



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

KOTTAYAM BRANCH (SIRC)

Vol :11 Issue: 22

DECEMBER 2025

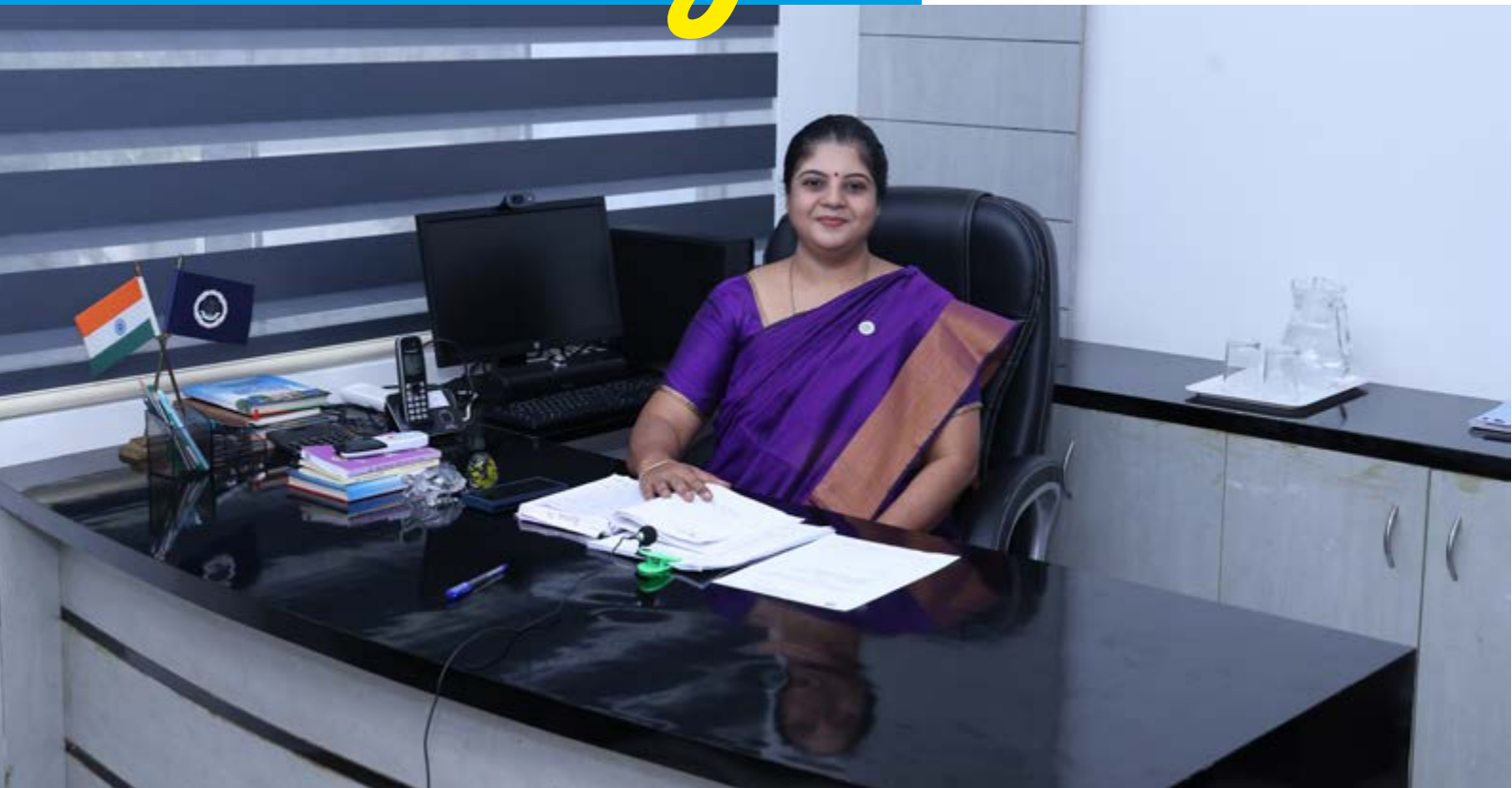
NEWSLETTER



Navaratna Conference at Kannur



CHAIRPERSON'S *Message*



CA. Ramya. N Chairperson

Dear Members,

As we usher in the New Year, I take this opportunity to reflect on the productive and knowledge-driven initiatives undertaken during December 2025, which truly highlighted our branch's commitment to professional excellence, continuous learning, and student development.

The month commenced with a CPE Seminar on 6th December

2025 on the theme "Empowering Excellence: Building Skills for a Transformative Professional Future," offering 6 hours of CPE credit. The first session was ably moderated by CA. Rajesh P and enriched by insightful presentations from CA. Jacob Baboo and CA. Binu Sankar, providing members with valuable perspectives on evolving professional competencies.

Continuing the learning

momentum, a CPESeminar on 8th December 2025 was conducted on "Application of Accounting Standards in Our Practice," carrying 3 hours of CPE credit. The session was effectively handled by CA. Amal Paul, Ernakulam, who shared practical insights and real-time applications relevant to professional practice.

Further, on 10th December 2025, the branch organized a CPE Seminar on "GST Annual Return – Forms GSTR-9 & 9C and Latest Developments," with 3 hours of CPE credit. The session was handled by CA. M. P. Tony,



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Thirissur, and was highly informative, addressing key compliance aspects and recent updates under GST.

The highlight of the month was the annual Navaratna conference, an initiative helmed by all the 9 branches of Kerala, where we came together to interact, learn and connect with participants from across the state. The 6th edition was hosted by the Kannur branch on the 12th and 13th of December, 2025 and we had over 30 participants from our branch. It was 2 days of learning on varied topics of professional interest, opening new vistas of practice and bonding under the warm hospitality of the host branch.

In addition to member-focused programs, SICASA conducted an Industrial Visit on 13th December 2025 to MASCO Tea Factory, Vagamon. The visit provided students with valuable exposure to industrial operations, manufacturing processes, and practical business insights, thereby bridging the gap between theoretical learning and real-world application.

The month concluded on a meaningful note with the S. Vaidyanath Aiyar Memorial CPE

Seminar held on 20th December 2025, focusing on "Compliance with Standards on Auditing," offering 2 hours of CPE credit. The session was handled by CA. Jomon K. George, Past Chairman, SIRC of ICAI, and was conducted alongside Christmas celebrations led by team SICASA, fostering both professional enrichment and fellowship among members.

I sincerely appreciate the efforts of all speakers, moderators, organizing committee members, SICASA team, and participants whose active involvement ensured the success of these programs. Such initiatives reaffirm our collective resolve to uphold the highest standards of the profession while nurturing future professionals.

Kottayam branch ensured that the members are able to meet the CPE requirements for the year 2025 by conducting over 148 hours of CPE programmes including certificate courses.

Please note that the ICAI has further extended the due date for compliance with CPE requirements for 2025 to 31st March, 2026. Similarly, the due date for the last leg of peer

review has been extended upto 31st December, 2026. I urge the members to complete the process well before the revised timelines.

As we move forward into the New Year, let us embrace change with confidence, pursue excellence with dedication, and contribute to the profession with integrity and purpose.

I also take this opportunity to thank all the members who have contributed their might to the Chartered Accountant Benevolent Fund during 2025

"The future belongs to those who prepare for it today. May the New Year bring new opportunities, renewed hope, and greater success for all."

Wishing you, our students, your staff and your families a happy, healthy, and prosperous New Year.

With warm regards,

CA. Ramya N
Chairperson



GST UPDATES



CA. AKHIL VARGHESE

Advisory on Electronic Credit Reversal & Re-claimed Statement and RCM Liability/ITC Statement - Advisory dated 29th December 2025

The GST Portal has issued an advisory clarifying the purpose, operational framework and upcoming system validations relating to the Electronic Credit Reversal and Re-claimed Statement and the RCM Liability/ITC Statement.

As of now taxpayer get a warning message if a taxpayer attempts to re-claim excess ITC in table 4D(1) than the available ITC reversal balance but the taxpayer is allowed to file its Form GSTR-3B. Similarly, for RCM Liability/ITC Statement, presently, a warning message comes to the taxpayer in case the ITC claimed in Table 4(A)2 and 4(A)3 exceed the closing balance of RCM ledger plus the liabilities being reported in Table 3.1(d).

Shortly, the GSTN portal will introduce the below mentioned validation for regulation of ITC for both the statements mentioned above:

- a. The reclaimed ITC in Table 4(D)(1) shall be lesser than or equal to the combined values of closing balance of Electronic Credit Reversal and Re-claimed Statement and ITC being reversed in Table 4(B)(2) of current period GSTR-3B. and,
- b. The RCM ITC claimed in Table 4(A)2 & 4(A)3 shall be equal to or less than the combined values of RCM liabilities paid in Table 3.1(d) of the same GSTR-3B and closing balance of RCM Liability/ITC Statement.

In case the taxpayers are already having negative closing balance in Electronic Credit Reversal and Re-claimed Statement or RCM Liability/ITC Statement, the system will not allow such taxpayers to file their GSTR-3B until:

- a. Mandatorily reversal of such excess claimed ITC (Negative closing

balance) as per Electronic Credit Reversal and Re-claimed Statement is made in Table 4(B)(2) of current period GSTR-3B. In case there is no ITC available in current period, this reversal declared in table 4(B)2 will be added to the liability of the taxpayer in current period while filing GSTR-3B.

- b. For negative balance in RCM Liability/ITC Statement, taxpayer need to either pay the additional RCM liability equivalent to negative closing balance in Table 3.1(d) or reduce the ITC claimed in Table 4A(2) or 4A(3) to the extent of closing balance in the current return period.

High Court quashes SCN demanding GST on deficiency service fee

The Petitioner NBFC challenged before the Hon'ble Karnataka High Court a show cause notice issued by the DGGI seeking



to levy GST on liquidated damages recovered from its Lending Service Providers, which the Revenue alleged to be consideration for “tolerating an act” under paragraph 5(e) of Schedule II to the CGST Act. The Petitioner contended that such amounts were recoverable only upon breach or non-performance under the master service agreements and were purely compensatory in nature, not consideration for any independent supply. Relying on Circular No. 178/10/2022-GST dated 03.08.2022, which clarifies that compensation or liquidated damages for breach of contract are not taxable unless linked to a separate supply, the High Court held that the recoveries were in the nature of compensation and squarely covered by the Circular. The Court further observed that specific clarifications in a Circular are binding on the Department and cannot be ignored, and accordingly quashed the impugned SCN. The Court also directed refund of the amount deposited by the Petitioner during investigation under protest, along with applicable interest.

Krazybee Services Private Limited Vs Additional Director, DGGI, 2025:KHC:51726

Refund of Unutilized ITC under Inverted Duty Structure Allowed Even Where Input and Output Goods Are Identical

The Hon’ble Karnataka High Court held that refund of unutilized input tax credit under Section 54(3)(ii) of the CGST Act cannot be denied merely because the input and output supplies are the same goods. The petitioner, engaged in procuring and packing edible oils taxable at 5%, accumulated ITC as the rate of tax on certain inputs was higher than the rate of tax charged on the packed edible oil and sought refund on account of an inverted duty structure. The Court observed that the statute does not require a comparison of tax rates on the principal input and output, nor does it restrict refund only to cases where different goods are involved.

South Indian Oil Corporation v. The Asst. Commr. CT, 2025:KHC:53009

ITC cannot be denied merely for being availed under the wrong tax head

The petitioner had wrongly availed input tax credit under the IGST head instead of the CGST and SGST heads, and the Revenue sought to deny the credit solely on this ground. The Court held that the electronic credit ledger is to be treated as a common pool of funds earmarked for different tax heads and that mere incorrect reflection of credit under a particular head

cannot result in denial of substantive ITC when the credit has been validly earned and utilized for payment of GST. Relying on the decision of the Kerala High Court in *Rejimon Padick-apparambil*, the Court held that the petitioner was entitled to the benefit of the said ruling.

M/s. Vinayaka Agencies v. The Deputy Commissioner, DGSTO & Ors., WP No. 107027/2025, Karnataka High Court

Payment made under protest can be adjusted against mandatory Pre-Deposit for Filing Appeal

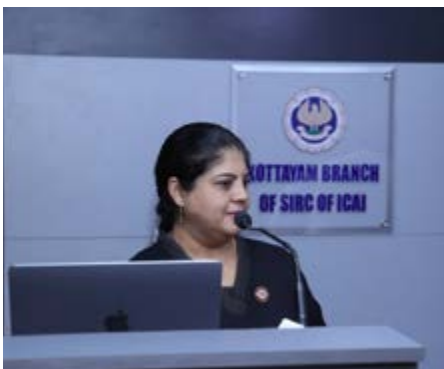
The petitioner made payment under protest during the assessment proceedings, but the Appellate Authority rejected the appeal for non-payment of the mandatory 10% pre-deposit under Section 107(6) of the CGST Act, 2017. The Court relied on the Supreme Court’s decision in *VVF (India) Ltd. v. State of Maharashtra*, holding that amounts paid under protest prior to assessment can be adjusted against the statutory pre-deposit required for appeal.

Getronics Solutions India Private Limited v. Commr. of Central Tax (Appeals II), Bengaluru – WP No. 11470/2024 – Karnataka High Court

CPE Seminar on Empowering Excellence



CPE Seminar





CPE Seminar



CPE Seminar on Standards on Auditing



Christmas Celebrations



Industrial Visit



Compliance Calendar – January 2026 to December 2026

JANUARY 2026	
07	TDS/TCS Payment for Dec 25
10	GSTR 7/8 for Dec 25
11	GSTR 1 (Monthly)
13	GSTR 1 (Q3 25-26 QRMP), IFF (Jan 26), GSTR 5/6 (Dec 25)
14	TCS Return (Q3 25-26)
15	PF/ESIC Payment (Dec 25)
18	CMP 08 (Q3 25-26)
20	GSTR 3B & GSTR 5A Monthly (Dec 25)
22	GSTR 3B (Q3 25-26 QRMP) - Group A
24	GSTR 3B (Q3 25-26 QRMP) - Group B
30	TCS Certificate (Q3 25-26)
31	TDS Return (Q3 25-26)
February 2026	
07	TDS/TCS Payment (Jan 26)
10	GSTR 7/8 (Jan 26)
11	GSTR 1 (Monthly)
13	IFF (Feb 26 QRMP), GSTR 5/6 (Jan 26)
15	TDS Certificate (Q3 25-26), PF/ESIC Payment (Jan 26)
20	GSTR 3B & GSTR 5A Monthly (Jan 26)
25	GST PMT 06 (QRMP) (Jan 26)
March 2026	
07	TDS/TCS Payment (Feb 26)
10	GSTR 7/8 (Feb 26)
11	GSTR 1 (Monthly)
13	IFF (Feb 26 QRMP), GSTR 5/6 (Feb 26)
15	Advance Tax 4th Installment (AY 26-27), PF/ESIC Payment (Feb 26)
20	GSTR 3B & GSTR 5A Monthly (Feb 26)
25	GST PMT 06 (QRMP) (Feb 26)
30	TDS Payment (March 26)
April 2026	
07	TCS Payment (March 26)
10	GSTR 7/8 (April 26)
11	GSTR 1 (Monthly)
13	GSTR 1 (Q4 25-26 QRMP), IFF (April 26 QRMP), GSTR 5/6 (March 26)
15	PF/ESIC Payment (March 26)
18	CMP 08 (Q4 25-26)
20	GSTR 3B & GSTR 5A Monthly (March 26)
22	GSTR 3B (Q4 25-26 QRMP) - Group A
24	GSTR 3B (Q4 25-26 QRMP) - Group B
30	TCS Certificate (Q4 25-26)

May 2026	
07	TDS/TCS Payment (April 26)
10	GSTR 7/8 (May 26)
11	GSTR 1 (Monthly)
13	IFF (May 26 QRMP), GSTR 5/6 (April 26)
15	TCS Return (Q4 25-26), PF/ESIC Payment (April 26)
20	GSTR 3B & GSTR 5A Monthly (April 26)
25	GST PMT 06 (QRMP) (April 26)
31	TDS Return (Q4 25-26)
June 2026	
07	TDS/TCS Payment (May 26)
10	GSTR 7/8 (June 26)
11	GSTR 1 (Monthly)
13	IFF (June 26 QRMP), GSTR 5/6 (May 26)
15	TDS Certificate (Q4 25-26), Advance Tax 1st Inst (AY 27-28), PF/ESIC (May 26)
20	GSTR 3B & GSTR 5A Monthly (May 26)
25	GST PMT 06 (QRMP) (May 26)
30	Equalization Levy Statmt (FY 25-26), GSTR 4 (FY 25-26), DIR-3 KYC
July 2026	
07	TDS/TCS Payment (June 26)
10	GSTR 7/8 (July 26)
11	GSTR 1 (Monthly)
13	GSTR 1 (Q1 26-27 QRMP), IFF (July 26 QRMP), GSTR 5/6 (June 26)
15	TCS Return (Q1 26-27), PF/ESIC Payment (June 26)
18	CMP 08 (Q1 26-27)
20	GSTR 3B & GSTR 5A Monthly (June 26)
22	GSTR 3B (Q1 26-27 QRMP) - Group A
24	GSTR 3B (Q1 26-27 QRMP) - Group B
30	TCS Certificate (Q1 26-27)
31	TDS Return (Q1 26-27), ITR AY 26-27 (Non-Audit)
August 2026	
07	TDS/TCS Payment (July 26)
10	GSTR 7/8 (August 26)
11	GSTR 1 (Monthly)
13	IFF (August 26 QRMP), GSTR 5/6 (July 26)
15	TDS Certificate (Q1 26-27), PF/ESIC Payment (July 26)
20	GSTR 3B & GSTR 5A Monthly (July 26)
25	GST PMT 06 (QRMP) (July 26)

September 2026	
07	TDS/TCS Payment (August 26)
10	GSTR 7/8 (Sept 26)
11	GSTR 1 (Monthly)
13	IFF (Sept 26 QRMP), GSTR 5/6 (August 26)
15	Advance Tax 2nd Inst (AY 27-28), PF/ESIC Payment (August 26)
20	GSTR 3B & GSTR 5A Monthly (August 26)
25	GST PMT 06 (QRMP) (August 26)
30	Tax Audit AY 26-27
October 2026	
07	TDS/TCS Payment (Sept 26)
10	GSTR 7/8 (Oct 26)
11	GSTR 1 (Monthly)
13	GSTR 1 (Q2 26-27 QRMP), IFF (Oct 26 QRMP), GSTR 5/6 (Sept 26)
15	TCS Return (Q2 26-27), PF/ESIC Payment (Sept 26)
18	CMP 08 (Q2 26-27)
20	GSTR 3B & GSTR 5A Monthly (Sept 26)
22	GSTR 3B (Q2 26-27 QRMP) - Group A
24	GSTR 3B (Q2 26-27 QRMP) - Group B
30	TCS Certificate (Q2 26-27)
31	TDS Return (Q2 26-27), ITR (Audit), Transfer Pricing Audit AY 26-27
November 2026	
07	TDS/TCS Payment (Oct 26)
10	GSTR 7/8 (Nov 26)
11	GSTR 1 (Monthly)
13	IFF (Nov 26 QRMP), GSTR 5/6 (Oct 26)
15	TDS Certificate (Q2 26-27), PF/ESIC Payment (Oct 26)
20	GSTR 3B & GSTR 5A Monthly (Oct 26)
25	GST PMT 06 (QRMP) (Oct 26)
30	ITR AY 26-27 Transfer Pricing Case
December 2026	
07	TDS/TCS Payment (Nov 26)
10	GSTR 7/8 (Dec 26)
11	GSTR 1 (Monthly)
13	IFF (Dec 26 QRMP), GSTR 5/6 (Nov 26)
15	Advance Tax 3rd Inst (AY 27-28), PF/ESIC Payment (Nov 26)
20	GSTR 3B & GSTR 5A Monthly (Nov 26)
25	GST PMT 06 (QRMP) (Nov 26)
31	Belated/Revised ITR AY 26-27, GSTR 9/9C (FY 25-26)



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