whenever an independent examination of financial information is carried on for ANY entity whether the business motive is to make the profit or not, whether the size of the entity is big or small or even if the entity has any legal form (unless any laws specifies something else) the SAs will be applicable.

Within the firm policies and procedures should be designed to promote an internal culture that quality is essential in performing engagements. It should require that if appropriate, the firm's highest authority to assume ultimate responsibility for the system of quality control.

- *Contributed by Ms. Silky Parmanandka*



Financial Insights

The unique part of Financial Planning is that it varies from person to person. The requirements and availability resources vary from person to person.

The requirements are endless and resources are limited, therefore planning plays an important part. When someone plans for investment he has to consider numerous financial & non financial aspects. He is fancied by the successful achievements of investors like **Mr. Warren Buffet, Mr. Rakesh Jhunjhunwala** and so on. In the early age, he picks only those things which are suitable to him or which fascinates him. He creates an illusionary world whereby he thinks that he is unique and will be able to prove everybody wrong, he is so confident that he believes that all the laid down principles are wrong and in the process he ends up proving himself wrong. By the time he understands the reality he already had lost two things, one is important working part of his life and second one is obvious i.e. Good amount of money.

We shall be discussing various aspects of saving as it is a well known fact that saving creates investment. Now, let us understand the earning cycle of a man.

When a child is born, he receives certain gifts from relatives. His only source of income till he completes his study is petty gifts and pocket money. When he completes his study he starts earning but the amount of earning is meager in comparison to his and his family members' demands. Gradually his earning stabilizes and the moment his income is on increasing trend, his expenditure also increases to many folds once he gets married. Once family extends, their study, medical issues and certain loans like car loan, housing loan etc and in the process he reaches to an age whereby he feels that his retirement is a reality and he starts worrying for retirement. This is the story of common man in every part of this world.

In the above scenario it is felt that one hardly get any time to save big and ends his life by making so many planning but execution never comes into play.

Here discipline comes into picture for fulfilling our demands. **Rome was not built in a day**, meaning thereby it takes time to give shape to the resources to fulfill our demands.

It is not the income which should determine our savings but it is the needs of future which should decide our savings. It clearly indicates that income minus saving should determine the expenditure. Expenditure should be the resultant figure after which saving can be channelized to fulfill our demands.

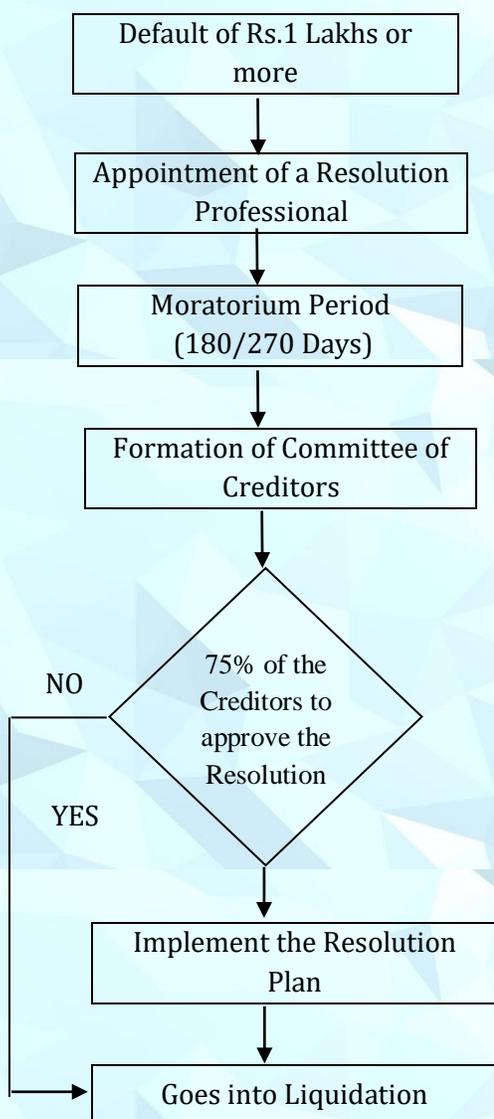
One should clearly identify the desires. Whatever saving one does in the form of petty gifts should be kept in long term mode. The person should be intelligent enough to develop clarity on his needs (he should write those in plain paper) considering those things which are long terms in nature, which includes education expenses of child, buying of new home, marriage of child, retirement planning etc. Medical expenses etc can be checked in by taking proper mediclaim policy. Once needs are specific than those need should be matched with amount required. Help of Financial consultant should be taken at this juncture so that requirement of fund at the required time is matched with today's saving. This approach towards investment & Saving will lead one in a position to achieve what is expected by him in life and the financial life becomes contended and easier.

FINANCE

INSOLVENCY AND BANKRUPTCY CODE 2016

The Insolvency and Bankruptcy Code, 2016 is the bankruptcy law of India which seeks to consolidate the existing framework by creating a single law for insolvency and bankruptcy. Insolvency Code is a comprehensive law which envisages and regulates the process of insolvency and bankruptcy of all persons including corporate, partnerships, LLPs and individuals. The National Company Law Tribunal (NCLT) will adjudicate insolvency resolution for companies. The Debt Recovery Tribunal (DRT) will adjudicate insolvency resolution for individuals.

RESOLUTION PROCESS



In 2018, over Rs. 80,000 crore was recovered from various corporate debtors, which had defaulted payments, under the IBC through various insolvency proceeding at the NCLT and the NCLAT (National Company Law Appellate Tribunal).

Following are some of the examples:-

Orders passed by NCLT				
SN	Financial Creditor	Corporate Debtor	Amount of Default	Date of Order
1	State Bank of India/Standard Chartered Bank	Essar Steels Ltd. / Essar Steels India Ltd.	45000 Cr	02-08-2017
2	M/s. Edelweiss Asset Reconstruction Co. Ltd.	M/s. Murli Industries Ltd.	1365.40 Cr	05-04-2017
3	Punjab National Bank	Bhushan Power & Steel Ltd	37240 Cr	23-04-2018
4	M/s. Alcon Laboratories (India) Pvt. Ltd.	M/s. Vasana Health Care Pvt. Ltd.	97.74 Cr	21-04-2017
5	Alchemist Asset Reconstruction Co. Limited	Moser Baer India Limited	185.37 Cr	14-11-2017

Introduction of Insolvency and Bankruptcy Code 2016 (hereinafter referred to as IB Code 2016) is welcome step and need of the hour being part of ease of doing business in India. It will boost lengthy winding up process and reduce the time and good exit option in case business could not get success.

*"We all need somewhere where we feel safe"
- Emma Thompson*

A safe home is always a need of a person and a safe locality is a need of the society. People living in societies or standalone buildings need to have a sense of security. This makes them hire a security agencies, install CCTV cameras etc. and what not to make them feel secure, which duly cost them half of their funds. Although nobody provides 100% security guarantee. Amidst this all, to better the daily lives of residents, managing committees and security personnel, a Bangalore based startup company has come up with an idea of safe homes with just installation of an Application named **MyGate**.

MyGate provides better security options by simply downloading the application on the phone. This is more of a communication based technology which enhances communication between the managements and the residents.

Services MyGate Provides are:

- +** **Domestic Help Management** - They provide Domestic help with a service profile. They also help resident to review the services so that others could hire them according to the reviews and ratings (out of 5). Traditionally the helpers need a hand written note to get entry but they have been replaced with a Digital Gate Pass which simply scans the QR code at the entrance.
- +** **Delivery Management** - Traditionally delivery personnel's would knock doors at their convenience which is now being considered by providing an option of approval or denial of their entrance and also provides an option to leave the parcel with the security guard on non availability at home.
- +** **Security Alerts** - Raising an alarm for any mishappening with just a touch in the app. This would alert the security guards regarding the issues. Although there's a feature of taking approval from parents before letting the child leaves the society.
- +** **Communication Management** - They provide centralized communication system where they could reach every single user one at a time or in a group. Any notice could be provided easily and with a proper track. They help in two way communication, as people can participate in polls regarding joint decisions, can complaint regarding services and keep a track of it, etc.

- Contributed by Mr. Rahul Agrawal

A BRIEF ABOUT ROC FILING FORMS:

Every company is required to file the annual accounts and annual return as per The Companies Act, 2013 within 30 days and 60 days respectively from the conclusion of the Annual General Meeting. The ROC filing of annual accounts is governed under Section 129(3), 137 of The Companies Act, 2013 read with Rule 12 of the Company (Accounts) Rules, 2014 and annual return is governed under Section 92 of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014.

As a part of Annual Filing, Companies incorporated under the Companies Act 1956 or Companies Act 2013, are required to file several eForms with the Registrar of Companies, some of which are as follows:

AOC 4 & AOC 4 CFS:

- ❖ PURPOSE: Filing of Annual Accounts
- ❖ DUE DATE OF FILING: 30 days from the conclusion of the AGM (In case of OPC within 180 days from the close of the financial year)
- ❖ DUE DATE FOR F.Y. 2018-19: 29th October 2019.

MGT 7:

- ❖ PURPOSE: Filing of Annual Return
- ❖ DUE DATE OF FILING: 60 days from the conclusion of AGM
- ❖ DUE DATE FOR F.Y. 2018-19: 29th November 2019.

MGT 14:

- ❖ PURPOSE: Filing of resolutions with MCA regarding Board Report and Annual Accounts
- ❖ DUE DATE OF FILING: 30 days from the date of Board Meeting
- ❖ DUE DATE FOR F.Y. 2018-19: 30 days from the date of Board Meeting.

NOTE:

- ❖ Additional Fees for E-form AOC-4 (XBRL and Non-XBRL) and E-form MGT-7 after the due date is **Rs. 100 per day** with effect from 1st July 2018.
- ❖ AOC 4 CFS is to be prepared in case of **Consolidated Financial Statements**.
- ❖ MGT 14 is applicable only for **public companies**.

- Contributed by Ms. Muskan Agarwal



Bank Audit Seminar by ICAI:



Seminars & Discussions on Taxation by CA Ayush:



KYC Sessions at our Premises:



Swacha Office Abhiyan - Saturday Cleaning:



Advance Tax:

Advance Tax Needs to be paid when the tax payable of assessee is **Rs. 10, 000/-** or more during the Year.

For all assessee (Other than those covered under 44AD)	
Due Date of Installments	Amount Payable
On or before 15 th September	45% of the Advance Tax

TDS:

Due date of Filing of TDS Return	
Period	Due Date
July - September	31 st October

Different due dates are prescribed for payment of TDS:

Due date for payment of TDS	
Month belongs to	Due Date
July	7 th of August
August	7 th of September
September	7 th of October

ITR:

Due date for filling of Return	
Category	Due Date
Individuals, HUF, BOI, AOP. (Taxpayers with no audit requirement.)	31 st July
Company, Taxpayers whose accounts need to be Audited, Working partner (whose firm's books need to be Audited)	30 th September

STAR PERFORMER OF THE MONTH

March : Mr. Abhishek Shaw
 April : Mr. Harshit Choudhary
 May : Ms. Ritagni Sha

CCHI PERFORMER OF THE MONTH

March : Mr. Sandeep Shaw
 April : Ms. Simran Jain



Motivational Corner

Good Habits: Small Steps towards Success.

Have you ever set out with the goal of actually sticking to a new behavior, only to find yourself not doing it at all one week later? A bad habit never disappears miraculously. It's an undo-it-yourself project.

Life Goals Are Not Habits

Everyone has hopes and dreams and most of the time, we have a sense of what those goals are: a healthy life, the love we want to share with our friends and parents. Overall it helps us by giving a sense of direction; purpose to live for in life and the motivation to achieve them.

However, sometimes hopes and dreams actually sabotage us from becoming better. It can lure us into doing things we shouldn't do.

Like we get excited by the stories our friend tells us of travelling and we start planning our own World Trip, only to end up overwhelmed and stay in our room.

Or a person finally gets the urge to write a book, he writes day and night through the weekend, only to go back to his work on Monday and never come back to his book again. Often, we are driven into frenzy due to our desires and urges, and instead of solving our problems by taking small steps; we try to solve them all at once.

The dreams that you have are very different from the actions that will get you there.

Small steps help in Getting Big

If you are serious about doing things better than you are now, then you have to start small.

We should repeat tiny, daily behaviors that will make success inevitable.

What if losing 20 Kilos wasn't dependent on discovering a super formula or finding the extra perfect diet, but based on a series of tiny habits that you can always control? Like having ample amount of sleep, drinking adequate amount of water, walking everyday for 20-30 minutes.

If the right seed is planted at the right spot, it will be grown without any further coaxing.

I believe this is the best metaphor for creating habits. Thus, if you pick the right small behavior and sequence it right, then you don't have to motivate yourself to have it grow, it will just happen naturally.

Life goals are good to have because they provide direction, but they can also trick you into taking on more than you can handle. On the other hand, daily habits and tiny routines, that are repeatable, are what make big dreams a reality.

"Good habits are hard to form but easy to live with; bad habits are easy to form but hard to live with"

- Contributed by Mr. Keshav Patodia

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•Sakshi Rathi

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.

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

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