



**THE INSTITUTE OF  
CHARTERED ACCOUNTANTS OF INDIA**  
(SET UP BY AN ACT OF PARLIAMENT)

**A TRIBUTE TO (LATE ) CA. VASUDEVAN NAMPOOTHIRI C K**

**2023 AUGUST**

**E-NEWSLETTER**

**THRISSUR BRANCH**  
OF SOUTHERN INDIA REGIONAL COUNCIL  
OF INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

A large, semi-transparent portrait of a middle-aged man with dark hair, wearing a light-colored striped button-down shirt, occupies the left half of the page. The background of the entire page is a solid teal color.

## OFFICE BEARERS

CHAIRMAN

CA. Jeen Paul

VICE CHAIRMAN

CA. Anoop V Francis

SECRETARY

CA. Divya Dharmarajan

TREASURER

CA. Satheesh T G

SICASA CHAIRMAN

CA. Paulson E M

IMMEDIATE PAST CHAIRMAN &

NEWS LETTER IN CHARGE

CA. Ajith Kaimal R



# EDITOR'S NOTE



Dear esteemed readers,

Welcome to the July issue of our CA journal. This month, we remember and pay tribute to a highly respected member of our fraternity, CA Vasudevan C K, a stalwart of the Thrissur branch, who left us on July 3rd. His immense contributions to the profession have left an indelible mark. In commemoration, we present a special article featuring three memoirs dedicated to CA Vasudevan C K. Authored by his Partner, CA Sivaramakrishnan S, his friend CA Venugopal V, and his past student CA Anoop G, these memoirs offer a glimpse into his extraordinary life and the lasting impact he had on those around him.

We are also privileged to present an enlightening article by CA Spudarjun S. The article sheds light on the "Benefits of an Independent Professional Review" and underscores the importance of filing returns before the 30th of November following the fiscal year under GST. With his expertise, CA Spudarjun S provides valuable insights that will undoubtedly assist our readers in navigating the complexities of GST compliance.

As we navigate through these insightful narratives, let's reflect on the profound wisdom that our fellow professionals share with us. Their experiences and insights continue to enrich our understanding and elevate our profession.

We encourage you to engage with these articles and reflect on the shared experiences and insights. A heartfelt thanks to those who made the invaluable contributions to this month's issue. As we honor the memory of CA Vasudevan C K, let us also renew our commitment to the highest standards of our profession.

Thank you for your continued support, and we look forward to further enlightening our readers in the coming months.

Jai Hind Jai ICAI

CA. AJITH KAIMAL R  
NEWSLETTER IN CHARGE

# CHAIRMAN'S MESSAGE



Dear Esteemed Members,

Greetings to all of you!

Last month on 01.07.2023 CA Day, We started the day with a Green Walkathon which started from Vidyarthi Corner, Swaraj Round at 7.30 am, Assistant Commissioner (Central Tax & Central Excise) MR. DEEPAK KUMAR, IRS to flag off the walkathon. We reached our branch premises at 8.45 and hoisted the flag at 9.00 am. After flag hoisting, saplings were distributed to members. Saplings distributions were inaugurated by our Past chairman CA. RAMDAS M. Members and Students donated blood and it was collected by the Members of District Hospital Thrissur. At 6.30 pm Family Get together and entertainment programmes were conducted at Branch Seminar Hall and the Chief Guest of our function was MR. DEEPAK KUMAR, IRS & SHRI.SHIVAN J.K, MD &CEO(Dhanalaxmi Bank). Mementos were distributed to Members completed 50/25 years of professional service, newly married couples and Toppers of CA Exam.

On July 13th & 14th, 2023, we organized "TAX CLINIC" (ORGANISED BY DIRECT TAX COMMITTEE OF ICAI) an outreach program to provide assistance, guidance, and support to individuals, businesses, or other entities with their tax-related matters.

Continuing our commitment to professional development on July 14, 2023, we organized a One day seminar on "NBFC, Audit Trail, and Standards on Auditing." We focused on addressing important topics related to Non-Banking Financial Companies (NBFCs), the concept of audit trail, and the standards governing the auditing profession. CA. SWATI PANCHAL and CA. RINKESH SHAH from Ahmedabad, were the esteemed faculties for this Seminar.

This month holds great promise as we unveil an exciting lineup of planned events that are poised to captivate and enrich all our esteemed members. With unity as our driving force, we are set to chart a path towards achievement and usher in a promising future not only for ourselves but also for the entire profession.

Jai Hind Jai ICAI

CA JEEN PAUL  
CHAIRMAN



# BENEFITS OF AN INDEPENDENT PROFESSIONAL REVIEW AND IMPORTANCE OF RETURNS FILE BEFORE 30TH NOVEMBER FOLLOWING THE FY UNDER GST



**CA. SPUDARJUNAN S**

“Prevention is better than cure, Equity aids the vigilant and not the indolent”

Introduction of GST in India opened the Pandora of opportunities to Chartered Accountants to pitch in to the area of Indirect Taxes which were previously occupied with tax practitioners and Advocates. Unlike the erstwhile regime the comprehensive audit requirement under GST was sought to ensure compliance by the assessee and reduce the risk of demand and recovery during revenue audit.

However, the tax administrators did not want to get their powers whittled down and using erroneous statistics that additional tax of about Rs. 3,176 Crores and Rs. 575.76 crores interest thereon got collected from Annual Return GSTR-9 whereas from audit report GSTR-9C only Rs.392 crore got collected, the government has omitted the audit requirement under GST and facilitated the taxpayers to file the annual return and reconciliation form under self-certification. The irony, actually it was advice of the professionals to the taxpayers to discharge the additional liability if any, through GSTR-9 instead of 9C so that it would be more of a voluntary compliance.

Even though the certification from the professionals have been omitted, it is still the responsibility of the taxpayer to file his GSTR-9 & 9C duly. Relaxation has been given to small taxpayers as follows –

i. It is optional to file Annual return GSTR-9 for registered person whose aggregate turnover (PAN INDIA) in FY 2020-21 is up to Rs.2 crores.

ii. The threshold limit for filing the reconciliation statement GSTR-9C has been increased to Rs.5 crores vide rule 80(3) of CGST Rules 2017.

The above relaxations of optional filing of annual return, self-certification of 9C, is a temporary gratification with long term deterioration i.e., since the professional review has been done away with/reduced, the intervention of revenue by way of

conducting an extensive audit during these initial years to ensure the due taxes are being deposited with the exchequer would be in higher frequency. Hence, it is the responsibility of the taxpayer to be diligent, pro-active and comply with the provisions of the GST law within the provided time limits.

It is salutary practice to verify and ensure the brim compliance of tax regulations prior to closing of books for a period/ financial year, irrespective of the requirement under a statute. When it comes to GST, the return for the period September plays a vital role while closing the books/ finalising the transactions, compliances of the previous financial year and a smooth filing of the annual return for that financial year.

The following are certain major pointers to be considered while filing monthly returns under GST before 30th November 2023, –

1. Send a communication to all the B2B customers regarding the reflection of the invoices uploaded by the taxpayer in their corresponding GSTR-2B and get confirmation. Any changes pertaining to an invoice raised in the financial year cannot be modified/rectified after 30th November following the end of the financial year. This would create an opportunity for both the persons to be complied with the provisions for availing input tax credit as expected by the revenue.
2. Rectify the errors/omissions of the disclosure of outward supplies, discharging of taxes pertaining to FY 2022-23.
3. Avail the input tax credits pertaining to the FY 2022-23 to avoid the lapsing of credit after the same under section 16(4) of CGST Act, 2017.
4. Understand the status of the debtors and the



debtors and the position of their payments towards the GST invoices raised in FY 2022-23. If there are any deficiencies communicated by the recipients in the supplied goods/services or the value/tax charged is higher than required, issue a credit note and reduce your GST liability on the same. This would avoid payment of taxes to exchequer from the pocket of supplier when the receivables are eventually written off.

5. Reverse the input tax credits pertaining to FY 2022-23 where the amount payable to the supplier is pending more than 180 days.

6. Comply with the annual re-computation of credit reversal under section 17(2) of CGST Act 2017 read with rule 42/43 of CGST Rules 2017.

7. Rectification of any omission or incorrect particulars by an e-commerce operator in respect of details furnished in Form GSTR-8.

8. Comprehensive disclosure of details in monthly returns. Reference could be made to the circular issued by Kerala State GST department – circular no. CT/3626/2020-C1 dated 16th June 2020.

9. Compliance of circular by CBIC no. 170/02/2022 dated 06th July 2022 regarding the disclosure procedures in GSTR-3B.

10. Standard Operating Procedure no.01/2023 issued by Kerala State GST department with regard to monitoring of Ineligible IGST credit reversal in GSTR-3B.

The above activities would ensure an unabridged compliance of GST and also reduce the complexity while filing annual returns.

Further, it is more important to taxpayers who have turnover less than 2 crores and availing the benefit of option to not to file annual return, to comply with the above, since they are losing the opportunity to make the comprehensive disclosure of transactions for a financial year through the annual return, rather relying on the disclosures in monthly returns.

Furthermore, the certain applicable changes in law applicable to FY 2022-23 are as follows –

i. Introduction of Rule 86B where ITC could be utilised only to the extent of 99% of the liabilities subject to certain exceptions;

ii. Introduction of section 16(2)(aa) to consider reflection in GSTR-2B for availing ITC;

iii. Introduction of Rule 37A wherein the credit has to be reversed even if reflected in GSTR-2B but the supplier has not filed his GSTR-3B i.e., not paid tax to Government;

iv. Revamping of Section 41 wherein the re-availing of credit being allowed to the recipient wherein recovery has been made from supplier;

v. Introduction of E-invoicing for registered persons having turnover more than 20 & 10 crores;

vi. Extending the benefit to claim input tax credit on debit notes irrespective of date of the original invoice;

vii. Implementation of Quarterly Return and Monthly Payment (QRMP) scheme;

viii. Relaxation provided to Rule 96(10) restriction for export of goods/services with payment of tax;

ix. Amendment in valuation regarding supply of lottery; and many more....

Omission of the professional certification and relaxation from filing annual return would lead to a scenario of oversight in compliance by the taxpayers, non-disclosure / erroneous / misdeclaration in the returns filed. This would provide the revenue with initiating proceedings against the taxpayer under extended period of limitation invoking section 74 of CGST Act and the demand of tax would be along with the due interest under section 50 and 100% penalty i.e., passing over the compliances to be ensured within September month return/ annual return would cost a tax payer 3 instead of 1, as the demand may come after 4 years where the interest would be increased to 72% of the tax and if the issue is contested, then the odds of exposure could be surge of interest more than the tax.

Further, in India the margin for business supplying goods on average may be around 10-30% in general and when there is an impact of differential GST demand along with interest and penalty could hit the business harshly that it could eventually lead to closing down of business. Hence, the taxpayers should act diligently to get their business reviewed by a professional in the perspective of ensuring GST

compliance and also such review could add value to the business by identifying the eligible credits which are being missed. Sample cases of such could be as –

- i. credit on plant & machineries which are misunderstood as building,
- ii. credits of work contract services which are not capitalized,
- iii. credit on motor vehicle for transportation of goods,
- iv. credit relating to running canteen where it is statutorily required under Factories Act,
- v. credit on rent-a-cab where it is mandatory to provide such facility under Kerala Shops and Establishment Act,
- vi. credit on Exempt supplies which are being exported / supplied to SEZ;
- vii. credit on branding/marketing/business promotions;
- viii. credit on normal loss;
- ix. credit on perquisites & facilities provided to employees and applicability of Schedule I;
- x. eligibility on availment of credit wherein the supplier is liable for E-invoicing but not complied with the same;
- xi. Analysis on availability of refund options under GST to aid the working capital requirements;
- xii. Benefits under Foreign Trade Policy and many more.....

Further, the impact and applicability of several judgments under GST by various High Courts and Hon'ble Supreme Court should also be looked into and analysed for protecting the interest of the entity. AAR & AAAR can be looked only to understand the interpretation and thought process of the revenue as such ruling does not have any binding value other than the applicant and the jurisdictional officer in respect to such applicant.

The benefits of professional review cannot be underplayed. It is an accepted fact that humans are subject to err and it is always rational to have maker-checker concept.

A review by an independent professional well before the due date of September month return would give the taxpayer an assurance on compliance and also value addition through exploring the missed-out benefits.

It is also a responsibility in part for us CA professionals, to make the industry/taxpayers aware regarding the benefits of an independent voluntary professional review which could be reduction in exposure of risk in future, be aware of the risks if any and value addition to business through availing any missed benefits, reduction of complex process if any etc.

For any feedback/clarifications/suggestions, kindly send a mail to [arjun@hnaindia.com](mailto:arjun@hnaindia.com)



More than three decades ago on a humid April evening, I with the help of my cousin reached Sir's residence at Chembukkavu. While they were exchanging pleasantries, I sat in the corner of a sofa. Vasu sir came and sat beside me and asked me of my interest in CA. The 20-year-old boy gave answers to questions exposing his ignorance about the profession. He stared me for a minute and then asked me to join his office at Pazhaya Nadakkavu. It was my entry to CA profession.

The office was the up-stair portion of a store at Pazhayanadakkavu. Vasu sir and Sivaram sir shared a cabin and the students sat in front of them in a 100 sq. feet office space around an old long wooden table. There was three office staff Omana, Usha and Chandran. Anita joined immediately after that in place of Usha. Vasu sir and Sivaram sir had the perfect synergy. The rare partnership continued for 47 years sharing a single cabin and also the same thought process

Vasu sir was a strict principal. It was very difficult especially for the new comers to understand what he says because of the (3x) speed. If you request to repeat what he said, he would lose his temperament instantly. So many a times students would not ask it again putting themselves into further trouble by doing just the opposite. With the help of seniors like Madhu Menon, I learned to approach Vasu sir.

He was the definition of brilliance, His memory sharp and precise. He would remember all the faces he met and the relationships they kept. During the articleship period I would go to finalise work with him only after making a study just like a CA exam. Most of the previous data would be well versed in his mind and he would ask questions to corroborate the data with his memory.

If you give an answer which doesn't match, he would stare at you or even shout at you depending upon your stupidity. His database would be correct 9 out of 10 times. A rare smile would come to his face if you are up to the expectations in a work. Slowly I could raise to his expectation levels thereby becoming one of the favourite students. I could manage the relationship with the same warmth till his death.

He was among the leading successful CAs from Thrissur. Yet he was very simple in his attire and appearance and never changed in his attitude over the years.

The biggest asset of Vasu sir was risk assessment. In an audit work he would take prompt and correct decision using this skill set. He would not waste time on thinking too much about pros and cons. I had approached him many times during last 25 years of my professional life and he would suggest instant solutions to my problems as an ideal Guru.

Sir, When I entered into your residence again on a rainy July night, I saw you lay down calmly with that ever-pleasing smile on your face but for the first time without recognising the faces around you. Today when I sit and think about you, I understand the reality that I am in a vacuum. Very difficult to think about a world without my ultimate Guru



# Glimpses

## JULY 23



01-07-2023

75TH CA DAY CELEBRATIONS