

E-Samaachaar



Monthly Newsletter

UNION BUDGET 2020

Agriculture

Tax Rate

Infrastructure

Customs

Economy

Caring Society

Transport

Technology

Finance

Education

Health

Industry

Automobile

Real Estate

Communication

Tax payers

Sanitation

Deficit

Women and Children

Expenditure

Rural and Urban

Banking

Aspiring India

Insurance

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Editor's Note: Every effort has been made to avoid errors or omission in this publication. Any mistake, error or discrepancy noted may be brought to our notice which shall be taken care of in the next edition. It is notified that neither the Managing Committee nor the author of any articles will be responsible for any damage or loss of action to any one , of any kind, in any manner, therefrom. It is suggested that to avoid any doubt the reader should cross-check all the facts, law and contents of the publication with original government publication or notifications

Chairman's Message



Dear Professional Colleagues,

"If you are not willing to learn, no one can help you. If you are determined to learn, no one can stop you."

The beautiful thing about learning is that nobody can take it away from you. Capacity to learn is a gift, the ability to learn is a skill, and the willingness to learn is a choice.

CAs are required to constantly work and learn at the same time. This requires self-motivation to keep learning and adapting. They need to understand the day to day changes in the business world affecting organizations. The changing economic scenario, thanks to various policies of the Government, coupled with disruptive technologies such as Big Data and Analytics, warrant CAs to go beyond the traditional services offered. It also presents opportunities and challenges in equal measures.

Keeping this in mind, our Mangaluru branch has organised several programs in the month of Jan 2020 :

- Certificate Course on Concurrent audit of Banks commenced on 4th Jan (Organised by Internal Audit Standards Board of the ICAI). Four week-end batches (total 8 days) concluded on 19th Jan 2020.
- Seminar on "Opportunities to CA Professionals –Insolvency and Bankruptcy Code (IBC) 2016, Independent Directors and TReDS on 11th Jan. (Speaker CMA CS Dr P Siva Rama Prasad, Hyderabad)
- Seminar on "Penalties under the Income Tax Act 1961" on 17th Jan (Speaker : CA Nitish Ranjan, Bengaluru)
- Seminar on "Impact of GST on MSME Sector and recent updates in GST" on 22nd Jan. (Speaker : CA.Colin O Rodrigues and a special address by CA.K.Raghu, Past President of ICAI).

Besides conducting the above mentioned CPE programs for members, as a mark of our gratitude to our Nation, we celebrated 71st Republic Day with a flag hoisting on 26th Jan at our Institute premises.

Further, on 22nd & 23rd January, we, the Mangaluru branch of ICAI & Mangaluru branch SICASA, jointly hosted a two day Students Conference "Shaikshya" (organised by Board of Studies, ICAI) at Town Hall, Mangalore. Students from Mangaluru, Udupi, Shimoga, Kerala and other surrounding places had participated in this Mega Conference.

"Change Is Inevitable. Change Is Constant"

– Benjamin Disraeli

Progress is impossible without change. Without change there is no innovation, creativity, or incentive for improvement. Change provides us with a challenge and an opportunity to grow and improve and to attract new members with new ideas.

As you are aware, the present Committee took over charge on 16th Feb 2019 and since then the present committee has been in-charge for administrations and operations of this Mangaluru branch of ICAI. Mangaluru branch has got a good feature that, we have been getting a wonderful support from the past chairpersons, members of past committees, a few senior members and many members /well-wishers for the activities of the branch in one or the other way. With the blessings, wishes and support of all of you, we have pleasure in informing that we are at the verge of successful completion of the 1st year of the present term 2019-22, in which I am the Chairman during this year 2019-20 and have been leading the administration, operation and all the activities of the branch. I am very much satisfied about the performances and activities in the term 2019-20. As all of you know, change is inevitable, change is constant, change must be there for the progress. In the coming month of February, we will see a change in the Office bearers of our branch.

In the present Committee's 1st year 2019-20 with myself as the Chairman, S S Nayak as Vice-Chairman, K S Kamath as Secretary, Abdur Rahman Musba as Treasurer, Prasanna shenoy as Chairman-Mangaluru SICASA, Gautham Nayak & Gautham Pai as the members, which is going to conclude in mid-February, we are quite happy to say that, we have done our duties & responsibilities to the best of our ability and we put our best efforts towards good governance, administration, operation and activities of our Institute. We are very careful and particular in all the areas and we have not shown any sort of laziness or negligence towards any of the Institute activities.

I present before you all, a brief summary report of our performances / programs / activities in the period i.e. w.e.f. 16th Feb 2019 till this month-end of January 2020:

We are happy that, during the period, we have conducted a good number of seminars /study circles on relevant professional topics for the benefit of members and students. We have pleasure that, we conducted a Two Day National Conference 'Avirath' on 12th & 13th Dec 2019 in a grand manner. We have also conducted a Three Day Residential Seminar (24th May to 26th May 2019) at Thirthahalli, Shimoga. We feel happy that, we have conducted three Certification Courses on important subjects during the term. While conducting the CPE programs, we have covered most of the professional topics and trending issues for the present day challenges faced by us. It's our pleasure to inform that, during the above mentioned period (i.e. from 16th Feb 2019 till this month-end of January 2020), we conducted 24 CPE programs carrying 161 CPE hours.

Besides the CPE programs, we have conducted various other programs/CSR/image building activities (CA Day, Yoga Day, Independence Day, Swachh Bharat programs, Blood donation Camps etc), several Career Counselling programs, and also conducted the fast track courses/Mock tests for students, a number of batches of GMCS / Adv.MCS, OC, ITT/Adv.ITT conducted throughout the year at ICAI Bhawan, Padil / Mah.Arcade - according to the inquiries by the students from time-to-time.

The present committee team lead by me would like to thank our ICAI for providing an opportunity to serve for the Institution/members/Students. We would like to thank all the Committees & BOS of ICAI, all the CCMs & RCMs who are associated with the Mangaluru ICAI in one way or the other, SIRC Chairman, CA.Geetha A.B. (our Ex-Officio), ICAI officials, SIRC officials for their guidance and support from time to time, either directly or indirectly.

We are thankful to all the Past Chairpersons of Mangaluru br of ICAI, senior members, members of our branch, Statutory auditor, Internal auditor, GMCS/ITT Co-Ordinator CA.M.N.Pai, all the Faculties consists of a few past Chairpersons, young CAs, other professionals etc , Fast track course faculties, for their help, guidance and support from time to time, either directly or indirectly.

We are thankful to all the guests and invitees, resource persons /speakers etc who graced the various programs and events organized by the Mangaluru branch from time to time.

We are thankful to SICASA Committee and students volunteers for their help and support from time to time.

We are thankful to employees and workers of the Mangaluru branch for their help and support from time to time.

We are also thankful to the Chairman, office bearers and members of neighbouring and all other branches/Chapters for their help, guidance and support from time to time.

We are thankful to all the Vendors and all the service providers, Educational and other Institutions, who are associated with the Mangaluru ICAI in one way or the other, for their help and support from time to time.

We are thankful to the press and media for helping us in publicizing our programs and events from time to time.

And, we are thankful to all the others, who are associated with the Mangaluru ICAI in one way or the other, for their help and support from time to time, either directly or indirectly.

Let me conclude my message with this quote of Mr. Harriet Tubman - *"Every great dream begins with a dreamer. Always remember, you have within you the strength, the patience, and the passion to reach for the stars to change the world."*

It's my sincere wish that, let our Mangaluru branch of ICAI reaches a new height in its activities and performances under the new leader in the next term 2020-21, which is the Golden Jubilee year of our branch.

Jai Hind ! Jai ICAI !

CA.Anantha Padmanabha K.

Chairman

Mangaluru Branch of SIRC of ICAI

Branch Activity Updates of January 2020

1. Three Hundred Eighty Sixth batch of the Certificate Course on Concurrent Audit of Banks

on January 4&5, 11&12 and 18&19, 2020

At ICAI Bhawan, 2nd Floor, Mahindra Arcade Kodialbail, Mangalore, Karnataka 575003

Organized by : Internal Audit Standards Board of the ICAI

Hosted by : Mangalore branch of SIRC of the ICAI

Date	Technical Sessions (90 minutes each)	Topics
January 4, 2020	9:45 AM to 10:00 AM	Inaugural Session
	1. 10:00 AM to 11.30 AM	Effective Concurrent Audit
	II - 11.45 AM to 1.15 PM	Legal and Regulatory Framework
	III - 2.15 PM to 3.45 PM	KYC norms & Obligation of banks under Prevention of Money Laundering Act (PMLA 2002) Negotiable Instrument Act, 1881
	IV - 4:00 PM to 5.30 PM	Book Debts and Stock Audit Review of Due-Diligence Reports and Credit Audit Reports
January 5, 2020	V - 10:00 AM to 11.30 AM	Loans and Advances
	VI - 11.45 AM to 1.15 PM	
	VII - 2.15 PM to 3.45 PM VIII - 4 PM to 5.30 PM	Prudential Norms on Income Recognition, Assets Classification and Provisioning pertaining to Advances
January 11, 2020	IX - 10:00 AM to 11.30 AM	FOREX AND TRADE
	X - 11.45 AM to 1.15 PM	
	XI - 2.15 PM to 3.45 PM	
	XII - 4 PM to 5.30 PM	Fraud Detection, Classification and Reporting

January 12, 2020	XIII - 10:00 AM to 11.30 AM	Concurrent Audit Procedures
	XIV - 11.45 AM to 1.15 PM	
	XV - 2.15 PM to 3.45 PM	
	XVI - 4 PM to 5.30 PM	
January 18, 2020	XVII - 10:00AM to 11.30 AM	Treasury and Investment Function Part I
	XVIII - 11.45 AM to 1.15 PM	Treasury and Investment Function Part II
	XIX - 2.15 PM to 3.45 PM	Implementation of Basel Capital Regulatory Requirements in India Disclosure Requirements
	XX - 4 PM to 5.30 PM	Banker Panel Discussion (GMs of Banks to Address) Concurrent Audit-Banker's perspective and Expectations - To be finalized by the Branch The objective is to get banker's views on expectations from concurrent auditors and how the chartered accountants can add value to concurrent audit.
January 19, 2020	XXI - 10:00 AM to 11.30 AM	Audit in CBS Environment
	XXII - 11.45 AM to 1.15 PM	
	XXIII - 2.15 PM to 3.45 PM	Software Usage in Banks

2. "Opportunities to CA Professionals –Insolvency and Bankruptcy Code (IBC) 2016,Independent Directors and TReDS

Program	:	Seminar /Lecture
Topics / Speaker	:	<p>"Opportunities to CA Professionals – Insolvency and Bankruptcy Code (IBC) 2016, Independent Directors and TReDS (Trade Receivables Discounting System)"</p> <p>by CMA CS Dr. P. Siva Rama Prasad, Hyderabad Concurrent Auditor (AGM Grade) – SBI Stressed Management Branch, Khairatabad, Hyderabad</p>
Program Venue	:	Mangaluru Branch of SIRC of ICAI, "ICAI Bhawan", Padil, Mangaluru - 575 007 Phone : 0824-2495722, Mob : +91 8105817722 Email : mangalore@icai.org
Program Date	:	Saturday, 11th January 2020
Program Time	:	03.30 pm to 06.30 pm
Breaks	:	Tea/Refreshments at 04.30 pm
CPE credit	:	3 hours



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(A Statutory Body Established by an Act of Parliament)

MANGALURU BRANCH OF SIRC OF ICAI

'ICAI Bhawan', Near Kanchana Hyundai Showroom,

Padil, Mangaluru - 575007 Karnataka

Phone : 0824 2439722, Email : mangalore@icai.org



3. HALF DAY SEMINAR ON PENALTIES UNDER THE INCOME TAX ACT, 1961

Date : Friday, 17th January 2020

Venue : 'ICAI Bhawan', Mahendra Arcade, Mangaluru - 575003

CPE Credit : 3 hours

Programme Schedule is as follows :

TIMINGS	PARTICULARS	SPEAKERS
03.15 pm – 03.30 pm	Registration	
03.30 pm – 04.30 pm	Penalties under the Income Tax Act, 1961	CA. Nitish Ranjan., Bengaluru Partner : M/s Manohar Chowdhry & Associates
04.30 pm – 04.45 pm	Tea break	
04.45 pm – 05.30 pm	Penalties under the Income Tax Act, 1961 (Session continued)	CA. Nitish Ranjan., Bengaluru
05.30 pm – 06.30 pm	Questions & Answers, and, Panel Discussions - Penalties under the Income Tax Act, 1961	Q & A and Panel Discussions by : 1. CA. Nitish Ranjan., Bengaluru 2. CA. B.R. Kamath, Mangaluru 3. CA. S.Srinivas Kamath, Mangaluru 4. CA. Vijaya Kumar Shetty, Mangaluru



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4. HALF DAY SEMINAR ON IMPACT OF GST ON MSME SECTOR AND RECENT UPDATES IN GST

Date : Wednesday, 22nd January 2020

Venue : 'ICAI Bhawan', 2nd Floor, Mahendra Arcade, Mangaluru - 575003

CPE Credit : 3 hours

Programme Schedule is as follows :

TIMINGS	PARTICULARS	SPEAKERS
10.30 am – 10.45 am	Registration & Tea/Refreshments	
10.45 am – 12.15 pm	Impact of GST on MSME Sector	CA. Colin O. Rodrigues, Mangaluru Partner : M/s Nitin J Shetty & Co
12.15 pm – 01.00 pm	Recent updates in GST	CA. Colin O. Rodrigues, Mangaluru
01.00 pm – 01.45 pm	Questions & Answers Session	CA. Colin O. Rodrigues, Mangaluru
	Interaction with Past President of ICAI	Interaction with CA.K.Raghu, Bengaluru, Past President of ICAI
01.45 pm	End of Seminar– followed by Lunch	

5. Republic day Celebrations



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Phone : 0824 2439722, Email : mangalore@icai.org



CORDIALLY INVITE YOU FOR

71ST REPUBLIC DAY CELEBRATION

AT

'ICAI BHAWAN', PADIL, MANGALURU

ON 26TH JANUARY 2020

AT 9.30 AM

CHIEF GUEST : CA. PRAVEEN KUMAR SHETTY

PAST CHAIRMAN, MANGALURU BRANCH OF SIRC OF ICAI

- >> Flag Hoisting
- >> Address by the Chief Guest
- >> Breakfast



Kindly Participate In large numbers

Chairman and Managing Committee Members

MANGALURU BRANCH OF SIRC OF ICAI

Chairman and Committee Members

MANGALURU BRANCH OF SICASA OF ICAI

Branch Activity gallery for Jan 2020



Inauguration of Certificate Course on Concurrent Audit of Banks by lighting of lamp by Shri B Chandrashekar Rao, GM, Karnataka bank and CA committee members



1. Session by Dr. P Siva Rama Prasad, Hyderabad on Opportunities to CA professional- Insolvency and Bankruptcy Code(IBC)2016, Independent Directors and TReDS(Trade receivables Discounting System)
2. CA members attending the course



1. Panel discussion on Penalties under Income Tax Act, 1961. In the Panel: CA Nitish Ranjan, CA. B.R. Kamath, CA. S.Srinivas Kamath and CA. Vijaya Kumar Shetty
2. CA Nitish Ranjan addressing the CA members



Republic day celebration at ICAI Bhawan, Padil



All About UDIN

Unique Document Identification Number (UDIN), as the name suggests, is a “identification number” that is generated for every document certified/attested by a Practicing Chartered Accountant. The mechanism has been conceptualized and developed by the Professional Development Committee of the Institute of Chartered Accountants of India (ICAI) and has been initiated amidst the burgeoning issue of certification or attestation of financial statements and documents by other persons in the disguise of CAs.

Purpose of the Initiative

The Income Tax, GST and Company Laws of India attach a lot of significance to the role of a Chartered Accountant, given that his/her attestation on a certificate or any such document certifies it against any misrepresentation. Also, this attestation instils a sense of surety among investors and other stakeholders who wish to be affiliated with the particular entity in any manner. These factors prompted the ICAI to develop a mechanism for securing the documents issued by the Chartered Accountant by issuing a Unique Document Identification Number (UDIN).

It has been observed that at many instances financial statements and documents are being certified/attested by third persons in lieu of our CA members. These statements mislead various Authorities/other stake holders who rely upon them.

To address the above issue, an innovative concept of Unique Document Identification Number (UDIN) has been conceptualized and developed by the Professional Development Committee of ICAI which was also being demanded by various regulators. UDIN is a unique number, which will be generated for every document certified/attested by Practising Chartered Accountants and registered with the UDIN portal. The portal is available at <https://udin.icai.org/>.

Accordingly, the Council of ICAI at its 374th meeting decided to implement UDIN. Therefore it has been made recommendatory with effect from 01st July, 2018, and from 1st February 2019 it has been made mandatory.

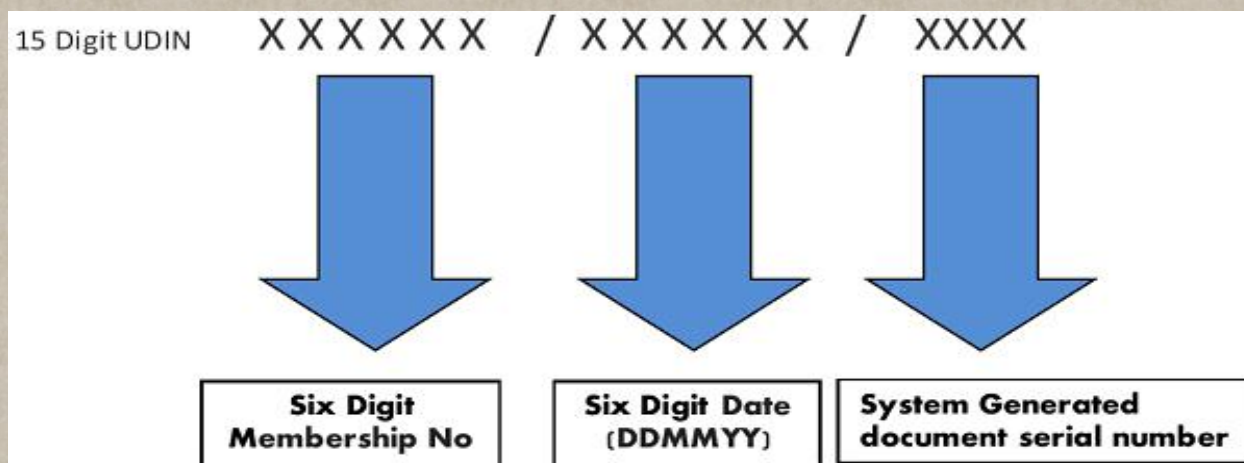
The portal offers the facility to various Regulators/Banks/Authorities/Other Stakeholders to check the authenticity of the documents certified by Practicing Chartered Accountants who have registered on the said portal. It would help them in tracing of forged/wrong documents prepared by any third person in the guise of Chartered Accountant, as a person other than Chartered Accountant will not be able to upload the documents on this portal.

UDIN Format

UDIN's format is provided below:

The membership number of the member attesting the document/certificate.

- The date of issue of the certificate.
- The system-allotted serial number of the document.



**-CA Sanketh S Nayak, F.C.A, DISA(ICAI)CPA(USA),
Bangalore**

Disclaimer: The opinions expressed within this article are the personal opinions of the author. The facts and opinions appearing in the article do not reflect the views of the Managing Committee and ICAI does not assume any responsibility or liability for the same.

FAQ

1. What happens when a UDIN is generated but not used

UDIN generated will be generally used by Banks, Financial institutions and other authorities for verification of documents signed. Even if the UDIN is not used, the same will be valid throughout.

2. Is it possible to withdraw UDIN

Yes. UDIN can be withdrawn/revoked. The user has to login to UDIN portal and select the option to withdraw UDIN along with reasons for the same.

3. Whether clients name has to be mentioned in any relevant field in UDIN

It is not necessary to mention the client name while generating the UDIN. However to keep a track of the UDIN generated, the client name may be mentioned in the remarks column for reference.

Income Tax Calendar for February 2020

February 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

7 February 2020 - Due date for deposit of Tax deducted/collected for the month of January, 2020. However, all the sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan

14 February 2020 -Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of December, 2019

14 February 2020 - Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of December, 2019

14 February 2020 - Due date for issue of TDS Certificate for tax deducted under section 194M in the month of December, 2019

15 February 2020 - Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of January, 2020 has been paid without the production of a challan

15 February 2020 - Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending December 31, 2019

Source: <https://www.incometaxindia.gov.in/pages/deadline.aspx>

GST Due date Calendar for February 2020

GSTR 9 – The Most Comprehensive Annual Return / Statement for FY 17-18 by ALL registered persons having an aggregate turnover of more than Rs. 2 Crores or opted to file Annual Return and GSTR-9C – Annual Return for FY 17-18 by registered person whose Annual Turnover for FY 17-18 is above Rs. 2 Cores (Annual Return + Audited Annual Accounts + Reconciliation Statement in GSTR-9C).

- **07-02-2020** -. Andaman and Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Dadra and Nagar Haveli and Daman and Diu, Goa, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Puducherry, Sikkim, Telangana, Tripura, Uttar Pradesh, West Bengal, Other Territory. 7 th February, 2020.
- **11-02-2020**- Due date for filing GSTR-1 for m/o Jan 2020 -> Applicable for taxpayers with Annual Aggregate turnover Above Rs. 1.50/- Crore or opted to file monthly Return (Rs. One Crore Fifty Lacs) only. **Notification No. 44/2018 – Central Tax**
- **20-02-2020** – GSTR-3B for the m/o Jan 2020 for taxpayers having an aggregate turnover of more than Rs. 5 Crores in the previous financial year. Pay due Tax till this date.
In case of Turnover is up to Rs. 5 Crore, State wise due dates as below:-
- **22.02.2020** – Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep
- **10-02-2020**- Due date for filing GSTR-8 (to be filed by the e-commerce operators required to deduct TDS under GST for the m/o Jan 2020.
- **10-02-2020**- Due date for filing GSTR-7 (to be filed by the by the person who is required to deduct TDS under GST under GST for the m/o Jan 2020.
- **20-02-2020**- Due date for filing GSTR-5 & 5A (to be filed by the Non-Resident taxable person & OIDAR for the m/o JAN 2020.
- **13-02-2020**- Due date for filing GSTR-6 (to be filed by Input Service Distributor for m/o Jan 2020
- **RFD-10**:- Eighteen months after end of the quarter for which refund is to be claimed

Source : From the internet

Union Budget 2020

February 1st , a day where every Indian sits up straight and awaits for the various announcements and allocations made by the Honourable Finance Minister towards different sectors of the economy. Yes indeed, the Union Budget 2020, where all the Economists, Analysts, Chartered Accountants, Companies, Individuals, Firms, Businessmen, All Professionals, the News channels and the laymen are all ears for the bonanza laid down in the Annual Budget of the Country.

On 01 February, 2020, our Honourable Finance Minister, Smt Nirmala Sitharaman made her longest budget speech, listing out and elaborating the funds earmarked for the development of the Country. Agriculture, Infrastructure, Health, Education, Sanitation, Taxes, Customs, Transport, Communication and many more sectors of the economy which have to be developed to reach our Goal.

India, aims at being a USD 5 Trillion economy by 2025 i.e. 5 years down the line we expect to be next to The USA and China in terms of GDP. (Presently we are a USD 2.94 Trillion economy and 5th Largest in the World). The Government every year lays down a number of policies for the growth of the overall GDP of the country. Every single policy, every single action plan, every single allocation has a multiplier effect on the Economy at Large.

Being a Layman or a Professional, most of the times budget is viewed from one angle or view point. However the budget has much more to it. Say, the budget is not merely an announcement of How much of your income is going to be taxed? or Are there any exemptions, deductions, additional benefits available to us when filing the Return of Income? Is my Company tax rate reduced? Is there any restriction on cash transactions imposed and so on.... But many a times we fail to see or take no notice of the large scale impact of the other part of the budget.

The present budget was announced with 3 main central ideas in consideration:

1. Aspirational India
2. Economic Development
3. A Caring society

These 3 ideas are towards making India have a transparent governance and clean and sound financial sector. Let's take note of the few sectors and their impact. The other highlights of the budget are enumerated at the end of this article.

- ✧ The Budget has made an allocation of Rs.99,300 crore towards the education sector. This allocation includes Bringing about a new education Policy, imparting of internship programmes for engineers at local bodies, an online degree course and others. It is always said 'Youth is the generation of tomorrow'. Improvising and Investing on education of the youth can enhance the quality and efficiency of the Individual to take up employment or create employment opportunities with their developed skill sets.
- ✧ Allocation for agriculture sector is Rs.2,83,000 crore which is mainly for doubling our Farmer's Agri Income. Providing farmers Insurance, solar pumps and solar power generating units, agricultural credit, discouraging use of chemicals all these are the major measures in addition to the 16 point measures enlisted in the budget. An effort to increase the Farmers income will increase the flow of money in the economy leading to increased demand for basic necessities which in turn will increase the overall consumption in the economy. The Agricultural sector employs nearly 50% of work force and drives demand in rural economy. A healthy growth in agriculture will mean that the migration of labour to congested urban centres will decrease or stop, thus providing them relief to stay in the comfort of their homes rather than in difficult living condition in cities with little access to convenience.
- ✧ In the infrastructure sector, a number of projects are announced for improvement of the economy and also provide employment opportunities to the people in need. To mention a few, about 6500 projects are announced for the pipeline infrastructure, development of smart cities, 100 more airports, development of archaeological sites , allotment for better roads, highways, sub urban metros etc. All this will put money in the hands of the people who require it. Trade requires good infrastructure facilities. The rural-urban divide, difference in level of industrialization between states and lack of good health care facilities in rural areas can vastly be eliminated with a good infrastructure in place.

As mentioned earlier a circulation of money in the hands of the people can help increase the purchasing power of an individual. This will lead to increased demand for commodities in the market. Increased demand needs an increased supply which will boost up the production of the country. A budget is not merely to be viewed from the view point of taxation. It is an economic statement – an action plan to reduce inequalities in income distribution, an attempt to reduce the level of unemployment, an opportunity to encourage clean energy, a driving force to boost internal consumption, a tool to boost exports and so on. To conclude, a budget always requires and in-depth analysis and understanding. As we all have different perspectives and opinions, this was a small attempt to analyse the budget from a different angle than merely speak on the changes in taxes. Enumerated below are the key highlights of the Budget. Happy reading!!

Key Highlights of Budget 2020

- A new optional slab rate of tax has been introduced whereby Individual / HUF can pay tax as per new tax regime if they forgo 70/120 deductions for HRA, LTA, Interest on housing loan, allowances, standard deductions, losses under the head house property, deductions under chapter VI A (other than section 80CCD and 80JJAA) and other deductions. This will help new earners who have not had any commitments for Housing Loan or other fixed commitments for LIC etc.
- Dividends were made partly taxable in the previous budget itself with dividend income in excess of Rs 10 lakhs being taxed in the hands of recipient. This budget has fully shifted burden of tax on dividend to recipient. Dividend from a domestic company and income from units of mutual fund to be taxable in the hands of shareholders or unit holders at the applicable rate and no distribution tax shall be paid by the domestic company or mutual funds. It is expected that this will save some outflow in the hands of companies and gives them an opportunity to put in capex.
- Under new tax regime, an option is provided to co-op. societies to pay tax @ 22% plus 10% surcharge and 4% cess, against current rate of 30%. Income for such societies shall be computed without claiming specified exemption, deduction or incentive available under the Act. Provisions of Alternate Minimum Tax (AMT) shall not apply to such co-operative societies.
- Burden of tax in respect of ESOPs in case of employees of startup, eased by deferring the tax payment by 5 years or till they leave the company or when they sell their shares, whichever is earlier.
- A startup can claim deduction under section 80-IAC for a period of 3 consecutive assessment years out of 10 years, which was 7 years earlier.
- In case of startups, the threshold limit of turnover for deduction under section 80-IAC has been increased from ₹ 25 crore to ₹ 100 crore.
- The period of sanctioning of housing loans by the financial institution for claiming deduction under section 80EEA extended from March 31, 2020 to March 31, 2021.
- Companies engaged in generation of power shall be eligible to opt for tax rate of 15% under section 115BAB.

- Threshold limit for audit under section 44AB has been increased from ₹ 1 crore to ₹ 5 crore where cash receipt or payment does not exceed 5% of total receipt or payment, as the case may be for MSME Units, i.e., digital transactions should be more than 95%.
- Due date for filing of return by the companies and the persons who are required to get the accounts audited has been extended from September 30 to October 31.
- Form No. 26AS is replaced with additional disclosure details.
- The scope of e-assessment is extended to best judgement assessment. Faceless appeal scheme shall be launched.
- E-Commerce operators to deduct tax @ 1% in respect of sale done by the participants/their vendors through their platforms, which does not affect customers.
- To reduce the matters under litigation at various levels, a dispute resolution scheme has been proposed. Under Vivad Se Vishwas scheme, a taxpayer can pay only the amount of the disputed taxes and will get complete waiver of interest and penalty provided he pays by March 31, 2020.
- Taxpayers' charter mandated which indicates agreement between taxpayers and tax collectors on fair practices as prevalent in Canada, USA, Australia.
- Instant PAN with Aadhaar details shall be introduced.
- All Charity trusts to apply with IT Dept. for new electronic registration number.
- Unlisted Foreign Private Real Estate Investment business Trusts shall get tax exemption as applicable to listed entities.
- 100% Tax exemption for 3 years on Income from investments in infrastructure by sovereign foreign funds and on interest payments to NRIs/ FPIs.

**-CA Yashashwini K Amin, A.C.A
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Disclaimer: The opinions expressed within this article are the personal opinions of the author. The facts and opinions appearing in the article do not reflect the views of the Managing Committee and ICAI does not assume any responsibility or liability for the same.

Words of the wise

- ✧ *Perfection is not achieved by anyone in the world. But if we keep chasing perfection, somewhere on the way we can catch excellence.*
- ✧ *A successful man is one who can lay a firm foundation with the bricks that others throw at him*
- ✧ *People may forget what you gave them, people may forget what you told them, people will never forget how you made them feel.*
- ✧ *Success with a negative attitude is called luck. Success with a positive attitude is called achievement. . . .be an achiever always.*
- ✧ *Friendship is the rainbow between two hearts, the sharing of seven feelings - Love, Sadness, Happiness, Truth, Faith, Secrecy and Help.*

-Compiled by CA S S Nayak





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