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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(SETUP BY AN ACT OF PARLIAMENT)
VASAI BRANCH (WIRC)



MONTHLY E-NEWSLETTER

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of
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(Parliament)
a Regional Council

WIRC AWARD CEREMONY

2025-2026



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Chairperson Vasai Branch of WIRC of ICAI

ॐ सर्वे भवन्तु सुखिनः, सर्वे सन्तु निरामयाः।
सर्वे भद्राणि पश्यन्तु, मा कश्चिद्दुःखभागभवेत्।
ॐ शान्तिः शान्तिः शान्तिः ॥

As I pen down this final message as Chairperson of the Vasai Branch, my heart is filled with gratitude, pride, and countless memories. This tenure has been more than a year of events – it has been a journey of vision, teamwork, growth, and collective achievement.

We commenced the year on an inspiring and energetic note with the Women's CA Run, celebrating strength, resilience, and the spirit of womanhood in our profession. It was not just a run, but a powerful statement of unity and empowerment.

Throughout the year, we remained steadfast in our commitment to professional excellence. A series of insightful seminars and webinars covering emerging professional developments, regulatory updates, and practical insights ensured that our members and students stayed ahead in a dynamic environment. Knowledge sharing remained at the core of our mission.

Our responsibility extended beyond the profession into society. Through impactful CSR initiatives, including a Blood Donation Camp and Health Check-up Camp, we reaffirmed that as Chartered Accountants, we serve not just businesses but the community at large.

For our student fraternity, the year was truly transformative.

AARAMBH – the CA Students Mega Conference brought together hundreds of aspiring professionals

for a day of inspiration, technical learning, and motivation from distinguished speakers. It marked the beginning of bigger dreams and broader perspectives.

We also encouraged holistic development through Indoor Sports activities, promoting balance between academics and well-being, and Professional Muqabala (Cricket Tournament), which fostered healthy competition, camaraderie, and bonding among members.

Our vibrant Ganpati Celebration beautifully blended tradition with togetherness, strengthening the cultural and emotional fabric of our branch.

Hosting two prestigious national-level gatherings was a matter of immense pride:

- A 2-Day National Conference of Members, offering high-quality technical sessions and networking opportunities.
- A 2-Day National Conference on Direct Tax, addressing critical and contemporary taxation issues with eminent speakers from across the country.

One of the most defining highlights of the year was Festopia – CA Students Youthfest, where our students not only showcased extraordinary talent and enthusiasm but also created a world record – a historic milestone that placed our branch on a larger map.

Additionally, our various Career Counselling Sessions guided students at crucial crossroads, helping them make informed decisions about their professional journeys.



In the concluding phase of our tenure, we also conducted several meaningful initiatives including the Accounting Museum Setup, a Public Meeting on the Union Budget, and the Annual Dinner 2025, which provided an opportunity for members to connect, reflect, and celebrate together.

This year was not merely about conducting programs – it was about creating impact and building legacy.

Our collective efforts translated into remarkable recognitions:

- 🏆 2nd Best Branch under Large Category at WOFA 2.0
- 🏆 2nd Best Branch of Students Association under Mega Category at WOFA 2.0
- 🏆 2nd Best Branch of WIRC at Regional Level under Large Category
- 🏆 Certificate of Appreciation for Students Association under Mega Category at Regional Level

These achievements are a testament to the unwavering dedication of our committee members, the enthusiastic participation of our students, the valuable support of our members, and the constant encouragement from our well-wishers.

I would like to extend my heartfelt gratitude to all our members and students. Without your continuous support, encouragement, and participation, none of this would have been possible throughout the year. It is because of your collective efforts that our branch proudly achieved the 2nd Prize at the national level across all branches – a moment of immense pride for all of us.

Leadership is never an individual accomplishment – it is a shared journey. Together, we converted vision into action, challenges into opportunities, and aspirations into achievements.

As I sign off, I do so with immense satisfaction and deep gratitude. The tenure may conclude, but the spirit, momentum, and unity we have built will continue to propel the Vasai Branch toward greater heights.

With heartfelt thanks and best wishes for an even brighter tomorrow.

Warm regards,

CA Daya Amit Bansal
Chairperson
Vasai Branch of WIRC of ICAI



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GST Implications on Reimbursement Received on Cancellation of Export Order

1. Background & Facts of the Case

Mr. X, a person located in India, received an export order from a foreign client situated outside India. Pursuant to the order, Mr. X commenced preparatory activities for execution of the proposed export and incurred various expenses in the ordinary course of business.

However, before completion of the transaction and prior to any actual export of goods or completion of service the foreign client unilaterally cancelled the order. Upon such cancellation, the foreign client reimbursed Mr. X for the expenses already incurred.

The amount received was specifically described as reimbursement / compensation for cancellation of the order and not as consideration for any service rendered.

2. Issues for Consideration:

The following key questions arise for examination under GST law,

1. Whether the reimbursement / compensation received by Mr. X constitutes a “supply” under Section 7 of the CGST Act, 2017?
2. If yes, whether such receipt is liable to GST?
3. Whether the amount can be treated as “export of service” under GST law?

3. Scope of Supply:

As per Section 7(1)(a) of the CGST Act, 2017, “supply” includes all forms of supply of goods or services or both, made or agreed to be made for a consideration by a person in the course or furtherance of business.

For any receipt to be taxable under GST, the following two conditions must coexist:

- There must be a supply of goods or services, and
- There must be a direct and proximate nexus between the supply and the consideration received.

Key Test:

Is the reimbursement consideration for a supply?

- If YES → Taxable
- If NO → Not a supply → Not taxable

4. Reimbursement – Not Automatically a Supply:

GST law does not tax reimbursements but it taxes consideration for supply.

Therefore, reimbursement may be:

- Taxable, or
- Non-taxable,

depending upon the underlying reason for which the payment is made.



5. Possible Legal Interpretations of Reimbursement:

Interpretation 1: Reimbursement as Consideration for Supply (Taxable)

Where:

- Expenses are incurred in one's own capacity, and
- The same are recovered from the client as part of the price of service,

Then:

- Reimbursement forms part of consideration
- A supply exists
- GST is payable

Key principle:

What is reimbursed is irrelevant but why the amount is paid is decisive.

Interpretation 2: Reimbursement as "Pure Agent" (Rule 33 of CGST Rules, 2017)

Under Rule 33, reimbursement is excluded from the value of supply only if all prescribed conditions are satisfied, such as:

- The supplier acts as a pure agent of the recipient,
- Expenses are incurred on behalf of the recipient,
- The amount is separately indicated in the invoice, and
- The recipient is liable to pay such expenses.

In such cases:

- A supply exists, but
- Reimbursement is excluded from taxable value, and
- GST is not payable on that portion.

Rule 33 applies only when there is an underlying taxable supply, which is not the situation in the present case.

Interpretation 3: Reimbursement as Compensation / Liquidated Damages (Schedule II – Para 5(e))

Schedule II, Para 5(e) treats "agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act" as a supply of service.

In Eye of the department, liquidated damages and penalties were sought to be taxed as consideration for "tolerating an act".

Now Government has clarified by **CBIC Circular No. 178/10/2022-GST dated 03.08.2022**, Liquidated damages, compensation, or penalty for breach or non-performance of contract do not constitute consideration for any supply, unless there is a specific contractual agreement to tolerate an act for consideration.

Also Clarify that to tax under "tolerating an act", **there must be a clear contractual obligation to tolerate** and consideration for it.

Mere acceptance of liquidated damages or compensation for breach or cancellation of contract does not amount to an agreement to tolerate an act.

6. Application to the Present Case:

In the present facts:

- There is no contractual obligation on Mr. X to tolerate cancellation.
- Cancellation of the order is a unilateral breach by the foreign client.
- The amount received is compensatory and consequential, meant to reimburse costs already incurred.



Accordingly, the transaction does not fall under Schedule II, Para 5(e) and cannot be treated as a supply of service.

7. Whether the Receipt Qualifies as “Export of Service”?

As per Section 2(6) of the IGST Act, 2017, “export of services” requires fulfilment of all five conditions,

“Export of services” means the supply of any service when,

- (i) the supplier of service is located in India;**
- (ii) the recipient of service is located outside India;**
- (iii) the place of supply of service is outside India;**
- (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India and**
- (v) the supplier of service and the recipient of service are not merely establishments of a distinct person.**

Critical Failure in the Present Case:

- No service was completed or supplied
- The export order was cancelled mid-way
- The amount received is not consideration for any service, but mere reimbursement

Since the fundamental condition of “supply of service” itself fails, the transaction cannot qualify as export of service.

8. Final Opinion & Conclusion:

Based on the factual matrix, statutory provisions and binding CBIC clarification, it

1. The reimbursement received by Mr. X on cancellation of the export order is in the nature of compensation / liquidated damages.
2. Such receipt does not constitute consideration for any supply under Section 7 of the CGST Act, 2017.
3. The transaction does not qualify as supply of service, “tolerating an act”, or export of service.
4. Consequently, no GST (CGST/SGST/IGST) is payable on such reimbursement.
5. The amount need not be included in taxable turnover or reported in GST returns, subject to proper contractual documentation and accounting treatment.



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प्रवासी संदेश

राजेश भास्कर
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वसई ब्रांच ऑफ डब्ल्यूआईआरसी ऑफ आईसीएआई के अध्यक्ष बने सीए सुमित लाखोटिया

वर्ष 2026 - 27 की नई कार्यकारिणी घोषित

प्रवासी संदेश टीम
मीरा-भायंदरा। वेस्टर्न इंडिया रीजनल काउंसिल ऑफ आईसीएआई के मार्गदर्शन एवं इस्टीमेट ऑफ चार्टर्ड अकाउंटेंट्स ऑफ इंडिया के अधीन कार्यरत वसई ब्रांच ने वर्ष 2026-27 के लिए अपनी नई कार्यकारिणी की घोषणा की है। सशक्त नेतृत्व, नई दिशा के लिए प्रतिबद्ध यह शाखा क्षेत्र में चार्टर्ड अकाउंटेंट्स की पेशेवर गतिविधियों का एक महत्वपूर्ण एवं सक्रिय केंद्र रही है। नवगठित कार्यकारिणी में सीए सुमित लाखोटिया अध्यक्ष निर्वाचित हुए हैं। उपाध्यक्ष पद पर सीए संजय अग्रवाल, सचिव पद पर सीए अमन जैन, कोषाध्यक्ष पद पर सीए अंकित जैन, डब्ल्यूआईसीएएसए अध्यक्ष

पद पर सीए रितु अग्रवाल निर्वाचित घोषित किए गए हैं। नई कार्यकारिणी ने अपने संकल्प में स्पष्ट किया है कि उनका उद्देश्य शाखा को एक सशक्त ज्ञान एवं उत्कृष्टता केंद्र के रूप में स्थापित करना है। उनकी प्राथमिकताओं में उच्चस्तरीय तकनीकी सेमिनार, व्यावसायिक कौशल विकास कार्यक्रम, सदस्य सहभागिता में वृद्धि, डब्ल्यूआईसीएएसए के माध्यम से छात्रों को मार्गदर्शन एवं नेतृत्व अवसर प्रदान करना शामिल है। सदस्यगणों ने नई टीम का उत्साहपूर्वक स्वागत करते हुए विश्वास व्यक्त किया है कि यह ऊजावान एवं दूरदर्शी नेतृत्व वसई शाखा को उत्कृष्टता की नई ऊंचाइयों तक ले जाएगा। नवनिर्वाचित पदाधिकारियों को पूर्व अध्यक्षों, वरिष्ठ सदस्यों, मित्रों एवं समस्त सीए सदस्यों ने हार्दिक बधाई एवं शुभकामनाएं दी हैं। साथ ही विश्वास जाताया है कि नवनिर्वाचित अध्यक्ष सीए सुमित लाखोटिया का नेतृत्व अपने अनुभव, ऊर्जा और दूरदर्ष्टि के साथ वसई ब्रांच को नई ऊंचाइयों तक पहुंचाएगा। साथ ही संगठन की मजबूती, सदस्यों की प्रगति और छात्रों के उज्वल भविष्य हेतु नवनिर्वाचित कार्यकारिणी का यह कार्यकाल ऐतिहासिक सिद्ध होगा।

संवादक : राजेश भास्कर | कार्यकारिणी संवादक : अजय शिवानी

सम्मान लाइम्स

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वसई ब्रांच की वर्ष 2026-27 के लिए नई कार्यकारिणी की घोषणा – सशक्त नेतृत्व, नई दिशा

Western India Regional Council of ICAI के मार्गदर्शन एवं Institute of Chartered Accountants of India के अधीन कार्यरत Vasai Branch ने वर्ष 2026-27 के लिए अपनी नई कार्यकारिणी की घोषणा की है। यह शाखा क्षेत्र में चार्टर्ड अकाउंटेंट्स की पेशेवर गतिविधियों का एक महत्वपूर्ण एवं सक्रिय केंद्र रही है।

नव-निर्वाचित पदाधिकारी:

- सीए सुमित लाखोटिया – अध्यक्ष
- सीए संजय अग्रवाल – उपाध्यक्ष
- सीए अमन जैन – सचिव
- सीए अंकित जैन – कोषाध्यक्ष
- सीए रितु अग्रवाल – WICASA अध्यक्ष

नई कार्यकारिणी ने

अपने संकल्प में स्पष्ट किया है कि उनका उद्देश्य शाखा को एक सशक्त ज्ञान एवं उत्कृष्टता केंद्र के रूप में स्थापित करना है।

- ✓ उनकी प्राथमिकताओं में शामिल है:
- ✓ उच्चस्तरीय तकनीकी सेमिनार
- ✓ व्यावसायिक कौशल विकास कार्यक्रम
- ✓ सदस्य सहभागिता में वृद्धि
- ✓ WICASA के माध्यम से छात्रों को मार्गदर्शन एवं नेतृत्व अवसर प्रदान करना

सदस्यगणों ने नई टीम का उत्साहपूर्वक स्वागत करते हुए विश्वास व्यक्त किया है कि यह ऊजावान एवं दूरदर्शी नेतृत्व वसई शाखा को उत्कृष्टता की नई ऊंचाइयों तक ले जाएगा।

बधाई एवं शुभकामना संदेश

पूर्व अध्यक्षों, वरिष्ठ सदस्यों, मित्रों एवं समस्त सीए सदस्यों की ओर से हार्दिक बधाई एवं शुभकामनाएं!

“नई कार्यकारिणी को

हार्दिक अभिनंदन। हमें पूर्ण विश्वास है कि आपका नेतृत्व अनुभव, ऊर्जा और दूरदर्ष्टि के साथ Vasai Branch को नई ऊंचाइयों तक पहुंचाएगा।

आप सभी को सफल, प्रभावशाली एवं उपलब्धियों से भरे कार्यकाल के लिए शुभकामनाएं।

संगठन की मजबूती, सदस्यों की प्रगति और छात्रों के उज्वल भविष्य हेतु आपका यह कार्यकाल ऐतिहासिक सिद्ध होगा।



Public Meeting of Union Budget 07.02.2026





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