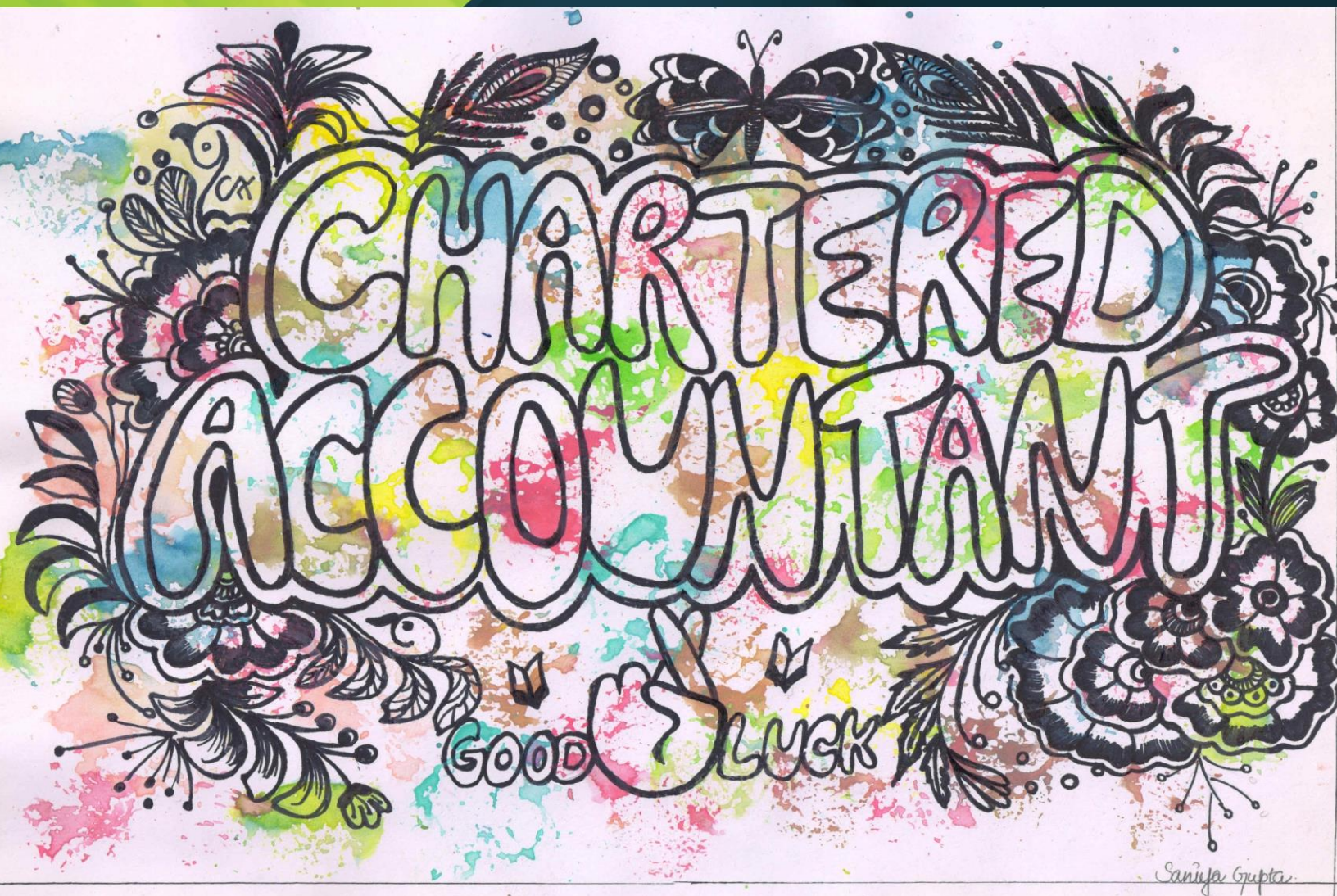




The Institute of Chartered Accountants of India
Alwar Branch of CIRC of ICAI

E-NEWSLETTER

March 2023



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Alwar Branch of CIRC of ICAI

Managing Committee 2023-24



CA. Pushp Palawat
Chairman



CA. Akash Singhal
Vice-Chairman



CA. Nitin Gupta
Secretary



CA. Jeetendar Gupta
Treasurer



CA. Priyanka Arora
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CA. Amit Agarwal
Member



CA. Anil Kumar Yadav
Chairman CICASA, CIRC
Ex-Officio Alwar Branch



CA Pushp Palawat
Chairman



Respected Professional Colleagues and Students,

As Chairman of the Alwar Branch, I would like to express my gratitude for the trust and confidence that you have placed in the newly elected managing committee for the year 2023-24. I am proud to lead this esteemed organization of talented and committed professionals, and I am humbled by the responsibility that comes with this position.

As we begin the new financial year, I would like to take this opportunity to reaffirm our commitment to our members, students and to the profession as a whole. Our mission is to promote the highest standards of integrity, professionalism, and excellence and we will continue to work tirelessly towards achieving this goal.

I hope this message finds you in good health and high spirits. It gives me immense pleasure to address you all and share some updates from the Alwar Branch of CIRC of ICAI.

Firstly, I would like to extend my heartfelt gratitude to all the members and their families who attended the Holi Milan Samaroh on 10th March. It was wonderful to see the CA fraternity come together to celebrate the festival of colors. The event provided an opportunity for us to strengthen our bonds of friendship and camaraderie.

Moving on, I am pleased to inform you that the Bank Audit Seminar under the aegis of Audit and Assurance Board of ICAI held on 18th March was a resounding success. The seminar aimed to provide comprehensive insights and updates on various aspects of Bank Audit. In this series, a webinar was organized on a specific and very relevant topic "Identification of NPAs in Bank Audit" on 27th March which was co-hosted by Bharatpur, Gwalior and Saharanpur Branches with us.

On 21st March, we conducted a Peer Review Training program, which was aimed at enhancing the quality of audit services provided by our members. Alwar Branch was fortunate to have the presence of Central Council Member and Chairman, Peer Review Board CA Anuj Goyal Ji and CIRC CICASA Chairman and our ex-officio member CA Anil Kumar Yadav Ji in the event. The training was conducted by experienced professionals, and I am confident that it would help our members to perform better in their audit assignments.

Last but not least, the Students' Sports Meet held on 26th March was a great success. It was heartening to see the participation of young and enthusiastic minds who showed exceptional sportsmanship and team spirit. I would like to congratulate all the participants and winners of the event.

In conclusion, I would like to express my gratitude to all the members and students for their unwavering support and active participation in all the events held by the Alwar Branch of CIRC of ICAI. Let us continue to work together towards the betterment of our profession and strive to uphold its values and ethics. Your involvement and contribution are vital to the success of our organization. We value your ideas and feedback. Together, we can build a strong and vibrant community of Chartered Accountants that can make a positive impact on the society.

Thank you once again for your support, and I look forward to working with you all in the coming months.

Best Regards,

CA Pushp Palawat

Chairman,

Alwar Branch of CIRC of ICAI.

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CA Nitin Gupta
Secretary



Dear Members,

I hope this message finds you all in good health and high spirits.

As the Secretary of the Alwar Branch of CIRC of ICAI, it gives me great pleasure to bring you the latest edition of our newsletter. Our team has put in a lot of effort to bring you news and updates from the world of finance and accountancy.

In this edition, you will find a wide range of articles and features, covering topics such as taxation, audit, accounting standards, and much more. We have also included updates on the latest developments in the world of finance. This newsletter will give insights to the various events performed by our branch at various intervals and would be a memory jogger for us.

I would like to take this opportunity to thank all the members of our team who have contributed to this newsletter especially our Chief Editor.

I would like to add one thing to this newsletter that Statutory Branch Audit of Public Sector Banks is the next assignment for us, Chartered Accountants, which has become a very important event not only for our personal practices but also for our profession as the RBI is reducing the magnum of SBAs every year due to the quality of the Audit provided by us although that is certainly debatable. Therefore, this years SBA brings larger responsibility on our shoulders to perform better quality audit and try to make considerable changes to the already prepared Financial Statements by the Bank possibly for each SBA. So that, Whats lost, can be brought home.

Finally, I would like to remind all our members of the upcoming events and seminars being organized by our branch. These events provide excellent opportunities to network, learn from experts in the field, and stay up to date with the latest developments. Further, I would like to request each of our member to keep participating in the events organized by our branch and supporting the efforts of each member of our team. So that we can keep working for the betterment of Our Branch, Our Institute, Our Profession and Our Nation.

Thank you once again for your continued support, and I hope you enjoy reading this edition of our newsletter. If you have any suggestions regarding anything, please feel free to write us

Sincerely,

Nitin Gupta

Secretary

Alwar Branch of CIRC of ICAI

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CA Pradeep Jain
M. No. 404292



RAJASTHAN INVESTMENT PROMOTION SCHEME- 2022

A. Operative Period

The Policy shall come into effect from the date of issuance of this order i.e. 07.10.2022 and shall remain in force up to 31st March 2027.

New enterprises / expansion related investments made after the launch of the RIPS 2022 and other eligible existing investors as notified by the government from time to time are eligible to apply for benefits only under this policy.

Incentives approved before commencement of this policy will continue to be governed by the investment policy prevailing at that time.

B. Eligibility of the Policy

The Policy shall be applicable to the following classes of enterprise(s) and investment,

- New and existing enterprises investing and establishing new units
- Existing enterprises investing in expansions
- Eligible existing enterprises as per clause 3.6 of the scheme for whom transition clause has been given in the Scheme.

List of Ineligible Units which cannot apply for any subsidy/exemption under RIPS-2022

- a) Investment for manufacturing tobacco, tobacco products and pan masala.
- b) Investment made in cow beef processing units.
- c) Investment made in retail / trading activities.
- d) Any activity which is prohibited by Central/ State laws.
- e) Aerated Water Plants

The enterprise needs to commence commercial production or operation during the operative period of the Policy unless otherwise specified in the Policy.

Only investments made and employment generated by an enterprise in Rajasthan will be considered as eligible investment / employment for applicable incentives and boosters under this policy.

C. Categorisation of applicants: The Scheme has divided the applicants in 8 priority categories which are as below:

1. Manufacturing
2. Services
3. Sunrise sectors
4. MSMEs
5. Startups
6. Logistics Parks, Warehousing & Cold Chains
7. R&D, GCC & Test Labs
8. Renewable Energy Plants.

D. Customised Benefits:

The Scheme is also providing special benefits to applicants who wish to apply as customised package. Enterprises investing more than rupees **five hundred crore** under the RIPS 2022 policy term will be eligible to opt for a customized package.

Enterprises opting for the customized package in RIPS 2022, will get an option to redistribute their benefits among the 3 Asset Creation Incentive options available (Capital Subsidy, TLI & SGST Reimbursement). The detail guidelines for customized packages for both new and existing enterprises has been specified in Section 12 of the policy.

E. Transition Clauses for Existing Enterprises under RIPS 2019

Existing enterprises under RIPS 2019 have the option to continue with the incentive regime of 2019 and avail eligible benefits under that policy till the end of the operative period of RIPS 2019

Eligible enterprises who had invested and received benefits under RIPS 2019, will be provided the option to avail incentives under RIPS 2022. This is provided **the investment size is above INR 100 Cr.** and is generating employment for **at least 200 employees** (as per the guidelines for customized packages in RIPS 2019). All incentives will now be applicable basis RIPS 2022 for the remaining applicable tenure approved under RIPS 2019.

Eligible enterprises who had invested under RIPS 2019 and had applied for benefits but not availed the same, will be provided the option to avail incentives under RIPS 2022. This is provided the investment size is above INR 100 Cr. and is generating employment for at least 200 employees (as per the guidelines for customized packages in RIPS 2019). All incentives will now be applicable basis RIPS 2022 for the remaining applicable tenure approved under RIPS 2019

Any Enterprise which has not applied for benefits under RIPS 2019 shall not be eligible for benefits under RIPS 2022, except

- An enterprise which will start commercial production after the launch of RIPS 2022.
- An enterprise making expansion related investments after the launch of RIPS 2022.

VARIOUS BENEFITS AVAILABLE FOR PROJECTS WITH INVESTMENT MORE THAN 50 CRORES.

1. Definition of Manufacturing Unit

“Manufacturing Enterprise” means an enterprise employing plant and machinery in processing of goods which brings into existence a commercially different and distinct commodity but shall not include such processing as may be excluded by the State Government as notified from time to time

2. Minimum Investment – Rs 50 Crore

3. Benefits available: The following Incentive and Exemption are available

Sr No	Broad Classification of Benefits	Name of Incentive	Description
1	Asset Creation Incentive (Any of the three options)	Investment Subsidy OR	75% of the State GST due and deposited for a period of 7 years.
		Capital Subsidy OR	13-28% of Eligible Fixed Capital Investment to be disbursed in annual Instalment in 10 Years.
		Turnover Linked Incentive	1.2% - 2% of Net Sales Turnover to be disbursed annually for 10 years.
2	Exemption	Electricity Duty	100% Exemption For 7 Years
		Stamp Duty Benefits	100% in two stages
		Land Tax	For 7 years
		Conversion Charges	100% Conversion Charges
3	Employment Booster	On chosen Asset Creation Incentive	10%-15% booster on chosen Asset Creation Incentive for generating more jobs
4	Green Incentives	Environmental Infrastructure Facilities (such as ETPs, Waste Management Projects etc.)	One-time capital subsidy up to 50% of the cost of projects subject to a ceiling of Rs. 10 cr. per project
		Zero Liquid Discharge	Enterprises practicing at least 50% waste recovery through Zero Liquid Discharge as certified by Rajasthan Pollution Control Board shall be provided upto 50% capital subsidy on cost of relevant equipment upto Rs 1 cr.
		Air Pollution Control Measures	One-time capital subsidy up to 50% of the cost of projects subject to a ceiling of Rs. 1 cr. per project

		Water Measures	50% cost of equipment subject to a max of Rs. 10 lakhs
		Energy Efficiency Measures	Upto 50% consent fee waiver for industries under Rajasthan Green Rating System
		Other Emerging Green Technology Area	The State shall decide the appropriate incentive on a case-to-case basis
5	Other Incentive	Freight Subsidy	Reimbursement of freight charges for exports through State ICDs upto gateway ports
6	Other Incentive	Training & Skilling Incentive	Skilling support in form of a Training Subsidy of Rs. 4000 per worker per month for 6 months for training delivered in Rajasthan

4. In the Asset Creation Incentives, these options are mutually exclusive, and a one-time choice has to be exercised at the beginning of the Project by the enterprise

5. The govt through Budget Notification dated 10.02.2023 has notified that MSME whose investment is more than 25 Crores will be eligible for the benefits under Manufacturing Standard Package as above.

6. Maximum Benefits available under Asset Creation Incentive

a. Investment Subsidy

Year of Payout	Annual Ceiling Amount (in INR Cr.)
Year 1-3	50
Year 4-7	65

b. Capital Subsidy




Size of Investment	Employment Generation	LOCATION		
		Area Category 1	Area Category 2	Area Category 3
Large: 50-300Cr.	100 (AND minimum investment required is INR 50 Cr.)	13% of EFCI to be disbursed in annual installments in 10 years	17% of EFCI to be disbursed in annual installments in 10 years	20% of EFCI to be disbursed in annual installments in 10 years
Mega: 300-1000Cr.	250 (AND minimum investment required is INR 150 Cr.)	17% of EFCI to be disbursed in annual installments in 10 years	20% of EFCI to be disbursed in annual installments in 10 years	23% of EFCI to be disbursed in annual installments in 10 years
Ultra Mega: 1000Cr.	750 (AND minimum investment required is INR 500 Cr.)	23% of EFCI to be disbursed in annual installments in 10 years	25% of EFCI to be disbursed in annual installments in 10 years	28% of EFCI to be disbursed in annual installments in 10 years

Note: The Scheme has provided the benefits as per Area category defined in Scheme. Alwar District falls in the Area Category 1

Maximum pay out for Capital Subsidy

Year of Payout	Annual Ceiling Amount (in INR Cr.)
Year 1-3	50
Year 4-7	65
Year 8-10	80

c. Turnover Linked Scheme

 Size of Investment	 Employment Generation	 LOCATION		
		Area Category 1	Area Category 2	Area Category 3
Large: 50-300Cr.	100 (AND minimum investment required is INR 50 Cr.)	1.20% of Net Sales Turnover for 10 years	1.40% of Net Sales Turnover for 10 years	1.65% of Net Sales Turnover for 10 years
Mega: 300-1000Cr.	250 (AND minimum investment required is INR 150 Cr.)	1.40% of Net Sales Turnover for 10 years	1.65% of Net Sales Turnover for 10 years	1.85% of Net Sales Turnover for 10 years
Ultra Mega: 1000Cr.	750 (AND minimum investment required is INR 500 Cr.)	1.65% of Net Sales Turnover for 10 years	1.85% of Net Sales Turnover for 10 years	2.00% of Net Sales Turnover for 10 years

Maximum pay out for Turnover linked scheme.

Year of Payout	Annual Ceiling Amount (in INR Cr.)
Year 1-3	50
Year 4-7	65
Year 8-10	80

Note: The following definitions are important to go through for better understanding of benefits available:

1. **Employment** shall mean employees who are on the permanent payroll of the respective enterprises, i.e., receive wages or salary directly from the enterprise and which will include contract labour engaged in production line for at least 6 months of the year. The percentage of contract labour engaged should not exceed 40% of total labour force
2. **“Investment” or “Eligible Fixed Capital Investment (EFCI)”** means investment made by an enterprise in fixed assets, in the following, up to the date of commencement of commercial production:
 - Price paid for the land.
 - Cost of new factory sheds and other new industrial buildings
 - Price paid for new plant and machinery.
 - Other investment made in new fixed assets essential for the production of the unit as approved by the appropriate Sanctioning Committee

Provided that investment made in: -

- Land in excess of 30% of the total investment/EFCI made; and
- Purchase of existing factory sheds, industrial buildings; and
- Old plant and machinery; and
- Plant and machinery transferred from other locations by the Enterprise, shall not be included in investment/EFCI; and

F. VARIOUS BENEFITS AVAILABLE FOR MSME under RIPS-2022

1. **Definition of MSME: Micro, Small and Medium Enterprise (MSME)** is defined as follows:

a. **Micro Enterprise:** where the investment in Plant and Machinery or Equipment does not **exceed one crore rupees**

b. **Small Enterprise:** where the investment in Plant and Machinery or Equipment does not **exceed ten crore rupees**

c. **Medium Enterprise:** where the investment in Plant and Machinery or Equipment does **not exceed fifty crore rupees**

Note: The govt through Budget Notification dated 10.02.2023 has notified that MSME whose investment is more than 25 Crores will be eligible for the benefits under Manufacturing Standard Package as above.

2. Benefits available: The following Incentive and Exemption are available

Sr No	Broad Classification of Benefits	Name of Incentive	Description								
1	Asset Creation Incentive	Investment Subsidy	Investment Subsidy of 75% of State tax due and deposited for a period of seven years from the date of commencement of commercial production								
2		Interest Subsidy	Interest Subsidy for 5 years on investment in plant & machinery and/or equipment or apparatus								
			<table><tr><th>Loan Amount</th><th>Interest Subsidy Per Year</th></tr><tr><td>1 Crore- 5 Crore</td><td>6%</td></tr><tr><td>5 Crore-10 Crore</td><td>4%</td></tr><tr><td>10 Crore- 50 Crore</td><td>3%</td></tr></table>	Loan Amount	Interest Subsidy Per Year	1 Crore- 5 Crore	6%	5 Crore-10 Crore	4%	10 Crore- 50 Crore	3%
			Loan Amount	Interest Subsidy Per Year							
			1 Crore- 5 Crore	6%							
5 Crore-10 Crore	4%										
10 Crore- 50 Crore	3%										
3	Exemption	Electricity Duty, Mandi Fees and Land tax	For 7 Years								
4		Stamp Duty Benefits	100% in two stages								

5		Conversion Charges	100% Conversion Charges
6	Employment Generation Subsidy	On PF ESI	Reimbursement of 50% of employers' contribution towards EPF and ESI, for seven years
7	Green Incentives	Water Conservation Incentives Water Audit	Reimbursement of 50% of cost incurred on water audit by any Government empanelled or Government approved agency subject to maximum of INR 2 lacs & reimbursement of 25% of the cost of equipment recommended by the auditing authority up to INR 20 lacs.
8		Water Conservation Incentives Waste Water Recycling and Rainwater harvesting	50% of the cost of equipment purchased for waste water recycling & rain water harvesting up to INR 7.50 lac
9	Other Incentive	Quality Certification Incentive	One-time reimbursement of 50% of cost incurred on obtaining quality certification for manufacturing or processes or certification related to export, issued by any Government agency or any agency authorized by Government of India or Government of Rajasthan, subject to maximum of INR twenty-five lakh
10	Other Incentive	IP Creation Incentive	Subsidy up to 75% of the cost of acquiring patents up to INR 5 lacs will be provided. For obtaining geographical identification & trademark registration, the State will match the financial assistance provided by Government of India
11	Other Incentive	Fund Raising Incentive	One-time financial assistance on raising funds (capital) through SME platform, to the extent of 50% of the investment made in process of raising funds (capital), subject to a maximum of five lakh

3. Important points to remember for benefits under MSME category:

- a. Maximum Benefits for MSME- Rs 5 Crore Annually
- b. Entities can avail Interest Subsidy benefits under either Mukhyamantri Laghu Udhog Protsahan Yojana or RIPS 2022.
- c. Services MSMEs only engaged in services as defined in Annexure 14.1 of the scheme shall be eligible to claim benefits under RIPS 2022

To conclude: A standard package of incentives has been declared for all 8 categories. Further, incentives for manufacturing and services have been defined basis the size of investments, employment generation, and investment region. There are defined select thrust sectors within manufacturing and services categories. Additional incentive package has been declared for these thrust sectors.

Enterprises can also avail different boosters such as employment, thrust and anchor booster over and above the chosen Asset Creation Incentive (SGST Reimbursement, Capital Subsidy or Turnover Linked Incentive) as laid out in detail in Section 6 and 7 of the policy.

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Payment of Pre-Deposit from Electronic Credit Ledger: A Vexed issue

Under the erstwhile indirect tax regime, a taxpayer willing to contest a demand of tax, raised by the revenue was obligated with the requirement of making pre-deposit as a percentage of tax for filing appeals by taxpayers. The rationale supporting such stipulation was to abate the litigation relating to stay proceedings, grant deemed stay from recovery and collect specified percentage of tax upfront in a uniform manner.

Under the Central Goods and Service Tax ('CGST') Act, 2017, the requirement for payment of Pre-deposit has been enunciated under Section 107 and 112, for filing appeal before the first Appellate Authority and Appellate Tribunal Authority, respectively. However, the matter of payment of pre-deposit through electronic credit ledger ('ECL') under GST has been contentious. Considering the conflicting views from different High Courts, coupled with lack of clarity from the Department, the issue relating to payment of pre-deposit assumes significance as the GST portal does not bar any such payment from the ECL.

In this article, an attempt has been made to discuss the judgements and the legal provisions surrounding the issue to examine the correct position of law.

Section 107 and Section 112 of CGST Act provides that, no appeal shall be filed unless "a sum equal to 10% / 20% of disputed amount of tax has been paid".

ECL maintained on the common portal, wherein, every claim of ITC in respect of inward supply of goods or services under the CGST Act is credited. Section 49(4) of

the CGST Act, restricts the utilization of ECL for making payment towards output tax. Section 2(82) of CGST Act defines 'output tax' as tax chargeable on taxable supply of goods or services or both but excludes tax payable under reverse charge basis.

On a combined reading of Section 49(4) and Section 2(82), it appears that scope of utilization of ECL is limited to payment towards output tax only. Section 107 and Section 112 uses the phrase 'sum equal to percentage of tax' and not 'tax' per se. Hence, it is necessary to analyze whether the pre-deposit is in the nature of output tax or is merely an amount.

Orrisa High Court in the case of **Jyoti Construction v. DC CT&GST** ('Jyoti Construction')¹ did not accept that pre-deposit could be equated to 'output tax' as defined in Section 2(82) of CGST Act. On the other hand, Bombay High Court in the case of **Oasis Realty v. UOI** ('Oasis Realty')², accepted that pre-deposit is in the nature of tax. The Court harped on the fact that expression used in Section 107 is 'paid' and not 'deposited'. In common parlance, tax is paid, and not deposited. Also, the provision states that specified percentage of tax has to be paid.

In the light of such contrasting views, it would be prudent to refer the jurisprudence prevailing in the erstwhile regime. Section 35F of the Central Excise Act, 1944 ('Excise Act') require that the Tribunal or the Commissioner (Appeals), shall not entertain any appeal unless the appellant has deposited percentage of the duty.

Jurisprudence on the issue of payment of pre-deposit through Cenvat credit evolved from Circular No.15/CESTAT/General/2013-14 dated 28.8.2014 issued by CESTAT. It clarified that for filing appeals, mandatory deposit of duty confirmed can be made from CENVAT account. This was followed by judgments

in the case of **Akshay Steel Works Pvt. Ltd. v. UOI**³ and **Cadila Health Care Pvt. Ltd. v. UOI**⁴ wherein it was laid down that Cenvat Credit can be utilized for payment of pre-deposit under Section 35F of the Excise Act as Rule 3 of Cenvat Credit Rules,

2004 (CCR, 2004) do not prohibit such adjustment. In the case of **Manaksia Ltd. v. CCE⁵, CESTAT** was of the view that upon confirmation of demand of duty, duty can be paid from Cenvat Credit as per Rule 3(4) of CCR, 2004, therefore, payment of pre-deposit of duty can also be made from Cenvat Credit account.

In the case of **Manak Moti Forgings Pvt. Ltd. v. CCE⁶** ,, it was held that pre-deposit of the duty amount by way of debit in MODVAT account can be accepted as sufficient compliance with Section 35F but not for pre-deposit of penalty. Hence, the position of law was clear in the erstwhile regime.

Although the jurisprudence in the erstwhile regime laid down that pre-deposit of duty can be paid through Cenvat Credit account, however, this position of law seems to be in-applicable in the GST regime, since, the provisions are not pari-materia. Rules of utilization of credit are similar in both the regime. However, the language of Section 35F of the Excise Act is different from Section 107 of the CGST Act. Section 35F of the Excise Act used the phrase '**seven and a half per cent of the duty**' which is not in tandem to the phrase '**sum equal to ten percent of tax**' used in Section 107 of the CGST Act. The phrase used in Section 35F clearly shows that taxpayer is depositing duty and not a sum equal to duty. Thus, the rationale in erstwhile jurisprudence may not be of help under the GST regime.

Section 107 and 112 the CGST Act use the phrase a sum equal to percentage of tax in dispute as payable towards pre-deposit. Hence, it is important to examine how 'tax' and 'sum equal to percentage of tax' have been interpreted. In the case of **Pushpaman Forgings v. CCE⁷**, the phrase 'amount equal to 8 percent' was interpreted by the Tribunal. The issue related to reversal of MODVAT credit on inputs used in the manufacture of non-duty paid goods. The Tribunal held that the 'amount' sought to be recovered is neither duty nor MODVAT credit. This decision was maintained by Supreme Court.

Basis the above rulings, it can be concluded that the phrase 'sum equal to percentage of tax in dispute' is neither tax nor credit per se but is merely an amount. Thus, pre-deposit referred under Section 107 and 112 of the CGST Act is not in the nature of output tax. Conceptually, the law merely requires a certain amount to be pre-deposited before filing an appeal which for the sake of convenience, has been fixed as a percentage of the tax amount in dispute. Such pre-deposit does not attain the character of tax but remains an amount.

Thus, if any demand gets finally confirmed, the amount deposited towards pre-deposit gets adjusted against the confirmed demand, thereby attaining the character of tax. However, it is pertinent to observe that upon confirmation of the demand, amount paid as pre-deposit does not become tax per se but attains the character of tax only after adjustment towards the tax liability. Thus, it can be concluded that pre-deposit is not in the nature of tax.

CBIC vide Circular No. CBIC-20001/2/2022-GST dated 6.7.2022, on the issue of utilization of the amounts available in the ECL for payment of tax and other liabilities, clarified that any amount towards output tax payable, **as a consequence of any proceeding instituted under the provisions of GST Law**, can be paid by utilization of the amount available in the ECL of a registered person.

In the case of Oasis Realty (supra), the Court concluded that ECL can be utilized for making payment of pre-deposit basis the above Circular. However, it is opined that the Circular refers to the consequential liability arising from conclusion of the proceeding and pre-deposit is surely not a consequential liability, rather it is a pre-condition to file an appeal. Thus, the Circular nowhere permits the payment of pre-deposit through ECL.

Further, Rule 85(4) of the CGST Rules, 2017, provides that amount payable under reverse charge basis shall be paid through Cash Ledger. It is notable that even payment of reverse charge liability of tax is not permitted through ECL. If such is the

case, then payment of pre-deposit through ECL which is not even in the nature of tax, is far-fetched.

Pursuant to the directions of the Bombay High Court in the case of Oasis Realty (supra), **CBIC issued Instruction dated 28.10.2022**, clarifying that pre-deposit payment pertaining to Central Excise and Service Tax cannot be made through ECL. The indirect inference that can be drawn from this instruction is that pre-deposit under GST can be made through ECL / Cash ledger. However, such inference does not find support from the legal provisions discussed above.

Conclusion

Based on the above discussion, it can be reasonably concluded that though in the erstwhile regime, pre-deposit attained the nature of tax, and therefore could be paid through Cenvat Credit account. However, the legal provisions in the GST regime have been crafted in a way that it can never attain the nature of output tax, hence, pre-deposit cannot be paid through utilization of ECL. Also, the scope of utilization of ITC in ECL is also limited to payment of output tax, which makes it impossible to allow payment of pre-deposit through it. Hence, it is suggested that until any further clarification or amendment is provided by the Department or Legislature, the pre-deposit may be paid only through Cash Ledger.

CA Mudit Datta

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1 [2021] 131 taxmann.com 104 (Orissa) dated 07-10-2021

2 [2022] 143 taxmann.com 5 (Bombay) dated 16-09-2022

3 [2013] 37 taxmann.com 41 (Jharkhand)

4 2018 (11) TMI 80

5 2017 (354) E.L.T. 415

6 2010 (10) TMI 279

7 2002 (149) ELT 490 (Tri. - Mum)

8 2003 (153) ELT A89 (SC)



Holi Milan Samaroh

Photographs





Seminar on Bank Audit

Photographs





CA M.L. Gupta
M. No. 071046



TRADEMARK - ESSENTIAL FOR STARTUPS

In today's modern world, consumers are inundated and continuously exposed to trademarks in everyday life.

Registering a trademark should be a top priority when a startup is being established. It will protect a business from the get-go, enabling its success in the long run. It is important to secure a startup at the very beginning in order to gain an advantageous position and to circumvent financial loss in the future.

It is the badge by which customers find your products or services in the marketplace. The owner of a trade mark has exclusive use of that sign.

Once in use, your trading reputation and goodwill will be attached to your business – making your trademarks some of your most valuable assets. It is a symbol of trust.

WHAT CAN BE A TRADE MARK?

Many things can be registered as a trade mark - Names and logos are the most common. A trade mark can be anything that allows consumers to distinguish your goods or services from those of another.

All of the following can be registered as Trademark:

- Word
- Logo
- Shape
- Position
- Pattern
- Colour (single)
- Colour (combination)
- Sound
- Motion
- Multimedia
- Hologram

REASONS WHY TRADEMARKS ARE IMPORTANT FOR STARTUPS-

- 1. They Create Brand Recognition-** Trademarking grants startups, the security of their brand. By trademarking a company name, one makes its services and products distinctive in terms of its competitors, becoming its intellectual property. In doing so, it prevents rivals from copying or stealing their brand.
- 2. It Averts Legal Issues in the Future-** Not registering a trademark leaves a business open to lawsuits from companies who did register one under the same name, sign, slogan, or design. If that does occur, a business will be forced to deal with altering all it came up with, such as the campaign, website material, and to a large extent, its brand identity.
- 3. A Trademark is for Life-** A trademark is permanent, with a need only for periodic renewal. Consider the aforementioned behemoth companies of Pampers and Jacuzzi; they have been power-houses in their respective domains for decades and will continue to thrive for decades to come. This brings about the importance of conducting thorough trademark research to ensure the governing body doesn't deny a startup's application.
- 4. It is A Company's Greatest Asset-** It can act as a catalyst for increasing value as a startup business matures, more so, if the startup continues to expand. Thus, it is important to use a trademark for marketing strategies to aid the enhancement of brand recognition and to draw in more consumers.

STEPS FOR BRAND NAME REGISTRATION IN INDIA

1. Register on the trademark office portal:

The first step is to log in to the account on the official portal of the trademark registry, i.e. <https://ipindiaonline.gov.in/trademarkefiling/user/frmLoginNew.aspx>.

Once you have logged in to the official portal of the trademark registry, the user can log in either using the User ID or the digital signature.

2. Trademark search:

The initial process before brand name registration is to conduct a trademark search of whether the business name, brand or logo is similar to any other already existing trademarks.

3. Filing of trademark application:

Once a trademark search is completed, the application for brand name registration can be filed at the appropriate trademark registry. The application for registration of the trademark must be made in the prescribed manner along with the supporting documents and filed with the prescribed government fee for trademark registration. Once, the application is filed, the applicant can start using the symbol (™) mark in superscript.

4. Examination of trademark application:

An examination for the brand name registration is done by qualified examiners at the trademark registry and if the application fulfills the necessary requirements of the trademark application then the brand name is advertised in the trademark journal.

5. Show Cause Hearing:

If the response to the examination report is not appropriate, then the Trademark Registry may issue a trademark hearing in the matter. This is also an opportunity for the applicant to portray the brand name in a manner that seems unique and distinctive to the trademark officer during the hearing.

6. Publication of Mark in Trademark Journal:

After examination, the trademark is published in the Trade Marks Journal. There is

a freezing period of four months during which the application for brand name registration remains open to opposition. In case there is an opposition filed by the opponent, a hearing process shall be conducted by Registrar to make notice of sufficient grounds from both the parties to establish their claims.

7. Trademark Registration & Certification:

Once the application proceeds for a brand name registration, following publication in the trademark journal, a registration certificate under the seal of the Trademark Registry is issued. The details of the Registered Trademark shall be entered into the Central Register of Trade Marks maintained by the Trade Marks Registry. The registered trademark symbol (®) can be used once the trademark application is registered in the name of the applicant.

TRADEMARK REGISTRATION COST

There are different fees that will be charged for marks, series of marks, and associated marks, and they will be charged for each class. The basic trademark registration fee is ONLY Rs.4500/- per class for individuals, single firms, startups, or small entities (MSMEs). At the same time, the trademark filing fee goes double to Rs.9000/- per class for other applicants. The other applicant can include a body corporate, Limited Liability Partnership (LLP), partnership firm, joint firm, joint applicant, Society, or Trust.

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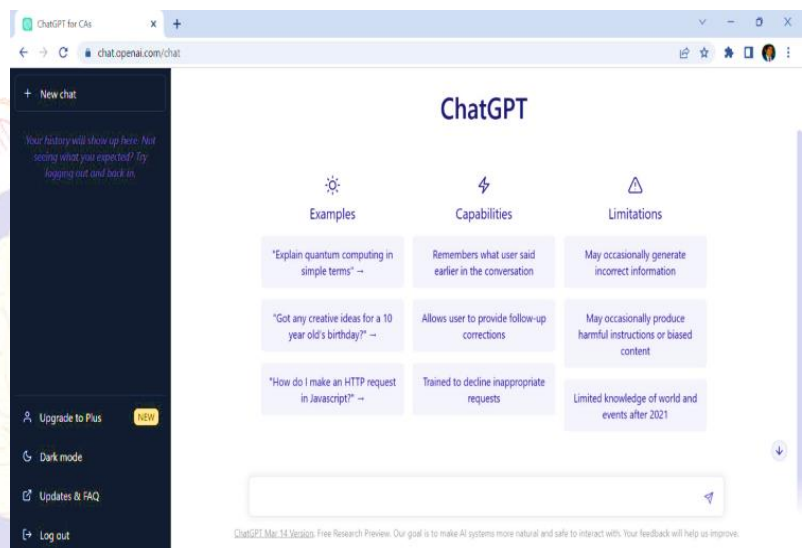
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THE POWER OF CHAT-GPT IN CA PROFESSION

Introduction:

The Chartered Accountancy (CA) profession in India is a highly regulated and complex field, requiring significant expertise in various areas of finance, accounting, and tax. With the advent of new technologies like artificial intelligence and machine learning, the profession is constantly evolving to meet the needs of clients and provide more efficient and effective services. One such technology that has the potential to revolutionize the CA profession in India is ChatGPT - a language model developed by OpenAI, capable of generating human-like responses to a wide range of questions and queries. This paper explores the potential uses of ChatGPT in the CA profession in India, focusing on its ability to automate repetitive tasks, provide insights and analysis, answer queries, generate reports, and assess risks.



Automating Repetitive Tasks:

One of the most significant benefits of ChatGPT is its ability to automate repetitive tasks, such as data entry, bookkeeping, and financial analysis. These tasks are essential for the functioning of the CA profession but can be time-consuming and tedious for professionals. By automating these tasks using ChatGPT, CAs can significantly increase their productivity and improve their efficiency.

For example, ChatGPT can be programmed to handle data entry tasks by extracting relevant information from invoices and receipts and inputting them into accounting software. This can save CAs significant time and reduce the likelihood of errors in financial reporting. Similarly, ChatGPT can be used to automate bookkeeping tasks, such as reconciling bank statements and tracking expenses. By automating these tasks, CAs can focus on more strategic work, such as tax planning and advisory services, which require their expertise and experience.

Providing Insights and Analysis:

ChatGPT can also be trained to provide valuable insights and analysis to CAs. The model can analyze financial data and provide insights on trends, patterns, and anomalies. This can help CAs to identify areas of concern or potential opportunities for their clients.

For example, ChatGPT can be used to analyze a company's financial statements and identify areas of inefficiency or potential cost savings. The model can also provide real-time analysis of financial markets, which can be invaluable for making informed investment decisions. Additionally, ChatGPT can be programmed to provide risk assessments of a company's financial statements, identifying potential areas of risk and helping CAs to mitigate them.

Answering Queries:

ChatGPT can be used as a virtual assistant to answer common queries from clients. Clients may have questions about tax laws, accounting standards, or financial regulations. ChatGPT can provide quick and accurate answers to these queries, freeing up CAs to focus on more complex tasks. This can improve the client experience and increase customer satisfaction.

For example, ChatGPT can be programmed to answer questions about tax deductions, such as deductions for charitable donations or medical expenses.

The model can also provide information on tax filing deadlines and requirements, helping clients to avoid penalties and fines. Additionally, ChatGPT can be used to answer questions about accounting standards, such as Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS), ensuring that clients are in compliance with regulatory requirements.

Generating Reports:

ChatGPT can generate financial reports such as balance sheets, income statements, and cash flow statements. These reports can be customized based on the needs of the client and can be generated quickly and accurately. This can save time for CAs and improve the accuracy of financial reporting.

For example, ChatGPT can be programmed to generate monthly or quarterly financial reports for clients, providing them with up-to-date information on their financial performance. The model can also generate customized reports for specific purposes, such as loan applications or investor presentations. By automating the report generation process, CAs can spend more time analyzing data and providing strategic advice to clients.

Assessing Risk:

One of the critical roles of CAs is to assess risk for their clients. ChatGPT can be used to assist CAs in this process by analyzing financial data and identifying potential areas of risk. The model can also provide real-time alerts when significant changes occur in financial data, allowing CAs to respond quickly and mitigate potential risks.

For example, ChatGPT can be programmed to analyze financial statements for potential fraud or misrepresentation. The model can also assess the financial health of a company and provide recommendations on how to mitigate potential risks.

By using ChatGPT to assist in risk assessment, CAs can provide more accurate and informed advice to their clients.

Challenges and Limitations:

While ChatGPT has significant potential to improve the CA profession in India, there are also challenges and limitations to its use. One of the primary challenges is the need for large amounts of high-quality data to train the model. CAs would need to ensure that the data used to train ChatGPT is accurate and representative of the Indian financial and regulatory landscape.

Another challenge is the need for expertise in natural language processing (NLP) and machine learning. CAs would need to have a strong understanding of these fields to effectively use ChatGPT and ensure that the model is providing accurate and useful information to clients.

Additionally, there are limitations to the accuracy of ChatGPT. While the model is capable of generating human-like responses, there is still the potential for errors or inaccuracies. CAs would need to carefully review the information provided by ChatGPT to ensure its accuracy and validity.

Conclusion:

ChatGPT has significant potential to improve the CA profession in India by automating repetitive tasks, providing insights and analysis, answering queries, generating reports, and assessing risks. While there are challenges and limitations to its use, CAs can leverage the power of ChatGPT to provide more efficient and effective services to their clients. By embracing new technologies like ChatGPT, the CA profession in India can continue to evolve and meet the changing needs of clients in an increasingly complex financial landscape.

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ONE DAY TRAINING PROGRAMME FOR PEER REVIEWERS

Photographs





Ms. Sejal Gupta
CA Student



CA Students Sports Meet organised by Alwar Branch of CIRC

It is health that is real wealth and sport is a preserver of health.

Apart from education, you need good health and for that, you need to play various sports. As we all know the hectic life of CA aspirants - just busy with studies and articleship pressure, it is important for them to take a break from their stressful academic routine and enjoy playing sports.

Keeping this in mind, Alwar Branch of CIRC organised a sports meet on 26th March, 2023 for CA students. There were various indoor and outdoor games and sports to participate in like badminton, race, chess and carrom arranged with refreshments for the students. Event was systematically organised and well managed with all the arrangements and instructions imparted to every participant at the beginning only. Rules and regulations of every game were abiding on participants, prohibition of which leads to certain penalties. Every participant out there was so determined and focused towards their game. It was joyful to see the energy and enthusiasm among participants and a hunger to win but winning is not everything, participation and the effort to win matters. It was indeed a happy, motivating and energy filled day.

Post completion, trophies to the winners and participation certificate to all the participants were distributed and lots of pictures were clicked. A special thanks to our Alwar Branch Chairman CA Pushp Palawat and other committee members for organising such event and giving us the opportunity to showcase our talent. Trophies might get dust after sometime but this memory will last forever. We hope to see more such opportunities coming towards us in future by your side.

Ms. Sejal Gupta
CA Student



Ms. Ishika Khandelwal
CA Student



Apart from regular days

“All work and no play makes Jack a dull boy”. As we can see, this proverb highlights the importance of playful activities in our life and with this in mind, the Alwar Branch of ICAI organized a sports meet on 26/03/2023.



The program was held at Jey Krishna Club, Alwar. There were many sports held like badminton, race, carom, chess. Also, the students were provided snacks. The management was so good, that everyone enjoyed the day. Life is also like a game, sometimes we win and sometimes we lose. Some students won the game and the prizes were given by CA Pushp Palawat and some lose, but those who lose were given certificate of participation by the management to motivate them. It was a fun day and everyone enjoyed a lot. Thanks to the chairman sir CA Pushp Palawat and other members who organized this and provided us with this great opportunity.

Ms. Ishika Khandelwal
CA Student



Sports Competition-2023 for CA Students

Photographs



New Managing Committee



Newsletter Committee



CA Ravi Khandelwal
Chairman- Newsletter



CA Jeetendar Gupta
Member



CA Amit Agarwal
Member

Cover Page Art Credit



Ms. Saniya Gupta
CA Student

