



AURANGABAD BRANCH OF WIRC OF ICAI

Chairman's Communique

Dear Members,

I am delighted to welcome you to the latest edition of our monthly journal. It is your dedication and engagement that drive us to continuously strive for excellence and deliver content that is both informative and thought-provoking.

In the rapidly evolving world we live in, knowledge has become a priceless asset. It empowers us, broadens our horizons, and enables us to make informed decisions. Our journal has long served as a gateway to this invaluable resource, providing a platform for experts, scholars, and enthusiasts to share their insights, experiences, and discoveries.

Each month, we endeavor to curate a diverse range of topics, spanning various disciplines and areas of interest. From science and technology to art and culture, our aim is to cater to the multifaceted interests of our esteemed readership. We believe that the pursuit of knowledge should be an inclusive and holistic endeavor, and we strive to foster an environment that embraces diversity and encourages intellectual discourse.

In this edition, throughout the pages of this journal, you will find articles and messages shedding light on its various facets and implications. It is our hope that this collection of insights will not only broaden your understanding but also spark new ideas and inspire you to delve deeper into the subject matter.

We celebrate this milestone; we also acknowledge the challenges and uncertainties that lie ahead. The world is constantly changing, and our commitment to providing timely and accurate information remains steadfast. We will continue to adapt, innovate, and explore new avenues to ensure that our journal remains a trusted source of knowledge and inspiration.

I invite you to immerse yourself in the pages of this edition, to engage with the ideas presented, and to share your thoughts and feedback. Together, let us embrace the power of knowledge, cultivate a spirit of intellectual curiosity, and work towards a future that is enriched by the exchange of ideas.

Thank you for your continued support, and I wish you an enlightening and fulfilling reading experience.

Warm regards,
CA Ganesh Bhalerao
Branch Chairman



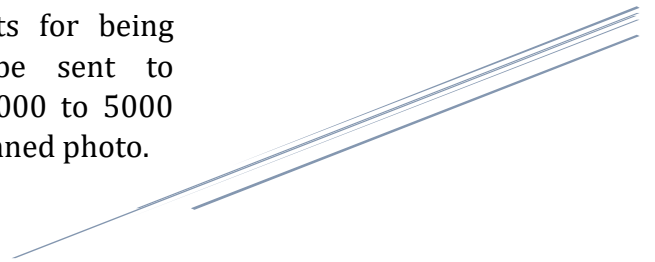


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Invitation to Contribute Articles:

Articles are invited from members and students for being published in the Newsletter. Articles can be sent to aurangabad@icai.org. Word limit for articles is 2000 to 5000 words. Send the article alongwith Passport size scanned photo.



The Digital ₹ Rupee

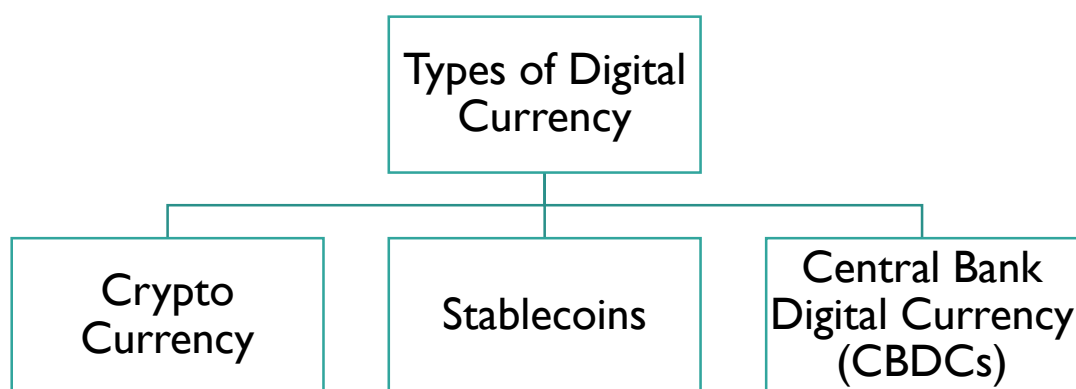
- By CA Harshal Ajmera

The cash in your wallet now has a digital counterpart. Like everything around, us money too is evolving from counting coins to moving into the digital realm with payment platforms.

The Reserve Bank of India (RBI), in 2022, launched digital Rupee (₹) on a pilot basis. With the development of digital payment technology in India, the blockchain backed digital ₹ Rupee was launched. In this article we shall explore and explain the what, how and wise of the E-Rupee.



Digital Currency is any type of currency that exists in electronic form. The digital currency will never take physical form. Digital currency, however, never leaves a computer network, and it is exchanged exclusively via digital means.




WHAT IS CBDCs?

In simple terms, the Central Bank digital currency (CBDCs) is a digital form or avatar of physical cash issued by central bank of country, here RBI. CBDC is a legal tender issued by the central bank in electronic form, with the same denominations as available banknotes and coins. It is an additional option for usage of money.



How does CBDC works?

As stated, CBDC are considered as a legal tender, and hence the functionality will be similar to actual cash. The factor that differentiates other digital currencies with CBDC, is that, digital currencies like crypto are not considered legal tender in India and hence, every time you need to transact in crypto, people may need to convert their



cryptocurrency into fiat currencies before making most transactions. With transfers through CBDC, the funds would be sent close to instantly and the other party couldn't cancel after.

Types of CBDCs

There are **two types of CBDCs**: retail and wholesale, as well as hybrids that combine elements of the two.

- 1) **Retail CBDCs** are issued to the public. Under this model, consumers are able to own a CBDC in a wallet or account and use it for payments.
- 2) **Wholesale CBDCs** would be used by financial institutions. Banks and other financial institutions could use a central bank's CBDC to transfer funds and settle transactions more quickly. While this type of CBDC would improve efficiency for domestic payments, it could also be very useful for cross-border payments.

If this is digital money, how will it be any different from the digital money you transact using UPI?

Right now, if you make transfer money over UPI, you have to make a request and forward it to your bank. The bank then decides to deduct the balance and transfer it to the beneficiary account. In the background, banks also trigger an elaborate clearing and settlement process to make sure everybody gets paid what they're owed and not a penny more. So, all the UPI transactions would hit your bank account. So there's a chain of intermediaries who enable this transaction.


With the digital rupee, however, you don't need intermediaries at all. You could simply transfer digital money from your wallet to another wallet belonging to an individual or a merchant just as if you were handing them physical cash. The transaction is final. This settlement would not hit the bank account of the user.

It's just like physical cash, only it's entirely digitized.

Benefits of CBDCs

With the implementation of CBDCs, there will flow no. of benefits in payment and receipt transactions. Some of them are reiterated here:

- 1) A CBDC could lead to transactions that are much faster, cheaper, and more secure
- 2) In countries that create retail CBDCs, consumers can get direct access to central bank funds.
- 3) Consumers wouldn't need to risk storing their money with a commercial bank that could potentially collapse.
- 4) Since all CBDC transactions are recorded on a digital ledger, money is much easier to track this way.

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- 5) With digital currency, transactions can happen 24 hours a day, 7 days a week, unlike existing process where certain transactions can't take place due to bank closure or outside of business hours.

With no. of benefits, there comes some disadvantages also with usage of digital currencies. Some are listed below:

- 1) The central bank would have a lot of data on transactions and CBDC users. Accumulation of too much sensitive data with single institution makes a case for data privacy and theft concerns.
- 2) If consumers have access to retail CBDCs, commercial banks could lose a significant portion of their business.

CBDCs could decrease the maintenance a complex financial system requires, reduce cross-border transaction costs, and give people who use alternative money-transfer methods lower-cost options. By introducing the digital rupee, the RBI expects to address problems associated with existing physical currencies and cross-border transactions.

CA Harshal Ajmera
Membership No. 607608

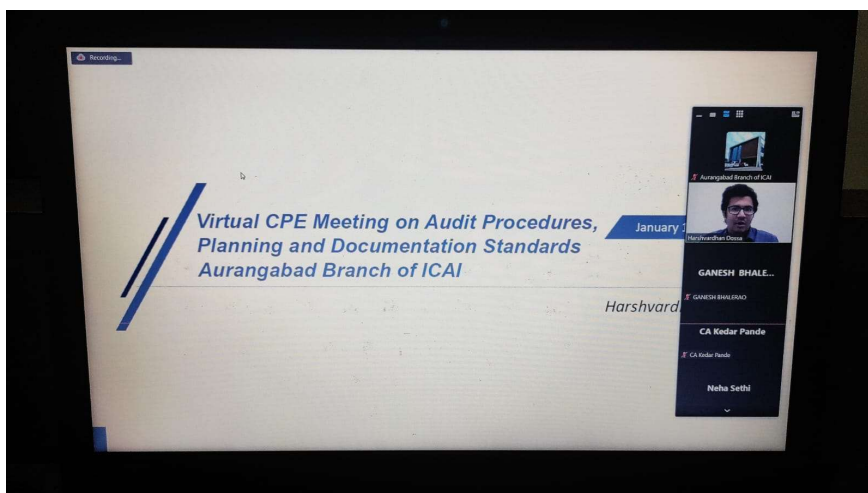


PHOTOS OF EVENTS



Dated 5 Jan 2023, Career Counseling Program at Shiv Chhtrapati College By CA Kavita Nath

Dated 8 Jan 2023, Half day Seminar on ICAI Start up, Floral Welcome of Speaker CA Pankaj Dara by Branch Treasurer CA Amol Godha.



Dated 10 Jan 2023, VCM on Audit Procedure, Planning and Documentations Standards by CA Harshvardhan Dossa.





Dated 11 Jan 2023, Career Counseling Program at Maulana Azad college of Arts, Commerce and Science by CA Kavita Nath.



Dated 14 Jan 2023, Seminar on Bounce Back





Dated 26 Jan 2023, Celebration of Republic day.



Dated 27 Jan 2023, Extempore & Sketching Competition



RECENT AMENDMENTS

1. SC upheld Gujarat HC judgment of Mohit Minerals' wherein GST on ocean freight was held as ultra vires

SUPREME COURT HELD

The Apex Court held that there is no legal fiction or power to bifurcate the composite supply into supply of goods and supply of services and to levy reverse charge GST on supply of services component under section 5(4) of the IGST Act. Given this, the GST on reverse charge basis can't be levied on ocean freight in CIF contracts as it is part of 'composite supply' attracting section 2(30) and section 8 of CGST Act.

In view of the above, it was held that the impugned notifications are validly issued under Sections 5(3) and 5(4) of the IGST Act, but it would be in violation of Section 8 of the CGST Act and the overall scheme of the GST legislation as no such power can be noticed with respect to interpreting a composite supply of goods and services as two segregable supply of goods and supply of services.


2. SC DIRECTS GSTN TO OPEN PORTAL FOR FILING TRAN-1 FOR ALL TAXPAYERS

SUPREME COURT HELD

The Apex Court has issued the following Tran-1 directions:

1. GSTN to open common portal for all assesses to claim transitional credit for 60 days preferably from 01.09.2022 till 30.10.2022
2. All assesses can claim benefit whether they have filed writ or not
3. GSTN to make sure no technical glitch during this time
4. The concerned officers are given 90 days thereafter to verify the claim of credit on merits and pass appropriate order. Also, the opportunity of hearing to be granted.
5. Thereafter, credit to reflect in Electronic Credit Ledger
6. If required, the GST Council may issue directions to field officers.

Thereafter, the revenue requested the Honorable Supreme Court to provide extension of one month to open GSTN Portal. The Supreme Court has extended the time for opening the GST



Common Portal for further period of four weeks. The Court directed GSTN to open common portal for filing concerned forms for availing Transitional Credit through TRAN-1 and TRAN-2 from October 1st, 2022.

3. TIME PERIOD TO FILE APPEAL WOULD START ONLY WHEN ORDER WAS UPLOADED ON GST PORTAL: HC

HIGH COURT HELD

Subsequently, a physical assessment order was served which confirmed the amount of interest and penalty higher than the amount actually proposed in the show cause notice. The petitioner filed appeal against the order but the same was rejected as appeal was filed beyond the period of limitation. It filed writ petition against the same.

The Honorable High Court observed that the appeal is required to be filed in electronic mode only and if any other mode is prescribed, then the same is required to be notified by way of a notification. There was nothing on record to show that any notification was issued prescribing any other mode by which an appeal could be filed.


Therefore, the time period for filing appeal would start only when the order is uploaded on GST portal. Thus, the order of Appellate Authority was to be set aside and matter was remanded for adjudication on merits.


4. WRIT JURISDICTION AGAINST ASSESSMENT ORDER CAN'T BE EXERCISED IF ALTERNATIVE REMEDY OF APPEAL AVAILABLE: HC

HIGH COURT HELD

The petitioner filed writ petition and challenged the impugned assessment order of levying GST on Transferable Development Rights in respect of joint development of land and construction of flats on it on the ground that all the objections raised by the petitioner were rejected.

The Honorable High Court observed that the Assessing Authority had given vivid reasons as to why the objections of the assessee were rejected. As per the decision of Hon'ble Supreme Court in *Asstt. CST v. Commercial Steel Ltd.* [2021] 130 taxmann.com 180/88 GST 799, a party can move before High Court, when alternative remedy is available if:



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1. a breach of fundamental rights;
 2. a violation of the principles of natural justice;
 3. an excess of jurisdiction; or
 4. a challenge to the vires of the statute or delegated legislation.

However, in the instant case, the petitioner could not satisfy any of the circumstances enumerated above and there was an effective alternative remedy before the appellate authority. Therefore, the Court held that the matter would not require any interference and petition was liable to be dismissed.

5. PRE-DEPOSIT OF 10% OF DISPUTED TAX CAN BE PAID FROM CREDIT AVAILABLE IN ELECTRONIC CREDIT LEDGER: BOMBAY HC

HIGH COURT HELD

The Honorable High Court noted that as per CBIC Circular F. No.CBIC-20001/2/2022-GST dated 6th July 2022, any payment towards output tax, whether self-assessed in the return or payable as a consequence of any proceeding instituted under the provisions of GST Laws, can be made by utilization of the amount available in the electronic credit ledger of a registered person.

Since, the CBIC has already clarified that credit ledger can be used for payment of output tax payable under any proceedings, therefore it was held that the pre-deposit of 10% of disputed tax can be paid from credit available in Electronic Credit Ledger.



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