



The Institute of Chartered Accountants of India  
(Setup by an Act of Parliament)

**Hyderabad Branch of SIRC**

***E- Newsletter***

[www.hydicai.org](http://www.hydicai.org)

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Lighting of the Lamp Prerana -2023 Women's Seminar on 4<sup>th</sup> March 2023



Lighting of the Lamp Seminar on Bank Audit on 11<sup>th</sup> March 2023



Lighting of the Lamp Seminar on Bank Audit for CA Students on 27<sup>th</sup> March 2023

## Chairman Communiqué



Dear and Esteemed Members,

Wishing you all a very happy and prosperous financial year ahead! With the arrival of April 01, 2023, we are filled with a range of emotions. In our profession, the quality of work is the cornerstone of our success, and our commitment to ethical practices ensures the sustainability of our profession. Let us collectively pledge to stand united in our mission to be the custodians of financial probity.

Here's a brief update on the activities that took place in March 2023:

**Professional Interest CPE Programs:** The Hyderabad branch organized several CPE programs, including the Women's Seminar Prerana 2023, a Seminar on Bank Audit, discussions on Taxation of ESOPs, Audit Trail, and a Workshop on Bank Audit for Beginners. We also conducted seminars on GST, Audit Quality Maturity Model, and held discussions regarding Charitable Trusts and Investors Awareness. Our speakers shared their valuable practical experiences, enriching our members' knowledge.

**Students' Programs:** We've been actively supporting our students with crash coaching classes aimed at helping them prepare for the May 2023 examinations. We had over 20 students attend these classes. Additionally, a Seminar on Bank Audit for students received an overwhelming response with more than 200 students in attendance. This year, we initiated Women's Day programs for students and held three students' speakers' forums. We also conducted the First Mock Test Series for Intermediate & Final students, benefiting many participants. The second Mock Test is scheduled for the first week of April.

**Upcoming Programs in April 2023:** We have a lineup of programs in April for the benefit of our members. These include a program on "Recent Changes in GST" on April 5, 2023 and a 5-day workshop "Basics of GST for Beginners" from April 24 to April 28, 2023. Stay tuned for more programs that we will inform you about in due course.

**Membership and Certificate of Practice Fees:** We would like to remind all our members to remit their annual Membership/Certificate of Practice fees for the year 2023-2024. These fees became due for payment on April 1, 2023 and must be paid on or before September 30, 2023. You can conveniently make online payments through the Self-Service Portal (SSP). You can also avail the option to pay fees for up to ten years along with GST. We also request members to contribute generously to the Chartered Accountants Benevolent Fund (CABF).

**Festive Greetings:** On this occasion, I extend my warm wishes for Happy Mahaveer Jayanti, Easter, Vishu, and Ramzan to all of you. May these festivals bring joy and prosperity to your lives.

Allow me to conclude with a quote from Swami Vivekananda: "Talk to yourself once in a day, otherwise you may miss meeting an intelligent person in this world." Self-reflection and self-improvement are essential on our journey towards excellence.

Wishing you a productive and fulfilling month ahead!

Thanking You

CA. Satish Kumar Mylavarapu  
Chairman  
[hyderabad@icai.org](mailto:hyderabad@icai.org)

### Announcement

#### Implementation of Know your Member (KYM) Form

The ICAI has launched “**Know Your Member (KYM)**” Form which is to be filed annually through Self-Service Portal (SSP) of the ICAI.

**The procedure to submit the KYM Form is as under:**

Login In Self Service Portal --- Member Functions --- KYM Form

Login In Self Service Portal --- Click on Member Functions --- Click on Pending / Submitted/ Ask for correction

Pending / Submitted/ Ask for correction --- KYM Form

**Members are required to submit it mandatorily.**

[For FAQs please click here.](#)

In case of any difficulty please contact [cromemfee@icai.in](mailto:cromemfee@icai.in) or ICAI Call Sahayataa 9997599975

**Shri. Rajesh Kr. Bhalla**

Additional Secretary



### OBITUARY

**CA. GUDUR VIJAYA VENKAT SUDERSANAM**

**12<sup>th</sup> March 2023**

**The Managing Committee  
Expresses its condolences to the bereaved family.**

## Survey, Search and Seizure Update

Compiled by: CA. Hari Agarwal  
CA. Vivek Agarwal

### 1. AO can't issue another notice under sec. 148A (b) if reassessment notice was already issued unamended provision: HC

**Nagesh Trading Co. v. Income-tax Officer**

**[2023] 146 taxmann.com 513 (Delhi)**

**W.P.(C) NO. 13781 OF 2022**

**INCOME TAX :** Where Assessing Officer had issued and served notice on 31-3-2021 under section 148 of unamended Act, he could not have issued another notice under section 148A(b)

Section 148A, read with section 148, of the Income-tax Act, 1961 - Income escaping assessment - Conducting inquiry, providing opportunity before issue of notice (Scope of provision) - Assessment year 2017-18 - Assessing Officer pursuant to directions of Supreme Court in case of Union of India v. Ashish Agarwal [2022] 138 taxmann.com 64/286 Taxman 183/444 ITR 1 (SC)/2022 SCC Online SC 543 issued on assessee a notice under section 148A(b) dated 2-6-2022 in respect of assessment year 2017-18 - Assessee in reply submitted that impugned notice had been wrongly issued as initial notice under unamended section 148 was issued on 31-3-2021 and served vide e-mail on same date - Despite reply of assessee Assessing Officer passed an order under section 148A(d) and issued notice under section 148 on 28-7-2022 - Whether Assessing Officer having issued and served notice on 31-3-2021 under section 148 of unamended Act could not have issued another notice under section 148A(b) to assessee - Held, yes - Whether directions given by Supreme Court in case of Ashish Agarwal (supra) were applicable to cases where notices under section 148 had been issued during period 1-4-2021 to 30-6-2021 which was not case in present matter - Held, yes - Whether notice issued under section 148A(b) and order passed under section 148A(d) and notice issued under section 148 dated 28-7-2022 deserved to be quashed - Held, yes [Paras 5, 6 and 7] [In favour of assessee]

### 2. Where Assessing Officer while deciding stay application under section 220(6) directed assessee to remit 20 per cent of demand, authorities should take note of financial stringency and balance of convenience in deciding a stay application and as impugned order was bereft of any of attributes, same deserved to be set aside

**SECTION 220 OF THE INCOME-TAX ACT, 1961 - COLLECTION AND RECOVERY OF TAX**

**Aryan Share and Stock Brokers Ltd. v. Principal Chief Commissioner of Income-tax - [2023]**

**146 taxmann.com 508 (Madras)**

### 3. Addition made by AO was based on assumption that assessee's director had admitted transactions relating to other concerns, and therefore impugned transaction should have taken place for what he found in



entry—This could not be right approach for making an addition when no other corroborative evidence was brought on record to show that transaction happened for a higher amount and there were "on-money" transactions

**Holiday Marketing Pvt. Ltd. vs. Assistant Commissioner of Income Tax**

**ITA No. 32/Coch/2017 & CO No./15/2017**

**(2023) 67 CCH 0004 CochinTrib**

**(2023) 101 ITR (Trib) 0055 (Cochin) (SN)**

Unexplained credits—On-money payments—Capital gain—A search u/s. 132 was conducted in case of KCPL where an entry was found in books of account of KCPL with respect to sale of assessee's land—Accordingly, assessee's case was reopened and notice u/s. 148 was served—In response, assessee had filed return of income—AO from material seized noticed that assessee in return of income had declared a sum as per documents of registration—AO also called upon assessee to submit source of contributions received from assessee's director—AO completed assessment after making addition u/s. 68 towards amount borrowed from assessee's director treating as unexplained credits on ground that creditworthiness of assessee's director was not properly established by assessee—CIT(A) had allowed assessee's appeal—Held, AO had not recorded about any adverse finding with regard to impugned transaction during course of survey conducted u/s. 133A—AO while making addition did not establish nexus that entry found during course of search belongs to assessee and how amount mentioned therein as received by assessee's director was indeed received on behalf of assessee and not someone else—Assessee had substantiated that actual transaction happened for an amount only by producing sale deed which was registered much before date of entry found during course of search—As per registered sale deed, entire consideration was already been paid to assessee—Burden lies on AO to prove that assessee received some additional "on-money" payments and AO had not brought sufficient material on record against assessee warranting addition—Addition made by AO was based on assumption that assessee's director had admitted transactions relating to other concerns, and therefore impugned transaction should have taken place for what he found in entry—This could not be right approach for making an addition when no other corroborative evidence was brought on record to show that transaction happened for a higher amount and there were "on-money" transactions—Revenue's appeal dismissed.

#### **4. Search and seizure-Assessment under section 153A-Addition of gross amount of on-money receipt**

**JCIT v. Narayan Land Estate**

**I.T.A. No. 704/Ahd/2019**

Facts:

Assessee was engaged in real estate development during the course of survey at the Head Office of assessee at Narayan Chambers, various incriminating documents were found and impounded proving that the firm was

involved in the practice of receiving a part of the sales consideration of such apartments and shops in cash, which was not recorded in the books of account. AO did not find the explanation rendered by assessee as acceptable and ultimately AO made addition of Rs. 3,67,95,791 as undisclosed income from Narayan Shrushti Project for the year under consideration. The addition of gross amount of on-money receipt was challenged before CIT(A) who ultimately estimated profit @ 30% of the gross amount of on-money receipt. AO challenged this.

Held:

It is a practice of the real estate market that cash over and above the consideration in cheques are collected from the customers but the developers have to incur various unaccounted expenses in regard to the procurement of land and approval of the projects by various authorities too and therefore, the estimated profit of on-money/premium amount collected from customers is to be brought to tax, instead of adding the gross amount of on-money/premium to the total income. CIT(A) carefully took into consideration this particular aspect of the matter and profit at 30% of the gross amount of on-money receipt was treated as unaccounted income by him and the same was rightly added in the computation of total income of assessee which just and proper. The appeal filed by revenue was, therefore, dismissed.

**5. Follow instruction no. 7/2017 carefully for revision/rectification if revenue audit objection is accepted:**

**CBDT**

Instruction F. No. 246/06/2023, dated 16-02-2023

The Central Board of Direct Taxes (CBDT) has requested all tax officers to ensure that the procedure prescribed in Instruction no. 7/2017 is followed scrupulously and remedial action is taken after due application of mind. Instruction no. 7/2017 prescribes the procedures for invoking section 263/154 if a revenue audit objection is accepted.

In accordance with the said procedure, the Principal Commissioner of Income Tax (PCIT) must determine whether the order in question, which prompted the objection, requires revision under Section 263. This decision should be based on the facts of the case and will depend on whether the objection is acceptable.

If Pr. CIT chooses not to use section 263, the Assessing Officer (AO) is obligated to evaluate the case's facts and take the appropriate action based on his independent judgment. The board observed that the AO is frequently using section 154, even in cases where there is no mistake apparent from records or where action under section 263/147 is necessary. This leads to unfavorable judgments at the appellate stage, which could have been avoided.

Thus, the CBDT has requested all field authorities to ensure that the procedure prescribed in Instruction No. 7/2017 is followed scrupulously and remedial action is taken under the appropriate section of the Income-tax Act after due application of mind.

# Financial Year End 2022-23 - GST Checkpoints

Compiled by: CA. Satish Saraf & CA Venkat Prasad. P

## Introduction

A stitch in time saves nine! In this present landscape where distrust begets distrust, it is better than the taxpayer has ensured his compliance well in advance of possible departmental interventions in the future which could ultimately lead to a SCN or harassment. In this article we have highlighted 50+ GST checkpoints that one may consider for the financial year end, i.e., March 2023 as a safeguard.

## Reconciliations

1. Outward supplies as per books and GST returns (Books vs GSTR-1 vs GSTR-3B). This may help indicate if any amendments are required to be made in GST returns. [Turnover + Taxes]
2. Rate wise reconciliations – Books Vs GSTR 1 (incl. tax ledgers vs 3B for RCM)
3. Reconciliation of balance of credit and cash as per GST portal with balance appearing in books. Variance indicates monthly entry error, or possible missed out/excess claimed ITC.
4. GSTR 2B Vs ITC Register (books) - Invoice-level tracking of eligible and ineligible ITC in books of accounts and reconciliation to ITC disclosures in GSTR 3B for the FY. Spill over transactions to be specifically tracked.
5. RCM paid matches to RCM ITC claimed? (Other than ineligible ITC)
6. HSN consolidated thru GSTR 1 Vs Books value [T/o + Taxes]
7. E-way bill reconciliation with GSTR 1. In case EWB not required against supply can be specifically confirmed.
8. Books inventory Vs physical inventory - assess if ITC reversal to be required, or may indicate accounting lapse + missed out ITC.

Most of the above would also prove useful while preparing Form GSTR 9 & 9C due in December 2023.

## Outward (liability)

9. Verify if any GST DN / CN should be issued for any value short/excess charged or any sales returns by the customer. Time limits applicable only for CN (latest by 31st October). Verify agreement clauses on discounts to be provided and requirement to issue CN.
10. Verify compliance of section 18(6) for transfers/sale of Plant & Machinery (P&M). Consider valuation check in case of related party transactions.
11. Review of tax utilization entries passed in books of accounts vis a vis electronic liability ledger.
12. Reviewing the debtors ageing report - Tax implication on customers, i.e., their ITC would not be eligible until payment + MSME non-compliance (useful for realization).

13. Amendments to GSTR 1 – Changing the outward supplies from B2C to B2B or the type of tax – Passing on the credit to the customers before time limit. (can issue standard instruction - changes not accepted beyond FY end)
14. Ensure tax liability against receipt of advances (services) and adjustment thereof to derive at unadjusted advances [recently clarified refund voucher in GSTR-1 Adv Adj.]
15. Cross charge to distinct person and related parties for supply of common services
16. Verify CGST/SGST paid instead of IGST and vice-versa. Understand if sec 77 (CGST Act) / sec/19 (IGST Act) would be applicable (no interest implication).
17. Verify Income from other sources – if any liable/not liable under GST. Tax position to be clear [Ex: employee recoveries not payable recently clarified; Incentive Vs Discounts; GST Interest on delayed payments receipts]
18. Reconciliation of E-Invoices issued during the year viz a viz tax invoices generated.
19. Standard terms in contracts to avoid future disputes:
20. ITC w.r.t Credit note (if any) issued would be considered as reversed.
21. We are “in compliance” with GST laws.

#### **Inward (ITC)**

22. To verify whether ITC has been reversed on entries passed due to writing off inventories, assets, theft, samples, destruction, obsolete, etc.
23. Rule 37 – Check for ITC reversal required on account of non-payment within 180 days or reclaim of any ITC in respect of supplies for which payment has been made. [Recently clarified ITC reversal in table 4B]
24. Timing of availing credit - receipt of goods/service+ Sec 16, RCM credits, credit on advances ineligible etc.
25. Expense + ITC not accounted – identified through GSTR 2B.
26. Accounting of credit where details are not reflecting in GSTR 2B – Deferred input account – re-evaluate before October of coming year and consider charge to vendor and passing of as expenses.
27. Rule 42 – Impact of annualized ITC reversal in case of exempted as well as taxable supplies to be considered (re-computation) [Recently clarified duty scrips not be considered as exempt supply for such computation incl. r43]
28. Rule 43 computation for capital goods as per formula. If performed like R-42 impact to be analyzed.
29. To verify the correctness of accounting treatment of capital assets prior to closure of books, in order to optimize input tax credits. [Building Vs P&M; Motor Vehicles eligibility; civil works w.r.t P&M Vs other civil works – capex?]



30. Check if any reversal required against purchased goods rejected and returned or other credits to the expense ledgers (ensure the impact of the same has been considered in GST returns)
31. Verify compliance with ISD provisions. Where not done, whether cross charge can be complied to ensure procedural lapse only can be examined.
32. Credit - CGST/SGST availed as IGST or vice-versa.
33. Credit availed in a different GSTIN of the same assessee (PAN)
34. Eligibility of ITC – re-verify ITC masters and conditions used for classification.
35. Vendors credit note reflected in GSTR 2B requiring reversal of Input tax credits [Recently clarified, such CN to auto-populate in 4.A.5 (net), tracking and verification is harder]
36. Import of goods-BOE Vs ICEGATE Vs GSTR 2B – Check periodically to ensure no missed out.

### **Reverse Charge Mechanism (RCM)**

37. Accounting of entries passed for transactions covered under reverse charge. Some systems do not allow compound entry in direct expenses (Ex: Freight RCM).
38. RCM liability on foreign associated enterprises based on provision entry in books.
39. Analyze GST provisions by verifying expenses:
  - o Freight & transportation Payments (recently FCM @ 5% allowed)
  - o Residential dwelling by commercial entities w. e. f. 18.7.22 (48th Council meet – personal not liable)
  - o Advocate Payments - Legal Expenses
  - o Security services (not applicable when provider is body corporate)
  - o Renting of motor vehicle from non-body corporates (refer sl 15 in GST Circular 177/09/2022 for clarity)
  - o Import of services (with or without consideration) (useful sources - Form 27Q & Form 15CA/CB)
  - o Sponsorship/Advertisement & marketing
  - o Fees & licences to various Governments (by CG/SG/LA only, various exemptions available in NN 12/2017-CTR)
40. Analyze GST on Section 9(4) expenses – Real estate sector only

Note – GST returns for a FY can be amended with above corrections/deletions or modification latest by 30th November 2023, i.e., October 2023 GST returns.

## Others

41. File application for / renewal of LUT for FY 2023-24
42. Any person who wishes to opt for composition scheme for financial year 2023-24 should file form CMP-02 on the common portal on or before 31st March 2023
43. A registered person who has opted for composition scheme for FY 22-23 should file FORM GSTR-4 on or before 30th April 2023
44. Time limits to apply for QRMP scheme to opt-in or opt-out by 30th April 2023
45. Exports proceeds e-BRC receipt within 9 months can be verified (linked to FEMA). If not eligibility of 'zero-rated supply' questionable.
46. Filing of application for refund claims. Time limit to be considered for the purpose of filing of refund application in view of SC decision on extension of time limit
47. Track status of goods sent on job work or goods sent on approval whether all the goods have been received back within the due time period. (1+1 yr inputs/ 3+2 years CG). If not received in time, invoice must be raised appropriately.
48. Verify year-end accrual/provision entries for transactions with related parties and evaluate the GST implications. (Import of service possibility)
49. HSN 6 Digit level – mandatory requirement from 01.04.2021. Ensure correctness and display in tax invoice. (T/o > Rs. 5 cr.)
50. Obtaining GST registration in other States where supplies are made. Compliance with concept of fixed establishment, supply, etc.
51. Interest to be paid on utilization of ITC only, that too at 18% p.a. (applicable tax head wise)
52. Tax paid under protest (pre-notice/dept. visit); ITC reversed under protest – ensure documentation of letter of protest
53. Documentation of notices, letter cover, replies/responses (mail + RPAD) in a separate correspondence file.
54. Maintain data of inward, outward, RCM, EWB, documents (tax invoice, e-inv, vouchers, etc.) for 6 years from annual return due date of FY (ex: for FY 22-23 6 years from 31-12-2023).

## Conclusion

GST compliance now, more than ever before, requires a higher level of attention. Taxpayers are expected to ensure their vendor compliances alongside their own. This would require the implementation of strong internal controls, implementation of technology, introduction of an indirect tax SOP and regular training and update to the GST compliance team. (For queries/feedback: [ss@ssnc.in](mailto:ss@ssnc.in), [venkataprasad@hiregange.com](mailto:venkataprasad@hiregange.com))



## 5 steps to a healthy summer diet!

We suggested some diet tips to beat the summer heat.

### 1. Water is the best Drink.



Water plays a key role in keeping the body cool. When temperature gets hotter and with high humidity levels, sweat will not evaporate quickly. Due to this phenomenon body heat is not released in an efficient manner. This is why it is necessary to hydrate and drink water, even when you are not thirsty. Increase water intake regardless of your activity levels.

### 2. Avoid caffeinated or carbonated beverages, alcoholic beverages, and those high in sugar.

All these drinks contain preservatives, colours and sugars. They are acidic in nature and act as diuretics. They cause loss of fluids through sweating. These drinks contain acids which effect the digestive tract and so they reduce calcium from bones and moves it into blood. This calcium displaced from the bones makes them porous and brittle. It also causes plaque on teeth, kidney stones, arthritis and bone spur. Soft drinks also reduce mineral levels in the body to such an extent that enzymes are unable to function well, resulting in indigestion. Or don't even drink cold water, it might make u feel cooler for a awhile, but that leads to slight constriction of the blood vessels in the skin and decrease heat loss, which is not advisable when trying to cool down.



### 3. Eat light, nutritious and non-fatty meals.



- a) Reduce intake of heat vegetables and fruits, like spinach, radish, hot peppers, onions, garlic, beetroot, pineapple, grapefruit and ripe mangoes (if you cannot resist mangoes, soak them overnight in water).
- b) Minimise the intake of dried fruits and Increase the intake of fresh fruit.
- c) Use sabza (tulsi seeds) in your drinks -- this has very cooling effect on the body.





Speakers of CPE Seminars held at Hyd. Branch

GLIMPSES OF WOMEN'S SEMINAR PRERANA – 4<sup>th</sup> MARCH, 2023



Delegates for Women Seminar Prerana 2023



Delegates for Women Seminar Prerana 2023



Chief Guest

Ms. Deethi Ravula, CEO, WE Hub, Govt of Telangana



Guest of Honour

CA. Shubraa Maheshwari, Chairperson, FISSI (FLO)



Mrs. Nupur Bang



Mrs. Manisha Saboo





Dr. Deepa Agarwal



Dr. Geetha Nagasree



Mrs. Peddi Lakshmi Rao



Team LAKME Academy



Group Photography



CA. Rajambal M S Vice Chairperson  
Hyderabad Branch of SIRC of ICAI



Group Photography of Women's Seminar Prerana-2023

GLIMPSES OF SEMINAR ON BANK AUDIT – 11<sup>th</sup> MARCH, 2023



CA. V. Jawahar



CA. P. Sarath Kumar



CA. D. Premnath



CA. Maitreyee Roy



Shri. Vijay Kumar Jaini



CA. D. Premnath, CA. D. Venkata Jankinath & CA. K. Vijaya Srinivas



## GLIMPSES OF CPE LECTURE MEETINGS



on 01st March 23, Analysis of 49th GST Council Meeting  
by CA. Satish Saraf



on 16th March 23, Taxation of ESOPs Covering Notice from  
Income Tax by CA. Pankaj Kumar Trivedi



on 21st March 23, Discussion on Audit Trail  
by CA. Vijay Totapally



on 23rd March 23, Free Awareness Programme - CPR  
by Dr. Ashima Sharma



28th March 23, AQMM  
by CA. M V Kali Prasad



29th March 23, Amendments in Provision to related Charitable  
Trust by CA. Rajaendra Prasad T & CA. Samba Murthy P

## GLIMPSES OF WORKSHOP ON BANK AUDIT FOR BEGINEERS ON 24<sup>th</sup> MARCH, 2023



Inaugural of Workshop on Bank Audit for Begineers



CA. M.R Vikram



CA. Sivaprasad Annavarapu



CA. D. Venkata Jankinath

## GLIMPSES OF SEMINAR ON GST ON 25<sup>th</sup> MARCH, 2023



Lighting of the Lamp Seminar on GST



CA. Venkata Prasad P



CA. Satish Saraf



Brain Trust Session by CA. Hari Kishan B , CA. Sreeram K & CA Raghavender K



GLIMPSES OF SEMINAR ON BANK AUDIT FOR CA STUDENTS ON 27<sup>th</sup> MARCH, 2023



Group Photo with Chief Guest Shri, Satyanaryana Gidugu, Head Global Cyber Security Operation – Bank of Baroda



CA. Bhanu Narayan Rao Y V



CA. Deepak Ladda



CA. Ashish Modani



CA. Saran Kumar U



Group Photo of SICASA Students