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NEWSLETTER

VASAI BRANCH OF WIRC

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

December 2025



HAPPY
NEW YEAR



2026



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ॐ भूर्भुवः स्वः तत्सवितुर्वरेण्यं भर्गो देवस्य धीमहि धियो यो नः प्रचोदयात् ॥

It fills me with immense pride and gratitude to share that December 2025 emerged as an extraordinary and impactful month for our branch, defined by learning, innovation, collaboration, and a landmark achievement that will be etched in our history.

We commenced the month with an insightful session on Scaling Indian Accounting Firms for International Outsourcing Demand, which encouraged participants to explore global opportunities and adopt scalable, future ready practices. This was followed by an Investor Awareness Programme, aimed at enhancing financial literacy and promoting informed and responsible investing.

A One Day Seminar on Capital Markets further strengthened participants' understanding of market dynamics, bridging theoretical concepts with practical insights. Adding a unique dimension to the month was the Accounting Museum Setup, a distinctive initiative that showcased the evolution of the accounting profession and instilled a deep sense of pride in our rich professional legacy.

The month also featured a forward looking session on Networking and Structural Evolution of CA Firms, highlighting the importance of collaboration, adaptive structures, and strategic growth in today's competitive environment. Complementing this was an impactful session on Empowering CAs and CFOs for the Future, which focused on leadership, adaptability, and the expanding role of finance professionals in driving organizational success.

Concluding the learning journey, members participated in the ICAI Certificate Course on Artificial

Intelligence, equipping them with cutting edge knowledge and preparing them to leverage technology as a powerful enabler in the profession.

The highlight of the month was FESTOPIA the CA Students Youth Fest, a vibrant celebration of talent, unity, and values. This landmark event witnessed WICASA Vasai creating a World Record for the Largest Ethics Pledge Ceremony, reaffirming our collective commitment to integrity, ethics, and professional excellence. The achievement stands as a proud testament to the spirit, discipline, and unity of the CA student fraternity.

Each initiative received overwhelming participation, reflecting the dedication of our members towards continuous learning and holistic development. Heartfelt gratitude to our esteemed speakers, faculty, coordinators, and tireless volunteers whose unwavering efforts ensured the seamless execution and success of every initiative.

December 2025 was not merely a month of events. It was a celebration of vision, values, and future readiness. As we move ahead, let us carry forward this spirit of dedication, discipline, and togetherness, strengthening our fraternity and building a more empowered and future ready CA community.

Wishing you all continued learning, growth, and success.

Warm regards,

CA Daya Amit Bansal
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GST in 2025: Reforms, Rationalisation, and the Road to Automation

The year 2025 marked a watershed moment in India's Goods and Services Tax (GST) journey. Eight years after its introduction in July 2017, GST underwent sweeping reforms under the banner of GST 2.0, reshaping compliance, litigation, and the everyday tax burden for businesses and consumers alike. From rate rationalisation to the launch of the GST Appellate Tribunal, the changes of 2025 laid the foundation for a more disciplined, transparent, and technology-driven tax regime that continues to impact 2026 and beyond.

1. GST Rate Rationalisation—The Core of GST 2.0

One of the most significant reforms in 2025 was the **simplification of GST rates into a two-slab structure**:

- **5% for essentials**
- **18% for standard goods and services**
- A separate **40% “demerit rate”** for luxury and sin goods such as tobacco, pan masala, and aerated drinks.

This rationalisation replaced the earlier multi-slab system (5%, 12%, 18%, 28%), which had often led to confusion, disputes, and classification litigation.

Key impacts:

- Household essentials like soaps, toothpaste, and Indian breads were reduced to 5% or nil, boosting affordability.
- Life-saving drugs and medicines were cut from 12% to 5% or nil, making healthcare more accessible.

- Two-wheelers, small cars, TVs, ACs, and cement moved from 28% to 18%, offering relief to the middle class.
- Farm machinery and irrigation equipment dropped from 12% to 5%, reducing farming costs.
- Filing of returns is restricted until restoration.

This rationalisation was aimed at **revenue neutrality** while reducing litigation and simplifying compliance. Businesses had to recalibrate pricing models, renegotiate contracts, and update accounting systems to align with the new slabs.

2. GST Appellate Tribunal – A New Era in Dispute Resolution

Another landmark reform was the **launch of the GST Appellate Tribunal (GSTAT)** in 2025. For years, taxpayers had struggled with fragmented state-level appellate mechanisms and mounting litigation backlogs. The GSTAT now provides a **uniform, transparent, and reliable platform** for dispute resolution, pending until compliance is restored.

Benefits of GSTAT:

- Faster resolution of appeals.
- Reduced burden on High Courts.
- Greater consistency in rulings across states.
- Improved accessibility for small taxpayers.

For compliance educators and legal advisors, GSTAT represents a turning point, offering businesses a more predictable appellate process.



3. Redefinition of Blocked Credits

The rules on input tax credit (ITC) were redefined in 2025, reshaping procurement strategies across industries.

Key impacts:

- Stricter definitions of blocked credits, especially for hospitality, property trading, and SEZ units.
- Expenses on food, beverages, employee benefits, and construction activities faced tighter restrictions.
- Businesses were compelled to integrate ITC planning into contract design and operational decision-making.

This change was particularly pressing for sectors where ITC plays a central role in cost management. Property traders, for instance, had to reassess development rights and construction-linked credits, while hospitality operators faced challenges in claiming credits on employee welfare expenses.

4. Procedural Simplifications and Digital Enhancements

2025 also introduced several procedural reforms aimed at improving ease of doing business:

Benefits of GSTAT:

- **Automated GST registrations** for small taxpayers.
- **Invoice-wise GST TDS reporting** for greater transparency.
- **Faster refunds** to improve liquidity.
- **Stronger digital security** on the GSTN portal.

These measures reduced compliance burdens, particularly for MSMEs, and aligned with the government's push toward digital governance.

5. Court Rulings – Clarifying Grey Areas

Several **landmark court rulings in 2025** clarified GST applicability in contentious areas:

- **Mutual associations** – clarified whether GST applies to member contributions.
- **Development rights** – provided guidance on GST treatment in property transactions.
- **SEZ units** – clarified exemptions and applicability of GST.

These rulings now serve as binding precedents, reshaping compliance strategies and reducing uncertainty.

6. Court Rulings – Clarifying Grey Areas

The **compensation cess**, originally introduced to compensate states for revenue loss, was removed in 2025. This provided relief to consumers and simplified the tax structure.

Essential goods became cheaper, and the overall burden on the common man was reduced. This move also signalled the maturity of GST collections, with states now more self-reliant.

7. Sectoral Impacts

The reforms of 2025 had varied impacts across sectors:

- Hospitality: Stricter ITC rules on food and employee benefits increased compliance costs.
- Property trading: Redefinition of blocked credits and rulings on development rights reshaped transaction structures.
- Agriculture: Reduced GST on farm machinery and irrigation equipment lowered input costs.
- Healthcare: Rate cuts on medicines and life-saving drugs improved affordability.
- Consumer goods: Middle-class relief through reduced rates on vehicles, electronics, and cement.



3. Risks and Challenges

While reforms simplified compliance, they also introduced new challenges:

- **Automation rigidity:** Portal-driven enforcement meant missed deadlines triggered automatic penalties.
- **Transitional adjustments:** Businesses had to update systems, renegotiate contracts, and retrain staff.
- **ITC restrictions:** Stricter blocked credit rules demanded sharper financial planning.

For many MSMEs, the learning curve was steep, requiring capacity building and professional guidance.

9. The Road Ahead – GST in 2026 and Beyond

The changes of 2025 set the stage for 2026's pressing issues:

Benefits of GSTAT:

- **Portal automation** now dominates compliance, with deadlines non-negotiable.

- **Blocked credit rules** continue to challenge procurement strategies.
- **GSTAT** is expected to reduce litigation backlog and bring consistency.

Looking forward, GST is evolving into a **discipline-driven regime** where proactive compliance, digital integration, and structured planning are essential.

Conclusion

2025 was the year GST matured into a more disciplined, transparent, and technology-driven system. The reforms under GST 2.0 simplified rates, clarified litigation, and introduced automation, but also demanded sharper compliance strategies. For businesses, the lesson was clear: GST compliance is no longer reactive filing but proactive planning.

As India moves through 2026, the legacy of 2025's reforms continue to shape the tax landscape, ensuring that GST remains not just a tax, but a framework for accountability, efficiency, and growth.



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ITC Reclaim Ledger & RCM Ledger – What Professionals Must Watch Now

Over the last two years, GSTN has gradually moved from advisories and warnings to system-enforced compliance, especially in the area of Input Tax Credit (ITC). The latest Advisory & FAQs (Dec 2025) clearly signal that excess ITC claims will no longer be tolerated by the system.

1. Electronic Credit Reversal & Re-claimed Statement (ITC Reclaim Ledger):

Introduced from:

- Aug 2023 (monthly filers)
- Jul–Sep 2023 (quarterly filers)

This ledger tracks:

- ITC **temporarily reversed** in **Table 4(B)(2)**, and
- Its **subsequent re-claim** through **Table 4(A)(5)** read with **4(D)(1)**.

What has changed now?

- Re-claimed ITC in **Table 4(D)(1)** must be **within the available balance** of the ITC Reclaim Ledger plus current period reversal.
- **Negative closing balance is not allowed.**
- If negative, **GSTR-3B filing will be blocked** unless excess ITC is reversed—even resulting in **cash liability** if no ITC is available.

Conclusion:

Eligibility alone is no longer enough; ledger balance must support the claim.

2. RCM Liability / ITC Statement (RCM Ledger):

Introduced from:

- **Aug 2024** (monthly filers)
- **Jul–Sep 2024** (quarterly filers)

This statement aligns:

- **RCM liability paid in Table 3.1(d)** with
- **RCM ITC claimed in Table 4(A)(2) & 4(A)(3)**.

What has changed now?

- RCM ITC claimed cannot exceed **RCM tax paid + closing RCM ledger balance**.
- **Negative RCM balance will block GSTR-3B filing** unless:
 - Additional RCM tax is paid, or
 - ITC claim is reduced.

Conclusion:

RCM ITC earlier reversed must be reclaimed **only via Table 4(A)(5)**, not through 4(A)(2)/(3).



3. Big Picture for GST Professionals:

- Warning-based compliance is over.
- Ledger-based validations are here to stay.
- Past excess claims will now surface as filing blocks.
- **Table 4(A)(5)** has become critically important.
- Ledger reconciliation is now as vital as return filing.

4. Final Thought:

GST compliance is moving towards **system-driven discipline**. For professionals, this is the right time to **clean up legacy reversals, reconcile ledgers, and realign client practices** before the portal forces corrections.

In GST today, a healthy ledger is as important as correct eligibility.



Media Coverage

DIGITAL
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वसई ब्रांच की WICASA टीम के इतिहास में जुड़ा एक स्वर्णिम अध्याय

बालाजी ग्राउंड, भायंदर (ईस्ट) में 'फेस्टोपिया - यूथ फेस्टिवल' का हुआ भव्य आयोजन

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मीरा-भायंदा वसई ब्रांच ऑफ द इंस्टीट्यूट ऑफ चार्टर्ड अकाउटेंट्स ऑफ इंडिया द्वारा 14 दिसंबर 2025 को बालाजी ग्राउंड, भायंदर (ईस्ट) में भव्य 'फेस्टोपिया - यूथ फेस्टिवल' का भव्य व सफल आयोजन किया गया। इस ऐतिहासिक कार्यक्रम में 1,500 से अधिक प्रतिभागियों ने सहभागिता की तथा वित्तीय विवरण (Financial Statement) से संबंधित शपथ (Oath) के माध्यम से वर्कर्ड बुक ऑफ रिकॉर्ड्स में स्थान प्राप्त किया गया। यह उपलब्धि वसई ब्रांच के लिए अत्यंत गर्व एवं गौरव का विषय है। इस उल्लेखनीय सफलता के लिए वसई ब्रांच की अध्यक्ष सीए दया अमित बंसल, WICASA के चेयरमैन सीए डूमित लखोत्रिया एवं उनकी संपूर्ण टीम की विशेष भूमिका रही। सीए दया

बंसल ने कहा कि किसी भी बड़ी उपलब्धि के पीछे अधक परिश्रम, समर्पण और टीमवर्क छिप होता है, जो प्रायः दिखाइ नहीं देता। यिलं दो महीनों से इस सफलता में WICASA समिति के सदस्यों - केशव जिस प्रतिबद्धता, मेहनत और सहयोग भावना के साथ इस आयोजन को सफल बनाया गया, वह वास्तव में प्रशंसनीय है।

ऋषभ शर्मा, भायंदे चतुर्वेदी, हरजीत सिंह, प्रियंका कुमारव, विशाल दवे, युवान अग्रवाल, राज अग्रवाल, निरगति गजपुरोहित, राधव सुरेका एवं उदय बजाज का योगदान अत्यंत सराहनीय रहा है। इस गौरवपूर्ण उपलब्धि के कुशल रूपांतर, हरजीत सिंह, प्रियंका कुमारव, विशाल दवे, सदस्यों एवं विद्यार्थियों को युवान अग्रवाल, राज अग्रवाल, सीए दया बंसल ने हार्दिक शुभकामनाएं, एवं बधाई दी। यह जानकारी सीए अभिषेक तिवाड़ी ने दी है।



Scaling Indian Accounting Firms for International Outsourcing Demand

07.12.2025





Investor Awareness

08.12.2025





Investor Awareness

10.12.2025





One Day Seminar on Capital Markets

14.12.2025





Accounting Museum 17.12.2025





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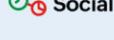
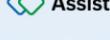
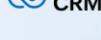


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