

# The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)



## HYDERABAD BRANCH OF SIRC E-NEWSLETTER

[www.hydicai.org](http://www.hydicai.org)

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Felicitation to CA. Machar Rao Meenavalli, Newly Elected Chairman, Hyderabad Branch of SIRC for the Year 2021-22





MARCH, 2021

## Members at the Helm of ICAI for the Year 2021-22



**CA. Nihar Niranjana Jambusaria**  
President, ICAI



**CA. (Dr.) Debashis Mitra**  
Vice-President, ICAI



**CA. Dayaniwas Sharma**  
Central Council Member of ICAI from Hyderabad



## Southern India Regional Council Members of ICAI from Hyderabad



**CA. China Masthan Talakayala**  
Vice-Chairman, SIRC



**CA. Naresh Chandra Gelli V**  
Chairman-SICASA, SIRC



**CA. Chengal Reddy R**  
Member, SIRC



## Managing Committee Members of Hyderabad Branch of SIRC of ICAI 2021-22



**CA. Machar Rao Meenavalli**  
Chairman



**CA. Deepak Ladda**  
Vice-Chairman



**CA. Satish Kumar Mylavarapu**  
Secretary



**CA. Rajambal M S**  
Treasurer



**CA. Chinna Sitarami Reddy A**  
SICASA -Chairman



**CA. Pankaj Kumar Trivedi**  
Past Chairman, 2020-2021



**CA. Bhanu Narayan Rao Y V**  
Past Chairman, 2019-2020



# Chairman Writes..

Dear Professional Colleagues and Students,

First and foremost, I convey my sincere gratitude to the members of the Management Committee of Hyderabad Branch, SIRC Members and Central Council Member for reposing confidence in me and electing me as the Chairman of Hyderabad Branch for the year 2021-22. Indeed, 18th February, 2021 will always remain a memorable day in my life. I am indebted to all my professional colleagues of Hyderabad Branch for electing me as a Managing Committee Member of Hyderabad Branch for this term which has helped in enabling me to become the Chairman of Hyderabad Branch of SIRC of ICAI.



In my capacity as the Chairman of Hyderabad Branch, it is for the first time that I am reaching out to all of you and I assure you that I shall serve the members and students to the best of my abilities. I take this opportunity to congratulate CA. China Masthan Talakayala on getting elected as the Vice Chairman of SIRC of ICAI for the year 2021-22. I also congratulate CA. Naresh Chandra Gelli V on being nominated as the Chairman of SICASA for 2021-22. I wish both of them a very eventful and successful tenure. On behalf of Hyderabad Branch I assure our unstinted support for all the initiatives of SIRC.

I also congratulate the immediate Past Chairman, CA. Pankaj Kumar Trivedi for leading the Branch in an efficient and effective manner which helped Hyderabad Branch to win the coveted Best Branch Award (3<sup>rd</sup> prize in Mega Category) at National Level for the year 2020-21.

I assure that TEAM HYDERABAD with CA. Deepak Ladda as Vice-Chairman, CA. Satish Kumar Mylavarapu as Secretary, CA. Rajambal MS as Treasurer, CA. Chinna Sitarami Reddy as Chairman of SICASA of Hyderabad Branch, along with the two Past Chairmen will be working as a cohesive team and am confident that we shall bring laurels to the Branch and the expectations of the members and students will be fulfilled to the best of our abilities.

TEAM HYDERABAD has planned to conduct various programmes on areas of professional interest during the year and we have started off with virtual meetings on GST & Income Tax. We are also planning to conduct a series of seminars on "Bank Audit" in the month of March 2021. Hyderabad Branch and Ahmednagar Branch of WIRC of ICAI are jointly conducting a seminar on Bank Audit at Ramoji Film City, Hyderabad on 14<sup>th</sup> and 15<sup>th</sup> March, 2021, which has been granted the status of **National Residential Refresher Course**.

On the occasion of International Women's Day, TEAM HYDERABAD conducted a full day programme on 6<sup>th</sup> March, 2021 at the Branch premises which was well attended and well received by the women members of Hyderabad Branch.

This year TEAM HYDERABAD is planning to conduct physical programmes also along with the virtual programmes. I also inform you with immense pleasure that we have resumed the Study Circles at Hyderabad Branch which were suspended in 2020 due to Covid-19 restrictions. The resumption of Study circle activities at the Branch was welcomed enthusiastically by the members and it kicked off with discussion on Exposure Draft on Standard for Audit of Smaller & Less Complex Entities.

On behalf of TEAM HYDERABAD, I humbly request all the professional colleagues to extend fullest support for all activities of Hyderabad Branch during the year. Your active support is the constant factor which encourages us to plan and perform in the days to come. I also look forward to your views and suggestions on any matters which you feel may strengthen the profession and improve quality of services of the members and students.

I will sign off with a Quote:

**"The Best Way to Get Started is to Quit Talking and Begin Doing"**

Yours Sincerely,  
**CA Machar Rao Meenavalli**  
Chairman  
[chairman.hydr@icai.in](mailto:chairman.hydr@icai.in)



## Programme Sheet for the Month of March 2021

Day & Date	Programme Topic	Description & Areas of Coverage	Speaker	CPE	Delegate Fee	Venue
Monday 01 <sup>st</sup> March,2021 06.00 PM to 8.00 PM	E-Invoicing under GST	'e-Invoicing' or 'electronic invoicing' is a system in which B2B invoices are authenticated electronically by GSTN	CA. Sumeet Sethia & CA. Abhinav Srivastav	2hrs	Free	Online Zoom
Saturday 06 <sup>th</sup> March,2021 09.30 AM to 5.30 PM	Prerana-2021		Details Given Inside	6hrs	Rs. 590/-	P. Brahmayya Memorial Hall
Sunday 14th March,2021 01.30 PM to 6.00 PM	Two days Seminar on Bank Branch Audit jointly with Ahmednagar Branch of WIRC of ICAI		Details Given Inside	12hrs	Rs 2950/-	Sitara Hotel Ramoji Film City
Monday 15th March,2021 9.00 AM to 1.00 PM						
Tuesday 16th March,2021 04.00 PM to 8.00 PM	Two days Virtual Seminar on Bank Audit		Details Given Inside	8hrs	Rs 472/-	Online Zoom
Wednesday 17th March,2021 04.00 PM to 8.00 PM						
Friday 19th March,2021 06.00 PM to 8.00 PM	Export of goods under GST	GST	Mr. Sreeram Kaza	2hrs	Free	Online Zoom
Sunday 21st March,2021 4.00 PM to 06.00PM	Effective use of Technology Tools in Bank Audit	Technology usage in Bank Audit	CA. Vijay Srinivas	2hrs	Free	Online Zoom
Tuesday 23rd March,2021 6.00 PM to 8.00 PM	Input Tax Credit being dependent on 2A or 2B vs 3B along with year end procedures	GST-ITC	CA. Shilpi Jain	2hrs	Free	Online Zoom
Wednesday 24th March,2021 6.00 PM to 8.00 PM	Compliance to TDS provisions U/S195 post MLI	Multilateral instrument (MLI)	CA. Rajendra Prasad Talluri	2hrs	Free	Online Zoom
Saturday 27th March,2021 10.00 AM to 6.00 PM	Seminar on Bank Audit		Details Given Inside	6hrs	Rs 1180/-	The Park Hotel



# Prerana 2021

Organised by: Hyderabad Branch of SIRC of ICAI

Date: 6<sup>th</sup> March, 2021

Venue: Parvataneni Brahmayya Memorial Hall, ICAI Bhawan

Registration Fee: Women Member Rs.500/- Plus GST

CPE: 6 hours

Timings	Session/Topics	Resource Person
09.00 - 09.30 AM	Registration	
09.30 - 10.00 AM	Inauguration, Lighting of the Lamp	Mrs. T.L. Alamelu, Member IRDAI
<b>Technical Session-I</b>		
10.00 - 11.30 AM	Code of Ethics	CA. Dayaniwas Sharma Central Council Member, ICAI
11.30 - 11.45 AM	Tea Break	
<b>Technical Session-II</b>		
11.45 - 12.30 PM	Remote Working / A myth Busted	CA. B Ganesh Hyderabad
12.30 - 1.15 PM	Women Health at Work Place	Dr. Harini Vemuri Hyderabad
01.15 - 02.15 PM	Lunch Break	
<b>Technical Session-III</b>		
02.15 - 02.45 PM	Importance of Investments for Women	Mr. Venugopal Yarabati Hyderabad
02.45 - 03.45 PM	Sop & Training modules for Small CA office	CA. Rajambal MS MC Member Hyderabad Branch
03.45 - 04.00 PM	Tea Break	
<b>Special Session-IV</b>		
04.00 - 05.30 PM	Panel Discussion on Work Life Balance & Share of Success Stories	<b>Panelists</b> CA. Aparna Surabi CA. Alka Zanwar CA. Seema Gover CA. Poonam Jain

<b>Programme Director: CA. Dayaniwas Sharma, Central Council Member</b>		
<b>Programme Co Directors</b>		
<b>CA. China Masthan Talakayala</b> Vice- Chairman, SIRC	<b>CA. Naresh Chandra Gelli V</b> SICASA Chairman, SIRC	<b>CA. Chengal Reddy . R</b> Regional Council Member
<b>Programme Coordinators</b>		
<b>CA. Machar Rao Meenavalli</b> Chairman Hyderabad Branch of SIRC	<b>CA. Satish Kumar Mylavarapu</b> Secretary Hyderabad Branch of SIRC	<b>CA. Rajambal MS</b> Treasurer Hyderabad Branch of SIRC



## Two Day Conference on Bank Branch Audit

Organised by: Ahmednagar Branch of WIRC of ICAI

Jointly with Hyderabad Branch of SIRC of ICAI

On 14<sup>th</sup> & 15<sup>th</sup> March, 2021

Venue :Hotel Sitara, Ramoji Film City, Hyderabad

Delegate fee : Rs 2500/- Plus GST

CPE Hours : 12Hrs

### Day -1

Timing	Topics	Resource Person
2.00 PM – 2.30 PM	Inaugural Session	
<b>Technical Session-I</b>		
2.30 PM – 4.30 PM	Expectations of Bank & Statutory Auditor from Branch Auditor	CA. (Dr) Gopal Krishna Raju Chennai
<b>Technical Session-II</b>		
4.30 PM-6.15 PM	LFAR	CA. Amarjeet Chopra Past President,ICAI
6.15 PM onwards	High Tea	

### Day -2

Timing	Topics	Resource Person
<b>Technical Session-I</b>		
9.30 AM – 11.30 AM	Fraud Detection in Bank Audit	CA. Nitant Trilokekar Mumbai
<b>Technical Session-II</b>		
11.30 AM - 1.30 PM	Past Present & Future of Bank Audit	CA. M R Vikram Hyderabad
1.30 PM onwards	Lunch Break	

<b>Programme Director: CA. Dayaniwas Sharma, Central Council Member</b>		
<b>Programme Co Directors</b>		
CA. China Masthan Talakayala Vice- Chairman,SIRC	CA. Naresh Chandra Gelli V SICASA Chairman,SIRC	CA. Chengal Reddy . R Regional Council Member
<b>Programme Coordinators</b>		
CA. Machar Rao Meenavalli Chairman Hyderabad Branch of SIRC	CA. Deepak Ladda Vice- Chairman Hyderabad Branch of SIRC	CA. Satish Kumar Mylavarapu Secretary Hyderabad Branch of SIRC

**Two Days Virtual Seminar on Bank Audit****Organised by: Hyderabad Branch of SIRC of ICAI****Delegate Fee: Rs 400/ - Plus GST****Venue: Online Platform Zoom****CPE: 08Hrs**

Timings	Session/Topics	Resource Person
<b>Tuesday 16<sup>th</sup> March 2021</b>		
<b>Technical Session -I &amp; II</b>		
4.00 pm- 4.30 pm	Inauguration	
4.30 pm- 5.30 pm	Revised LFAR Audit procedures	<b>CA. Dayaniwas Sharma</b> Central council Member, ICAI Hyderabad
5.30 pm-5.45 pm	Tea Break	
5.45 pm – 7.45 pm	Audit Under CBS Environment	<b>CA. Premnath D, Hyderabad &amp;</b> <b>CA. Siva Prasad Annavarapu,</b> <b>Guntur</b>
<b>Wednesday 17<sup>th</sup> March 2021</b>		
<b>Technical Session -III &amp; IV</b>		
4.00 pm – 5.15 pm	Audit procedures with respect to Rural Banks & Issues in Certification	<b>CA. Prasanna Kumar D</b> Central council Member, ICAI Visakhapatnam
5.15 pm - 6.30 pm	Recent RBI Circulars & Implications of Covid restrictions in Bank Audit	<b>CA. Abhay Kamat</b> <b>Mumbai</b>
6.30 pm – 8.00 pm	IRAC Norms & Significant Changes in LFAR	<b>CA. Rajagopalan Sundarrajan</b> <b>Chennai</b>
<b>Programme Director</b>		
<b>CA. Dayaniwas Sharma</b> Central Council Member		
<b>Programme Co Directors</b>		
<b>CA. China Masthan Thalakyala</b> Vice Chairman, SIRC	<b>CA. Naresh Chandra Gelli V</b> Chairman-SICASA, SIRC	<b>CA. Chengal Reddy . R</b> Regional Council Member
<b>Programme Coordinators</b>		
<b>CA. Machar Rao Meenavalli</b> Chairman Hyderabad Branch of SIRC of ICAI	<b>CA. Deepak Ladda</b> Vice- Chairman Hyderabad Branch of SIRC of ICAI	<b>CA. Satish Kumar Mylavarapu</b> Secretary Hyderabad Branch of SIRC of ICAI

**Seminar on Bank Audit****Organised by: Hyderabad Branch of SIRC of ICAI**

Venue : The Park Hotel, Somajiguda, Hyderabad

Delegate Fee: Rs 1000/- Plus GST

CPE Credit – 6 Hrs

Day & Date Saturday 27<sup>th</sup> March 2021

Timings	Session/Topics	Resource Person
9.30 am- 10.00 am	Inauguration	
<b>Technical Session - I</b>		
10.00 am-11.30 am	Audit Documentation & Procedures	<b>CA. Jawahar V</b> Hyderabad
11.30 am-11.45 am	Tea Break	
<b>Technical Session -II</b>		
11.45 am - 1.15 pm	IRAC Norms	<b>CA. A Mony</b> Calicut
1.15 pm - 2.00 pm	Lunch	
<b>Technical Session -III</b>		
2.00 pm – 3.30 pm	Covid-19 Circulars, Restructuring of Advances and other Important Circulars during the year	<b>CA. Dhananjay Gokhale</b> Mumbai
3.30 pm-3.45 pm	Tea Break	
<b>Technical Session -IV</b>		
3.45 pm- 5.00 pm	Excel as an Audit tool in Bank Audit	Eminent Speaker
<b>Programme Director</b>		
<b>CA. Dayaniwas Sharma</b> Central Council Member		
<b>Programme Co Directors</b>		
<b>CA. China Masthan</b> <b>Thalakayala</b> Vice Chairman, SIRC	<b>CA. Naresh Chandra Gelli V</b> Chairman SICASA, SIRC	<b>CA. Chengal Reddy R</b> Regional Council Member
<b>Programme Coordinators</b>		
<b>CA. Machar Rao Meenavalli</b> Chairman Hyderabad Branch of SIRC of ICAI	<b>CA. Deepak Ladda</b> Vice- Chairman Hyderabad Branch of SIRC of ICAI	<b>CA. Satish Kumar</b> <b>Mylavarapu</b> Secretary Hyderabad Branch of SIRC of ICAI





## Survey, Search and Seizure Update

Compiled by: CA. Hari Agarwal

***1. Search and seizure—Addition of excess cash found during search based on statements recorded under section 132(4)— Statements recorded under section 132(4) cannot be made the sole basis for making additions unless it is supported by any documentary evidence.***

*On date of search, books of account of assessee found incomplete*

**Conclusion:** Where on date of search, books of account of assessee were incomplete and printouts of cash book as taken by the search team did not reflect true and correct balance available which was made part of the seized papers, then statements recorded under section 132(4) could not be made the sole basis for making additions for unexplained cash, unless it was supported by any documentary evidence.

Assessee was a partnership firm, engaged in manufacturing and trading (including export) of designer jewellery made of gold and silver studded with precious and semi-precious stones. Pursuant to a search operation under section 132, unexplained cash was found and based on statement recorded on oath under sections 132(4) and 131, addition was made. **Held:** As on date of search, books of account of assessee were incomplete and printouts of cash-book as taken by the search team did not reflect true and correct balance available which was made part of the seized papers. Cash balance as appearing in such incomplete books of account and taken as recorded cash balance as per books as on the date of search was wrong being not updated.

Statements recorded under section 132(4) cannot be made the sole basis for making additions unless it is supported by any documentary evidence.

CBDT has clarified by clarification dated 10-3-2003 (No. 286/2/2003-Income Tax) that while recording statement during the course of search and seizure and survey operations no attempt should be made to obtain confession as to the undisclosed income. Additions based on the alleged surrender obtained during the course of search are in contravention to the circular and instruction of the CBDT and therefore, the same deserved to be deleted. Sale was duly recorded in the books of accounts and after inclusion of the same in total sales, cash balance, profits and stocks were derived which were accepted by revenue. Further, addition by alleging the same as excess cash tantamount to taxation of an income twice-one in shape of sales and profits embedded therein and again by making addition by alleging the same as unexplained excess cash.

Decision: In assessee's favour.  
IN THE ITAT, JAIPUR BENCH  
Jewels Emporium v. ACIT  
ITA Nos. 303, 234/JP/2019  
15 September, 2020

***2. SLP dismissed against High Court ruling that where pursuant to search, certain addition of undisclosed payments were made to income of assessee and same were deleted by Tribunal based on appreciation of evidence on record, no question of law arose for consideration***



Principal Commissioner of Income Tax, Central (1) v. Hasan Ali Khan (2021] 124 taxmann.com 209 (SC)

General (Documents seized in search) - Assessment year 2000-01 - Pursuant to search at assessee's residence addition of Rs. 793 lakhs was made on account of certain undisclosed payment made by assessee - Tribunal deleted addition stating that payment by assessee of amount of Rs. 793 lakhs had not been established - High Court by impugned order dismissed appeal, holding that entire issue being based on appreciation of evidence on record, no question of law arose for consideration - Whether Special Leave Petition against said impugned order was to be dismissed - Held, yes [Para 2] [In favour of assessee]

3. Where assessee invested entire sale consideration in construction of residential house within stipulated time period, exemption under section 54F could not be denied if said consideration was not deposited in capital gain scheme account during intermittent period of construction ■■■

Ramaiah Dorairaj v. Income Tax Officer, ward 4(2)(2), Bangalore\*

[2021] 124 taxmann.com 243 (Bangalore - Trib.)

Section 54F of the Income-tax Act, 1961 - Capital gains - Exemption of, in case of investment in residential house (Conditions precedent) - Assessment year 2013-14 - Assessee invested net sale consideration from sale of capital asset in construction of new residential house and claimed deduction under section 54F - Assessing Officer disallowed deduction on ground that assessee had violated section 54F(4) by not depositing net sale consideration in capital gain scheme account during intermittent period of construction of residential house - Whether since assessee had invested entire sale consideration in construction of residential house within period stipulated under section 54F(1), exemption could not be denied on ground that sale consideration had not been deposited in capital gains scheme account before due date prescribed under Section 139(1) - Held, yes - Whether thus assessee would be entitled for exemption under section 54F and matter was to be remitted to Assessing Officer for fresh consideration - Held, yes [Paras 6 and 7] [In favour of assessee]

4. ACIT v. JKD Pearl India Developers (P) Ltd.

**Decision:** In assessee's favour.

**Search and seizure—Statement recorded during search—Evidentiary value without any corroborative material**

**Facts:** Assessee company was engaged in the business of real estate. AO based on statement of director of assessee-company recorded during search at assessee's premises made addition towards receipt of on-money on sale of flats. Assessee's case was that AO simply relied upon sworn statement of director without placing any further corroborative material.

**Held:** Mere admission was not conclusive as to the truth of the matter. It was only a piece of evidence, weight to be attached to which must depend on the circumstances in which it was made. It could be shown to be erroneous or untrue. Therefore, addition made merely and solely on the basis of confession without any corroborative evidence was not sustainable in law, moreover when confession made was subsequently retracted and no statement of any buyer was recorded even in respect of fact that buyers had already submitted their respective affidavits.

**5. BALEE PLASTICS PVT. LTD. vs. INCOME TAX OFFICER**

(2021) 61 CCH 0167 MumTrib

**Decision in favour of: Assessee**

*Penalty—Concealment of income—Assessee is a company engaged in business of manufacturing and marketing of plastic products and had filed its return of income—Assessee has purchased land along with house—Survey u/s.133A was conducted on assessee's premises—During course of survey additional income was admitted as cash component towards purchase of property—However, in return of income, assessee offered only a sum of Rs.3 Crores as on- money payment made for purchase of property at Hyderabad as its additional income by duly crediting same in its profit and loss account under head 'other income'—AO completed assessment without considering income of Rs. 3 Crores offered by assessee in return of income and made a total addition of Rs.4.50 Crores based on statement recorded as unexplained investment u/s.69B—CIT(A) in quantum appeal deleted addition made in sum of Rs.1.50 Crores and also held that sum of Rs.3 Crores has already been disclosed by assessee in return of income which was accepted by Id. AO while completing assessment—Thereafter, AO levied penalty u/s.271(1)(c)—Held, paper book filed by assessee comprising of profit and loss account and schedule for other income thereon, sum of Rs.3 Crores has been disclosed by assessee exclusively as income declared under survey under head 'other income'—This itself goes to prove that assessee had duly recorded that income offered in survey in its books of accounts This sum of Rs 3 crores was also duly offered to tax by assessee in return of income filed—Moreover, Delhi High Court in case of CIT vs. SAS Pharmaceuticals reported in 335 ITR 259 (Del) wherein it was held that for purpose of imposing penalty u/s. 271(1)(c), concealment of particulars of income or furnishing of inaccurate particulars of income by assessee has to be in income tax return filed by assessee—Facts before Delhi High Court was that certain income was surrendered by assessee during survey and same was shown by it in regular income tax return which was filed within prescribed time. Delhi High Court held that no penalty would be exigible in such scenario—Facts of present case are exactly similar and identical to facts before Delhi High Court—In instant case also there is no dispute that assessee had indeed disclosed Rs.3 Crores additional income in income tax return filed by it—Respectfully following aforesaid decision no penalty u/s.271(1)(c) would be exigible in hands of assessee—Assessee's appeal allowed.*



## New Long Form Audit Report (LFAR) - Time for Tech Tools

- CA Kothapalli Vijaya Srinivas

Reserve Bank of India has released a revised Long Form Audit Report (LFAR) on September 05, 2020 vide Notification No. DOS.CO.PPG./SEC.01/11.01.005/2020-21. The new LFAR not only included new clauses, but it also requires auditors to provide details of “List of accounts examined for audit” along with “percentage examined” out of “Total Outstanding of the branch”, thereby making the erstwhile Long Form Audit Report not only a “Longer” Form of Audit Report but also a “Detailed” Form of Audit Report.

Now is the time to revisit few of Excel features and functions, which helps us identify proper sample for examining and also for validating the data provided for audit.

### 1) Use of Pivot Table for Data Stratification

Data stratification is a way to divide data into sub-groups to pick up a right sample out of the given population.

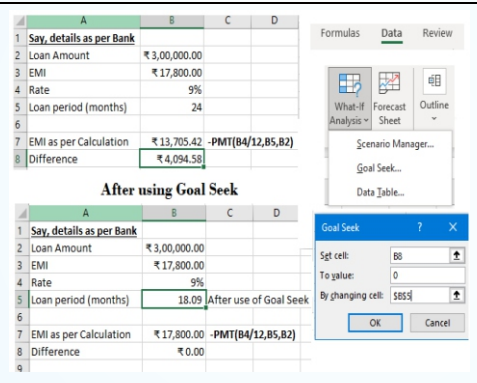
Data required for Stratification	Report of Branch Advances as on 31 <sup>st</sup> March having at least the details of Customer ID, Type of Advance, Loan Date, Loan Amount, Advance Outstanding	<i>Sample Image</i>
<p>Steps of Stratification (Value Based)</p>	<ul style="list-style-type: none"> <li>- Insert a Pivot Table from the data table.</li> <li>- Select Type of Advance and Customer ID in Row Field area</li> <li>- Select Advance Outstanding in summary Values area with SUM as type for two times.</li> <li>- Right click on one of the above summary values and opt for “Show Values as” as “% of Column Total”.</li> <li>- Sort the data in the above column in Largest to Smallest.</li> <li>- Select at least those Advance Types and accounts as a sample which are above 10% of Total Advances of the Branch for <b>verification of transactions</b>.</li> </ul>	
<p>Steps of Stratification (Volume Based)</p>	<ul style="list-style-type: none"> <li>- Insert a Pivot Table from the data table.</li> <li>- Filter for the dates falling with the Financial Year under audit</li> <li>- Select Type of Advance in Row Field area</li> <li>- Select Type of Advance in summary Values area with COUNT as type for two times.</li> <li>- Right click on one of the above summary values and opt for “Show Values as” as “% of Column Total”.</li> <li>- Sort the data in the above column in Largest to Smallest.</li> <li>- Select at least those Types of Advances as a sample which are above 10% of Total loans sanctioned during the year for <b>verification of Documents</b></li> </ul>	



**2) Use of Goal Seek to validate EMI, Interest and Term of Loan**

For an advance to be classified as NPA, along with IRAC norms, it is also equally important to check if there is any manual intervention at branch in asset classification process. To make this happen, we might have to validate the details of EMI, Interest and Term of Loan as generated by the system.

Relevant Functions in Excel to calculate EMI (PMT), Interest (IPMT), Term of Loan (NPER) can be used along with **Goal Seek** under What-if Analysis

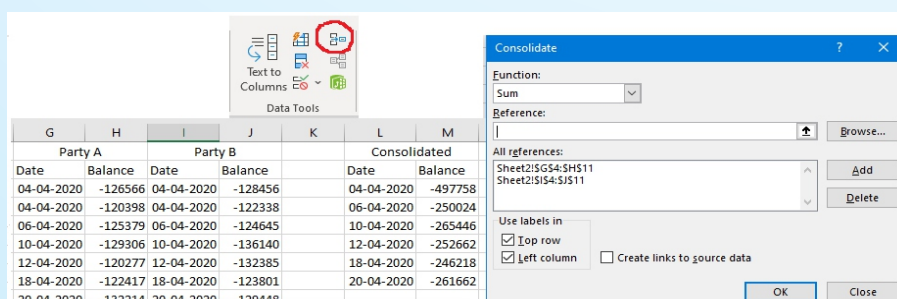
<p>For Example, Branch has provided following details:          Loan Amount : Rs. 3,00,000          EMI : Rs. 17,800          Interest Rate : 9%          Loan period : 24 months</p>	<p>While using Excel function called as <b>PMT</b> (Syntax=<b>PMT(Int.Rate%/12,Loan_period,Loan_Amount)</b>), the EMI calculated is Rs. 13,705, thereby the difference found between the branch provided EMI and Excel calculated EMI is Rs. 4095.</p>
<p>Using Goal Seek (Available under <b>Data</b> tab – under <b>What-If Analysis</b>), while selecting the cell in which there is difference (Rs. 4095), as “Set Cell”; ‘0’ as “To Value” and Cell in which loan period is provided (24 months) as “By Changing cell”, we will see that the actual Term is 18 months and not 24 months.</p>	
<p>Due to this change in period through manual intervention at branch, the EMI paid for a month will be considered as if paid in excess, which may be adjusted to next month and thereby escaping the IRAC Norms. The same can be adopted for Interest calculation using IPMT Function (Syntax=<b>IPMT(Int.Rate%/12,Period_of_Interest,Loan_period,Loan_Amount)</b>) and Loan Term by using NPER Function (Syntax=<b>NPER(Int.Rate%/12,EMI,Loan_Amount)</b>).</p>	

**3) Use of Consolidate Data Tool to verify day wise Group Exposure Limit**

Verifying if any Advance has exceeded Drawing Power (DP) Limit during the financial year is easy by checking daily balances. However, it may not be so while verifying Group Exposure of Related Parties.

This becomes more important if the Sanction Terms specifies a Cap on Drawing Power for entire Group Exposure, where there might be even penal charges levied @ 2% for the amount drawn in excess of DP.

To overcome this obstacle, we can use another Data Tool known as “**CONSOLIDATE**”, which is available under Data Tools of Data Tab. Following picture will elaborate the cell values and its references to be used.



Party A		Party B		Consolidated	
Date	Balance	Date	Balance	Date	Balance
04-04-2020	-126566	04-04-2020	-128456	04-04-2020	-497758
04-04-2020	-120398	04-04-2020	-122338	06-04-2020	-250024
06-04-2020	-125379	06-04-2020	-124645	10-04-2020	-265446
10-04-2020	-129306	10-04-2020	-136140	12-04-2020	-252662
12-04-2020	-120277	12-04-2020	-132385	18-04-2020	-246218
18-04-2020	-122417	18-04-2020	-123801	20-04-2020	-261662
20-04-2020	-132214	20-04-2020	-129448		

**4) Use of Textual based Summary to arrive at a Sum , based on Key Terms in Narration**

Narration has been an area of high use to draw red flags or to identify the purpose of transaction. While using Filter with text search will for this purpose, it is definitely a time-consuming process.

Instead, how it would be, if we just enter a text what we are searching for in one cell and a function which gets the sum of all those transactions which carry such text in narration? Yes, it can be achieved with SUMIFS Function.

Syntax: **SUMIFS(Sum\_Range, Criteria\_Range1, Criteria1,..)**

Say, if there was a bearer cheque clearance from CC account, where ledger shows name of the bearer, whereas the narration captured as Cash drawn and we are looking for sum of all such transactions where the text called "Cash" is captured in the narration, the above function can be used as under:

<b>SUMIFS(Debit_Amount, Narration, "**Cash**")</b>	<ul style="list-style-type: none"> <li>- <b>Debit_Amount</b> is selection of entire Range of Debit Amount Column;</li> <li>- <b>Narration</b> is the selection of entire Range of Narration column</li> <li>- <b>**Cash**</b> is to search a term call Cash while using "Wild Card", which works as if searching for a <i>text containing</i> "Cash".</li> </ul>
Similarly, if we want to search any text entered in a Cell, say for example in <b>A1</b> Cell, then the function would be: <b>SUMIFS(Debit_Amount, Narration, "**"&amp;A1&amp;"**")</b>	<ul style="list-style-type: none"> <li>- <b>A1</b> is the cell where we have entered any text, by joining with the use of "&amp;", we are creating similar criteria as above with the text that is entered in A1.</li> </ul>

**5) Use of VLOOKUP with IF Logic to minimise Search / Lookup time**

Usually, we used VLOOKUP to lookup or reconcile with another data or table. However, while doing so we are selecting the entire Table as "Table\_Array". Due to this, the VLOOKUP function will take longer time to execute and sometimes may lead to hanging of Excel Application. Instead, we can use IF Function along with VLOOKUP function, which will be much faster than the regular use.

Say, if the Lookup Value is "XYZ Company" and the in a table where we want to Lookup has columns such as "Company\_Name", "Company\_Address", "Company\_Contact", "Debit\_Amount" and result what we want to achieve is the Debit\_Amount of the relevant company which is in another Table, Instead of selecting the entire table of 4 columns as Table\_Array, we may use the function as below:

**VLOOKUP("XYZ Company", IF ( {TRUE,FALSE},"Company\_Name","Debit\_Amount"), 2, FALSE)**

By using the above function, instead of selecting entire table as Table\_Array, we can selection only two columns, one for Lookup Column and other for Result\_Column.

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