



**THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA**
(*SET UP BY AN ACT OF PARLIAMENT*)



MADURAI BRANCH(SIRC)

APRIL 2024

NEWSLETTER



**MADURAI BRANCH
SIRC OF ICAI**

CHAIRMAN'S MESSAGE



CA. R. JAYAKRITHIKA
CHAIRMAN
2024 - 2025

Dear Esteemed Members,

As we embark on a new month filled with opportunities and challenges, I extend my warmest greetings to each and every one of you.

April marks a period of renewal and growth, both in nature and in our professional endeavors. It is a time for reflection, innovation, and determination as we continue to uphold the highest standards of excellence in the field of audit and accountancy.

We had a equipped March month with sessions on GST , Professional Opportunities and Enhancement Overseas , Bank Audit Seminar and Session on Code of Ethics.

Looking forward for overwhelming participation for the CPEs planned for this month to cover the recent notices on AIS/TIS mismatches , TDS provisions and on Corporate law.

Wishing you a productive and fulfilling month ahead.

Warm regards,

CA JAYAKRITHIKA R
CHAIRMAN
MBSIRC

CPE EVENTS GALLERY

Finalisation of Accounts with GST Perspective - CA Ram aswin J

02/03/2024



Global Opportunities overseas and Professional enhancement - CA Hariharan

07/03/2024



WOMEN'S DAY CELEBRATION

12/03/2024



Seminar on Bank Branch Audit By CA Anil K Saxena, CA Ramesh, CA Chandrasekaran 16/03/2024



Bank Audit using technology - CA Dungar Chand U Jain 20/03/2024

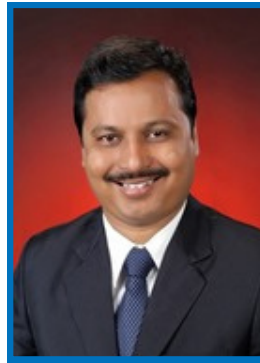


Code of Ethics and Ethical standards CA Rajendra Kumar P 23/03/2024

Career Counselling Programme in Dinamalar 23/03/2024



EXCEL TIPS



CA DUNGAR CHAND U JAIN
PAST CHAIRMAN(SIRC)

TRANSPOSE FUNCTION

TRANSPOSE function in Excel is a powerful tool that allows you to flip the orientation of a range of cells, interchanging rows and columns. It is particularly useful when you need to reorganize data to fit a different layout or perform calculations on transposed data. In this write-up, we'll explore how to use the TRANSPOSE function in Excel with a few illustrations.

Syntax of the TRANSPOSE function is as follows:

TRANSPOSE(array)

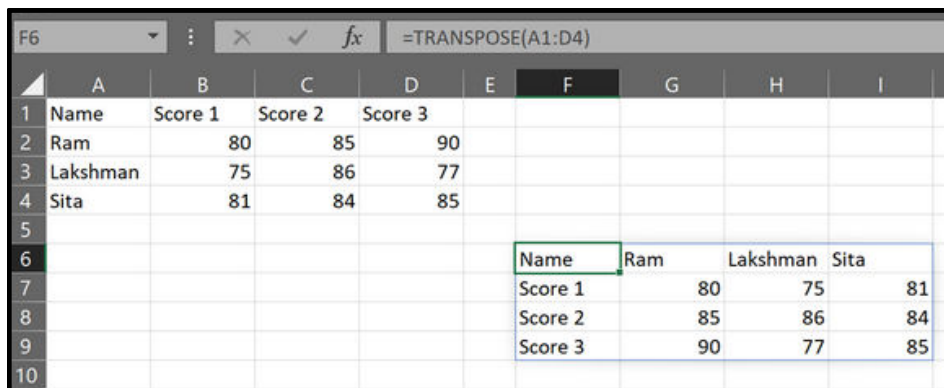
“array” - An array or range of cells on a worksheet that you want to transpose. The transpose of an array is created by using the first row of the array as the first column of the new array, the second row of the array as the second column of the new array, and so on. The 'array' argument represents the range of cells that you want to transpose.

Let's consider an example to better understand the TRANSPOSE function. Suppose we have a table of data with names in column A and their corresponding scores in columns B, C, and D, as shown below:

	A	B	C	D
1	Name	Score 1	Score 2	Score 3
2	Ram	80	85	90
3	Lakshman	75	86	77
4	Sita	81	84	85
5				

Now, let's say we want to transpose this data so that the names become column headers and the scores are listed under each name. We can use the TRANSPOSE function to achieve this.

1. First, select a range of cells that will accommodate the transposed data.
2. In the selected range, enter the TRANSPOSE function as follows:
`=TRANSPOSE(A1:D4)`



The screenshot shows an Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I
1	Name	Score 1	Score 2	Score 3					
2	Ram	80	85	90					
3	Lakshman	75	86	77					
4	Sita	81	84	85					
5									
6						Name	Ram	Lakshman	Sita
7						Score 1	80	75	81
8						Score 2	85	86	84
9						Score 3	90	77	85
10									

3. After following these steps, you'll notice that the data is transposed, as shown below:

As you can see, the names are now listed as column headers, and the scores are placed under each name, resulting in a transposed representation of the original data.

The TRANSPOSE function can be particularly handy when working with large datasets or when you need to perform calculations on transposed data. By transposing the data, you can change the orientation to suit your analysis or reporting needs.

In conclusion, the TRANSPOSE function in Excel is a powerful tool that allows you to reorganize data by flipping rows and columns. It can be used to quickly transform the layout of your data and perform calculations on transposed information.

Note: If you have a current version of Microsoft 365, then you can input the formula in the top-left-cell of the output range, then press ENTER to confirm the formula as a dynamic array formula. Otherwise, the formula must be entered as a legacy array formula by first selecting the output range, input the formula in the top-left-cell of the output range, then press Ctrl+Shift+Enter to confirm it. Excel inserts curly brackets at the beginning and end of the formula for you

EVER GREENING CONCEPT IN BANKING



CA.V.VIMALA

Ever greening as the word means, is a process through which the status is kept alive, fresh and within the expectations of the controlling factors. This concept applies to nature, business, legal documents. and even to individuals. When we take the Banking Industry, the lending is the main business through which the bank earns Income. In the recent times, as the rules and regulations become more stringent, the bankers are in dismay to sustain the business and hence choose ways and means to keep them continuing. Evergreening the advances is one of the techniques to take of the sinking situation. Evergreen loans may also be known as “standing” or “revolving” loans.

The evergreening of loans is a term in which banks try to revive a loan that is on the verge of default by granting further loans to the same borrower.

Basically, banks tend to provide more loans to the borrowers to stop them from turning into huge non-performing assets (NPAs). When customers do not repay the principal amount and interest for a certain period of time, then such loans are considered as non-performing assets or NPA.

Loan evergreening is a type of credit approval wherein the borrower is not obligated to repay the principal amount during the loan term. Conversely, they make regular interest payments, every month. This type of loan is commonly offered as a line of credit, providing flexibility to borrowers in accessing funds as needed.

The Nature of evergreen loans allow every type of person to take shelter under it.

- **Revolving Credit:** The functioning of evergreen loans is similar to revolving credit. The principal amount remains available for future use as borrowers make interest payments. It allows borrowers ongoing access to credit without the need to reapply for a new loan each time they require funds.
- **Consumer and Business Use:** Evergreen loans are utilised by both individuals and businesses. For consumers, loan evergreening examples are credit cards with revolving balances. They can make purchases and only need to pay the interest charges until they decide to pay off the principal.
- **Flexibility and Convenience:** The key benefit of evergreen loans is the convenience and flexibility they offer. Borrowers get access to an unbroken line of credit, allowing them to manage their cash flow effectively.
- **Costs and Considerations:** While evergreen loans provide convenience, borrowers should be aware of the associated costs. Interest rates on evergreen loans may be higher than on traditional loans, and late payments or exceeding the credit limit can result in penalties or fees.

Evergreen loans provide a flexible and convenient financing option for individuals and businesses. By allowing borrowers to defer principal repayment, they offer ongoing access to credit without the need for frequent reapplication.

Banks engage in evergreening loans under certain circumstances

- Earlier the corporations were allowed to opt for lenient restructuring methods, leading many companies to use fresh loans from banks to conceal the true state of their loan portfolios.
- Although the enactment of the bankruptcy code has reduced evergreening, recovery rates remain disappointingly low.
- The recent warning from the RBI Governor indicates that evergreening is still occurring, revealing underlying issues within the banking system, often arising from the questionable relationships between bankers and borrowers.
- An accommodating monetary policy creates a favourable environment for Banks which are weak, to evergreen loans, thereby keeping financially struggling borrowers to breath. The RBI has maintained an accommodative policy since March 2020, following the onset of the pandemic.
- The Central Bureau of Investigation (CBI) has uncovered numerous cases of fund diversion by company promoters who repeatedly received loans from banks in recent years. It has been shown that a loan that is renewed quickly just before the due date by the same officers who lent the initial loan is likely to be an evergreened loan.

CAUTION :

Loan evergreening can deteriorate the overall quality of a bank's loan portfolio. When loans are artificially sustained without proper evaluation of the borrower's creditworthiness, the likelihood of defaults and credit losses increases, adversely impacting the bank's balance sheet.

As non-performing loans increase from loan evergreening, banks may need to allocate more capital as provisions to cover potential losses. It can erode the bank's capital reserves, limiting its lending ability and potentially requiring external capital infusion to maintain regulatory requirements.

Banks can misrepresent their financial health by artificially propping up non-performing loans through evergreening. A false sense of security can be created among stakeholders, including investors, regulators, and the general public, leading to erroneous bank risk profile assessments.

Loan evergreening may temporarily relieve by delaying the recognition of losses, but it hampers a bank's long-term profitability. Continued provisioning for evergreened loans and potential write-offs of non-performing loans can erode profits and hinder sustainable growth.

Loan evergreening diverts resources and capital, away from new lending opportunities.

Loan evergreening may provide short-term relief to banks and borrowers, but its long-term impacts are detrimental to financial institutions and the entire economy. It undermines transparency, distorts financial indicators, erodes profitability, and increases systemic risks. Addressing this practice, requires a combination of regulatory vigilance, prudent lending practices, and proactive risk management by banks to ensure the stability and health of the banking sector and the broader economy. It is also important to invest more efforts in designing early warning measures of ever-greening.

- When the then RBI Governor Raghuram Rajan ordered an asset quality review in 2014, a host of concealed bad loans or NPAs surfaced. Poor project appraisal management by banks, especially public sector banks, and some shady promoters, who were known for fund diversion, joined hands to evergreen loans.
- Industry experts highlighted that the practice was rampant between 2013 and 2015 but the apex bank's asset quality review (AQR), initiated under then governor Raghuram Rajan in 2015, forced banks to disclose all hidden bad loans on their books.
- The RBI has taken an extremely cautious approach since then.

RBI has framed the new set of rules aiming at creating a "harmonised and simplified generic framework" for resolution of stressed assets in view of new bankruptcy regulations.

The new system will force lenders to identify and tackle any stressed-asset accounts more rapidly.

It warned that any failure on the part of banks to meet the prescribed timelines, or any actions they take to conceal the actual status of accounts or evergreen stressed accounts, will expose banks to potential monetary penalties and other actions.

- RBI in a master circular in April 2023, said that if banks are found to be evergreening loans and indulging in similar activities, they will be subject to stringent supervisory and enforcement actions.

RBI'S STATEMENT:

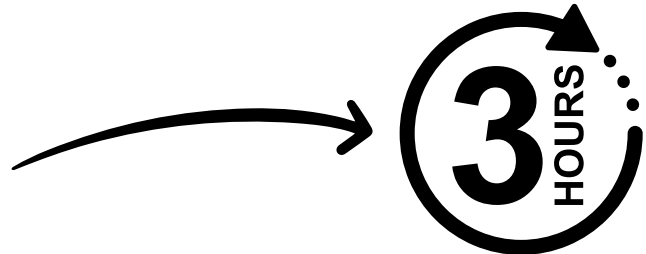
- Under our supervisory, any action by lenders with an intent to conceal the actual status of accounts or evergreen the stressed accounts will be subjected to stringent supervisory or enforcement actions, including, but not limited to, higher provisioning on such accounts and monetary penalties," said a statement from the central bank.
- RBI has asked banks to refrain from the practice of evergreening loans because by doing so, banks hide the actual stress on their books. Eventually, such stressed loans evolve into a crisis.
- So as a part of Nation Building, we professionals are expected to have an eagle eye in our audit process to maintain the quality of work and achieve our goals in the Audit of Banks and Financial Institutions.

Upcoming events April 2024

DATE: 13/04/2024

CA LAKSHMANAN

HANDLING MISMATCHES IN AIS/TIS



DATE: 27/04/2024

CA. VENKATALAKSHMI

INCORPORATION OF COMPANIES AND
FILING OF FORMS UNDER COMPANIES
ACT 2013 - PRACTICAL INSIGHTS

CA. KALAVATHYJAI

HEALTH IS WEALTH



**LEARNING NEVER
EXHAUSTS
THE MIND**

NEWS AND UPDATES

PEER REVIEW:

Which Practice Units are required to get themselves Peer reviewed and by when?

The Council at its 407th Meeting of the Council held from 7th-9th January 2022 decided to mandate the Peer Review process for coverage of more firms under Peer Review process. The glide path was to be in four following stages. The present status of the same is as under. An extension has been granted in Council meeting held on March, 7, 2024 but the formal announcement is yet to be made by ICAI as of March 11,2024.

Phase	Category of firms covered	Date of implementation
1	Firms which have undertaken Statutory Audit of enterprises whose equity or debt securities are listed in India or abroad as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	1 st April 2022
2	Firms which have undertaken Statutory Audit of unlisted public companies having paid-up capital of not less than rupees five hundred crores or having annual turnover of not less than rupees one thousand crores or having, in aggregate, outstanding loans, debentures and deposits of not less than rupees five hundred crores as on the 31 st March of immediately preceding financial OR Firms having 5 or more partners anytime during the immediately preceding financial year.	1 st April 2023 Extended up to Jun 30, 2024 Formal notification awaited
3	The firms which have undertaken the Statutory Audit of entities which have raised funds from public or banks or financial institutions of over Fifty Crores rupees during the period under review or of anybody corporate including trusts which are covered under Public Interest Entities. OR Firms having 4 or more partners may be covered in the Phase 3 of the rollout.	1 st April 2024 Extended up to Dec 31,2024. Formal notification awaited
4.	Firms conducting audits of branches of Public Sector banks OR Firms having 3 or more partners and rendering assurance services.	1 st April 2025

In context of the above, would 2 partners or Individuals be mandated for Peer Review?

In case such firms are carrying out the above activities in the table, then they would be covered regardless of the size of the firm. For instance if a 2 partner firm is doing Statutory Audit of entities which have raised funds from public or banks or financial institutions of over Fifty Crores rupees during the period under review, then they would be covered under Serial No. 3 above.

INCOME TAX:

CENTRAL BOARD OF DIRECT TAXES / Dated 7th March, 2024

Subject: Guidelines for priority/out of turn disposal of appeals by CsIT(A/AU)/Addl.Jt. CsIT (Appeals)-reg

Ref: This office letter F. No. 279/Misc./M-102/2021 dated 29.12.2021

In supersession of the above-referred letter dated 29.12.2021 and to set a framework for priority/out of turn disposal of pending appeals at the level of CsIT(A/AU) and Additional/Jt.CIT(Appeals), it is decided that requests for such disposal of appeals, covering genuine and exceptional circumstances, raised at the instance of the appellant or referred to by the Assessing Officer/Range Head, may be considered by the Pr.CCsIT/CCsIT/DGsIT on the basis of recommendations of jurisdictional Pr.CIT/Pr.CIT(Central)/CIT(IT) in the following situations:

- ✓ Cases having demand above Rs.1 crore or
- ✓ Cases where a VIP/PMO reference is received for expeditious disposal, or
- ✓ Cases where directions to this effect have been issued by the Courts, or
- ✓ Cases where request is made by senior citizens and / or super senior citizens, or
- ✓ Any other case of genuine hardship

2. In respect of appeals within the jurisdiction of faceless CsIT(AU), such requests shall be referred to Pr.CCIT(NFAC) for onward communication to respective CsIT(AU).

3. This issues with the approval of CBDT.

GST:

ADVISORY-INTEGRATION OF E-WAY BILL SYSTEM WITH NEW IRP PORTALS
Dated 8.3.2024

Dear Tax Payers

- ✓ GSTN is pleased to announce the successful integration of E-Way Bill services with four new IRP portals via NIC, enabling tax payers to generate E-Waybills along side E-Invoicing on these four IRPs.
- ✓ This new facility complements the existing services available on the NIC-IRP portal, making E-Waybill services, along with E-Invoicing, available across all six IRPs.
- ✓ Please find below the websites for all six IRP portals:

<https://einvoice1.gst.gov.in;>

<https://einvoice4.gst.gov.in;>

<https://einvoice2.gst.gov.in;>

<https://einvoice5.gst.gov.in;>

<https://einvoice3.gst.gov.in;>

<https://einvoice6.gst.gov.in;>

COMPLIANCE CALENDAR

Date	Type	Nature of compliance
7	FEMA-ECB	ECB-2
	IT	Due date for deposit of Tax deducted by an office of the government for the month of March, 2024. However, all sum deducted by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan
10	GST	GSTR-7 (GST-TDS)
	GST	GSTR-8 (GST-TCS)
11	GST	GSTR-1-Other than QRMP scheme
13	GST	GSTR-1-QRMP-Invoice Furnishing Facility
	GST	GSTR-5-Non-Resident Taxable Person
	GST	GSTR-6-Input Service Distributor
14	IT	Due date for issue of TDS Certificate for tax deducted under section 194-IA in the month of February, 2024
	IT	Due date for issue of TDS Certificate for tax deducted under section 194-IB in the month of February, 2024
	IT	Due date for issue of TDS Certificate for tax deducted under section 194M in the month of February, 2024
	IT	Due date for issue of TDS Certificate for tax deducted under section 194S in the month of February, 2024. Note: Applicable in case of specified person as mentioned under section 194S
15	ESI	ESIC payment
	EPF	EPF payment
	IT	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2024
	IT	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of March, 2024
18	GST	GST-CMP-08 (Composition Scheme Dealers)
20	GST	GSTR-3B-Other than QRMP scheme
	GST	GSTR-5A-OIDAR Services
22	GST	GSTR-3B-QRMP-Invoice Furnishing Facility

30	ROC	MSME-Form MSME 1 for the period Oct-23 to Mar-24 for companies having outstanding balances to MSME's exceeding 45 days
	IT	Due date for furnishing of Form 24G by an office of the Government were TDS/TCS for the month of March, 2024 has been paid without the production of a challan
	IT	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA in the month of March, 2024
	IT	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IB in the month of March, 2024
	IT	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194M in the month of March, 2024
	IT	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194S in the month of March, 2024. Note: Applicable in case of specified person as mentioned under section 194S
	IT	Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2024
	IT	Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2023 to March 31, 2024
	IT	Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2024
	IT	Due date for deposit of TDS for the period January 2024 to March 2024 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H
	IT	Quarterly statement of TDS deposited for the quarter ending March 31, 2024
	IT	Return of tax deduction from contributions paid by the trustees of an approved superannuation fund
	IT	Due date for furnishing of statement of financial transaction (in Form No. 61A) as required to be furnished under sub-section (1) of section 285BA of the Act respect for financial year 2023-24
	IT	Due date for e-filing of annual statement of reportable accounts as required to be furnished under section 285BA(1)(k) (in Form No. 61B) for calendar year 2023 by reporting financial institutions
IT	Application for allotment of PAN in case of non-individual resident person, which enters into a financial transaction of Rs. 2,50,000 or more during FY 2023-24 and hasn't been allotted any PAN	

30	IT	Application for allotment of PAN in case of person being managing director, director, partner, trustee, author, founder, Karta, chief executive officer, principal officer or office bearer of the person referred to in Rule 114(3)(v) or any person competent to act on behalf of the person referred to in Rule 114(3)(v) and who hasn't allotted any PAN
	IT	Application in Form 9A for exercising the option available under Explanation to section 11(1) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on or before July 31, 2024)
	IT	Statement in Form no. 10 to be furnished to accumulate income for future application under section 10(21) or section 11(1) (if the assessee is required to submit return of income on or before July 31, 2024)

HEALTH TIP

Food is the catalyst for humans. In this dynamic world there are lot of food varieties, cuisines which people are very eager to try. The question here is whether all foods taken by us is accepted by our body. Wear and tear is not only for fixed assets but also for our body.

The main step we should take to preserve our health is to take healthy food. Here there is a list of healthy food that you can intake

BREAKFAST

- ✓ SPORUTS –CHAT
- ✓ EGG (NVG)
- ✓ MILLETS VARITIES

LUNCH

- ✓ PROTIEN WITH FIBRE IS MOST IMPORTANT IN OUR FOOD
- ✓ CURD,OATS,GRAPES,GINGER,CUCUMBER,FENNEL SEEDS•VARIETY OF RICE –MILLETS

NIGHT

- ✓ Very light foods before 7 PM

These foods promote good gut health. Gut health results in good health. In tamil we usually say “**உணவே மருந்து**”. To balance our worklife we should have healthy food habits. In addition to that we have to maintain a good mental health.

Kural 942

**மருந்தென வேண்டாவாம் யாக்கைக்கு அருந்தியது
அற்றது போற்றி உணின்**



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