THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

SOUTHERN INDIA CHARTERED ACCOUNTANTS STUDENTS ASSOCIATION

OCTOBER NEWSLETTER



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CHAIRMAN 'S MESSAGE



"Excellence is not an act, but a habit built through consistent learning, discipline, and the courage to explore beyond textbooks."

DEAR CA ASPIRANTS,

As we step into October, a month marked by reflection, innovation, and intellectual pursuit, it becomes imperative to realign our focus towards academic depth, research orientation, and holistic personality development. The journey of a Chartered Accountancy student is not confined to examinations alone; it is equally about cultivating analytical thinking, creativity, and professional confidence. October presents meaningful opportunities to strengthen these dimensions and move forward wih renewed academic rigor.

Strengthening Academic and Research Competence:

In today's evolving professional landscape, the ability to research, articulate ideas, and present them with clarity is a vital skill for every CA aspirant. Whether it is academic paper presentation, seminars, or professional discussions, structured thinking and effective communication set you apart. This month's initiatives are designed to equip students with practical insights into research methodology, paper presentation techniques, and subject-matter articulation. I urge students to actively participate, seek feedback, and continuously refine their approach;remember, intellectual growth is a cumulative process built through practice and perseverance.

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Encouraging Talent, Creativity, and Collaborative: Learning Professional excellence is complemented by creativity, strategy, and teamwork. Events such as the Regional-level National Talent Search underline the importance of extracurricular engagement in shaping a well-rounded professional. Competitions in chess, music, drama, and sketching nurture decision-making abilities, emotional intelligence, and confidence qualities undispensable for a successful Chartered Accountant.
Furthermore, collaborative academic initiatives, including inter-branch knowledge-sharing webinars,foster a culture of collective learning and exposure to diverse perspectives. Such interactions broaden horizons and reinforce the importance of peer-based growth.

SICASA October 2025 – Activity Highlights:
During October 2025, SICASA of SIRC successfully organized the following impactful academic and
talent-oriented programs:

- 4th October 2025 – Regional Level National Talent Search
  A full-day regional-level event featuring Chess Competition, Instrumental Music, Drama, and Sketching Competitions. The program witnessed enthusiastic participation from students across branches, celebrating creativity, strategic thinking, and artistic excellence alongside professional pursuits.

- 12th October 2025 – IdeaForge A focused half-day seminar titled "Elevate Your Research Paper – A Mock Session on Paper Presentation." The session provided participants with practical guidance on structuring research papers, presentation techniques, and addressing academic queries with confidence, helping students enhance their scholarly and presentation skills.

- 13th October 2025 – Collaborative Webinar with CICASA Ranchi Branch
  An insightful webinar on "Effective Tips for Paper Presentation," conducted as an inter-branch collaborative initiative. The session emphasized best practices, common pitfalls, and professional expectations in academic presentations, encouraging knowledge exchange and academic camaraderie among students.

Each of these programs reflects SICASA's commitment to nurturing competence, creativity, and confidence among CA students.

A Word on Consistency and Balance:

While striving for academic and professional excellence, students must also prioritize balance and self-discipline. Consistent study routines, mindful breaks, and participation in constructive activities contribute significantly to long-term success. Growth is sustainable only when learning is balanced with well-being.

Looking Ahead with Renewed Purpose

As the year gradually approaches its close, this is an ideal time to reflect on your progress, reinforce your goals, and prepare for a stronger academic and professional new beginning ahead. Let every experience be it a seminar, competition, or webinar to add value to your journey and refine the professional you are becoming.

At SICASA, we remain steadfast in our mission to guide, inspire, and empower CA students through meaningful initiatives and academic support..I encourage each one of you to remain proactive, curious, and committed to excellence.

With best wishes for your continued growth and success,
CA Pramod R Hegde
Chairman
SICASA of SIRC of ICAI

NEWS WRAPPED



- ICAI proposes changes to auditing standards, including SA 600,addressing NFRA's observations on group audit quality and oversight.The move may redefine principal auditor responsibilities in group audits.
- ICAI to support India's AI model by sharing economic and financial data.AI likely to be introduced in CA curriculum under upcoming reforms.From 2027, all CA finalists to be trained in AI for global-ready practice.

ECONOMICS NEWS

At the YEF Bharat Summit 2025 in Indore, Union Minister Jyotiraditya Scindia announced that India has become the fourth-largest economy in the world, surpassing Japan and Britain, with a GDP of $4.5 trillion. He projected that India will overtake Germany by 2027 to become the third-largest global economy. The minister praised Prime Minister Narendra Modi's leadership in transforming India into a major exporter and contributor to the alobal



BREAKING NEWS

- Luke Littler won the 2025 World Grand Prix in darts, beating Luke Humphries in the final to claim another major title in Leicester, England – a key event in the PDC calendar.investor sentiment.
- Cairo 2025 Rookie & Next Gen World Championships kicked off with 120 athletes (young stars) competing across multiple sports categories, showcasing rising talent.



Technical Articles



Audit Sampling:
How wrong samples can destroy Audit Conclusions

Audit Sampling: How Wrong Samples Can Destroy Audit Conclusions

Audit sampling is one of the most critical tools in an auditor's toolkit because it enables the examination of large volumes of transactions without having to verify every single item. The objective of any audit, as reflected in the standards on auditing, is to express an opinion on whether the financial statements are free from material misstatement and present a true and fair view in accordance with the applicable financial reporting framework. To achieve this, auditors design and perform procedures to obtain sufficient and appropriate audit evidence, and sampling lies at the heart of many of these procedures. When sampling is properly designed and executed, the conclusions drawn from the sample can be reasonably extended to the entire population. However, when sampling is poorly planned, unscientific, or misapplied, it can seriously distort the auditor's understanding of the entity and lead to wrong audit conclusions.

Audit sampling allows auditors to strike a balance between thoroughness and practicality. Instead of testing 100% of the transactions, auditors select a subset of items and, using appropriate methods, draw inferences about the population. This enables efficient auditing of large datasets, supports risk-based approaches, and helps auditors maintain quality while managing time and cost. Proper sampling supports evidence-based decision-making, helps detect patterns of unusual transactions, and aligns with professional standards such as SA/ISA 530 on Audit Sampling. Thus, sampling is not merely a technique of convenience; it is a structured methodology that directly influences the reliability of audit evidence and, ultimately, the audit opinion.

Broadly, sampling approaches can be divided into statistical and non-statistical methods. Statistical sampling is probability-based and uses the laws of probability to select sample items and evaluate results. In this method, every item in the population has a known chance of selection, which enhances objectivity and reduces the risk of bias. Statistical sampling also enables quantification of the sampling risk—that is, the risk that conclusions based on the sample may differ from those that would be drawn if the entire population was tested. Common statistical techniques include random selection, where items are selected using random numbers or software; systematic selection, where every nth item is chosen from a random starting point; and stratified sampling, where the population is divided into strata based on size, risk, or other characteristics and samples are drawn from each stratum.



Non-statistical sampling, on the other hand, relies more heavily on professional judgment than on probability theory. It is often simpler and more cost-effective, and it allows auditors to focus directly on high-risk, unusual, or significant items. However, non-statistical methods do not permit a formal measurement of sampling risk. Typical non-statistical techniques include haphazard selection, where the auditor attempts to avoid conscious bias but does not use a truly random process; block selection, where a contiguous block of items such as all invoices in a particular month is tested; and judgmental selection, where the auditor deliberately chooses large-value items, related-party transactions, or other high-risk balances for testing. Both statistical and non-statistical methods are allowed by the standards, but whichever method is used must be carefully designed to ensure that the sample is representative and suited to the risk profile of the area being audited.

Problems arise when the sampling process goes wrong. Even a small error in sample design or selection can have significant consequences because the entire audit conclusion may rest on that flawed subset of data. One common issue is poor sample selection. If the auditor ignores the characteristics of the population and chooses items purely for convenience, the sample may fail to represent the full range of transactions and risks. For example, testing only the first ten invoices of a month may exclude higher-value invoices or those processed near the month-end, where cut-off issues and manipulation risks can be higher. Such convenience sampling can create a false sense of comfort and leave critical misstatements undetected.

Another major source of error is an insufficient sample size. When the auditor selects too few items in an area that requires extensive testing due to its risk, the likelihood of missing material misstatements increases sharply. For instance, examining only five repair and maintenance expense invoices out of a population of a thousand transactions is unlikely to provide a reasonable basis for concluding that the expense is properly stated. Small, unrepresentative samples can fail to reflect the diversity of the population and result in under-assessment of risk. Non-representative samples more broadly—whether due to size, selection bias, or poor stratification—force auditors to draw conclusions that do not truly reflect the underlying reality of the entity's financial records.

Human judgment also plays a key role. While professional judgment is indispensable in auditing, it can sometimes become a source of error when applied without adequate knowledge, skepticism, or experience. An auditor may mistakenly assess a high-risk area as low risk and allocate fewer testing resources to it, thereby overlooking unusual transactions or indicators of fraud.





Inexperience with certain industries, complex instruments, or specific populations of transactions may also lead to inappropriate sampling approaches. Further, practical constraints such as time pressure and budget limitations may tempt auditors to reduce sample sizes, skip difficult items, or compromise on documentation, thereby undermining the quality of audit evidence.

The consequences of wrong sampling can be visualized as a “domino effect.” The first domino is poor sample selection, where the chain of failure begins with an unrepresentative sample that does not capture the risk characteristics of the population. Once testing is performed on such a flawed sample, the audit evidence obtained becomes weak or misleading. If most sampled items appear error-free, the auditor may conclude that the area is low risk, even though the untested portion of the population may contain significant misstatements. Insufficient or non-diverse evidence erodes the foundation upon which key judgments—such as control effectiveness and the need for further testing—are built.

Weak evidence naturally leads to incorrect assessment of internal controls and account balances. When auditors rely on flawed samples, they may wrongly conclude that controls are effective, leading them to lower their assessed risk and reduce subsequent substantive procedures. This distorts the overall risk assessment and audit planning, resulting in less attention to areas that actually require more scrutiny. Misjudgment of risks can cause auditors to overlook unusual transactions, aggressive accounting estimates, or fraudulent schemes embedded within the financial statements. Ultimately, these missteps culminate in a misleading audit opinion. An unqualified opinion may be issued on financial statements that contain material misstatements, or conversely, a modified opinion may be given due to misleading evidence when the financial statements are actually fairly presented.

The impact of wrong audit conclusions extends beyond technical compliance and touches multiple stakeholders. For the client, a flawed audit can result in business disruption, reputational damage, and loss of investor confidence if material issues later come to light. Strategic decisions made by management and boards based on unreliable financial information can adversely affect the entity’s future performance and stability. For auditors, repeated failures connected to poor sampling can erode credibility, invite legal claims for negligence, and lead to financial penalties. Regulators and oversight bodies may initiate investigations, impose stricter monitoring, or introduce more stringent reporting and documentation requirements for the audit firm. In this way, mistakes in sampling undermine trust, tighten regulations, and place the entire profession under greater scrutiny.



To prevent such outcomes, auditors must adopt rigorous strategies that strengthen sampling practices. Employing statistically sound techniques such as random sampling, monetary unit sampling, or attribute sampling helps in quantifying the likelihood of detecting errors and provides a robust basis for extrapolating sample results to the population. Linking sampling directly to risk assessment is equally important. Higher-risk accounts, unusual or complex transactions, and large-value items should receive proportionately greater attention in sample design so that resources are focused where misstatements are most likely to occur. Ensuring that sample sizes are adequate, taking into account population size, expected error rates, and acceptable levels of sampling risk, further enhances the reliability of conclusions drawn from testing.

Modern data analytics can be integrated into sampling to improve representativeness and coverage. Analytical tools allow auditors to scan entire populations to identify anomalies, trends, and unusual transactions that may not be captured by traditional selection methods. By combining analytics with structured statistical sampling, auditors can target high-risk items more effectively while still maintaining a defensible sampling framework. Detailed documentation is another essential element. Recording the rationale for sample selection, the methods used, and the way the sample addresses identified risks not only supports internal quality control and regulatory review but also assists future audit teams in understanding the basis of prior conclusions.

Beyond individual audits, firms can embed best practices at the team and organizational level. Regular training on both statistical and non-statistical sampling techniques ensures that staff understand concepts such as sample size determination, stratification, risk assessment, and extrapolation of results. The use of dedicated audit software can further enhance accuracy and efficiency by automating random selection, sample size calculations, and anomaly detection. Peer reviews and sample-quality checks provide an additional layer of assurance, allowing a second auditor or team member to evaluate whether the sample is appropriate, unbiased, and sufficiently covers high-risk areas.eholders, and the integrity of financial reporting itself. Recognizing that sampling is not a mere procedural formality but a critical determinant of audit quality is therefore vital for the profession. Ensuring rigor, objectivity, and methodological soundness in sample selection is indispensable for preserving the reliability of audits and safeguarding the trust on which the auditing function is built



Lessons learned from past audits, inspections, and regulatory feedback can be incorporated into updated methodologies and training, supporting continuous improvement and reducing the likelihood of recurring sampling weaknesses.

In essence, the audit sample functions as the lens through which auditors view the financial reality of an entity. If that lens is distorted—due to inappropriate techniques, insufficient coverage, or failure to capture high-risk elements—the entire picture becomes blurred and unreliable. The consequences go far beyond a technical breach of standards; they affect the credibility of the audit opinion, the confidence of stak

Kavya Muthukumaran
(SRO0733186)







Non-Technical Articles



DEEPAVALI - ILLUMINATING THE LIGHT WITHIN

What is Deepavali ?

Deepavali - the festival of lights represents the symbolic victory of good over evil, light over darkness and knowledge over ignorance! It marks the beginning of celebrating the light as festival. Many believe it is a One day Festival but it's not.

Story & Significance of Deepavali

According to the various historic references, this day marks the death of the ruthless demon Narakasura killed by Lord Krishna. The demon repents for all his destructive actions and requests the day to be celebrated as a day of victory of light over darkness. Henceforth people started lighting lamps to celebrate the festival. But Deepavali is created to celebrate health and prosperity for the future. It is to say with conviction, without any fear or doubts that we are going to live happily with our family.

My mentor always emphasize, "**The external world is nothing but the exact reflection of our inner world**". Therefore, when we realize the light within, it will immediately negate the presence of all the fear. This is the significant meaning of Narakasura's death.

When the demon was killed by his own mother Bhoomadevi, both mother and son had a beautiful realisation. He bowed his head and felt sorry for having lived a life of ignorance, hatred and darkness. He had been creating fear in everybody and controlling them. Among his last words, he said that he experienced light. When there is fear, experiencing Love is not a possibility. Love is the only thing that makes us Long to Live. He was happy for the Love that he was experiencing at the moment of his death. He was not afraid of losing his powers, but was afraid of losing his Love after death. As he happily embraced death, the world henceforth started celebrating this day as the absence of fear and presence of Love and Happiness forever.







On this day, it is believed that we gain the power to realise the difference between Knowledge and Ignorance. Knowledge will guide us to move further and live a life free of ignorance. This will clear all the possibility of fear and doubts from one's life and live a life full of vision and goals. People across the globe experience the light within with which all the negativity will be vanished. Therefore Deepavali is a symbolic representation of Victory of good over evil, light over darkness and knowledge over ignorance to live a life of peace, success and happiness from here and forever.

Conclusion

As a proof of living with good health and prosperity, people decorate their homes and wear good clothes. They share sweets and delicacies with their loved ones. Along with all these, we have clarity about financial goals and future vision. Deepavali is one such day where you need to work towards celebrating the success which you are yet to achieve in which you mentally prepare yourself for success in the future. This is to give ourselves a conviction that going further we will live a life of peace and happiness and above all with good health and financial abundance.

Wishing you all a Happy Deepavali & a Life full of Peace & Prosperity.

Saai Dhivyesh
SR00807208







FinB

ENTREPRENEURSHIP & INVESTMENT FORUM OF SICASA

FinB Articles





India's forex reforms focus on making rupee trade easier with more countries (like Russia, UAE) to reduce dollar dependence, speeding up cross-border payments with tech, and boosting overall exports through better infrastructure and digitalization, all aimed at strengthening the economy by increasing INR's global role and cutting trade costs. These reforms, driven by the RBI and government, simplify processes for foreign banks and push for digital, cloud-based systems to handle growing trade volumes efficiently, moving away from just the USD for settlements

What's Happening?

1. Promoting Rupee Trade:

The Reserve Bank of India (RBI) is making it super fast (from weeks to days) for foreign banks to open rupee accounts, encouraging more countries to settle trades in Indian Rupees (INR) instead of dollars

2. Reducing Dollar Dependency:

This shift means less reliance on the US dollar, saving forex fees and making India less vulnerable to dollar fluctuations.

3. Digitalization & Tech:

Moving away from old systems, India is adopting cloud technology and digital payments for faster, real-time transactions, essential for handling massive trade growth.of India (RBI) is making it super fast (from weeks to days) for foreign banks to open rupee accounts, encouraging more countries to settle trades in Indian Rupees (INR) instead of dollars

4. Improving Export Efficiency:

Reforms aim to cut down customs clearance times at ports and streamline processes, making Indian exports more competitive globally.

5. Infrastructure Push:

The government is investing in better "hard" (ports, roads) and "soft" (digital, policy) infrastructure to support this trade expansion.







Why It Matters (In Simple Terms):

More Money Stays In: By trading in INR, India keeps more foreign exchange within its own system.

- Cheaper Trade: Less conversion to dollars means lower transaction costs.
- Global Standing: Makes the INR a stronger, more used currency internationally.
- Faster Business: Quicker payments and customs mean smoother, faster international deals.
- The Big Picture: These reforms are part of a larger strategy to make India a stronger, self-reliant economic power, leveraging technology to leapfrog old challenges in finance and trade.



HAFSA SHAFI
SRO0903096

SICASA
WRITERS CLUB

Writer's Club



POEM

Diwali lights are on,
But my books are open wide.
CA exams are coming soon;
There is no place to run and hide.

The floor is covered in rangoli,
Its colors vibrant and orderly.
I draw a quick balance sheet,
debit left, credit right.

Mithai in the box,
So sweet, I want a bite.
But Mom says study first;
articleship kills the night.

Crackers pop outside,
Loud bangs and shiny sparks.
I am stuck on tax returns,
Counting numbers in the dark.



Diya keeps on glowing,
a small flame but strong and true.
One day I will pass this thing,
and celebrate like you.

Till then, coffee and notes,
Diwali vibes on low.
Lights, sweets, and family
Were the best part of the show.

Varun Sainath VJ
SR007903I

DRAWING

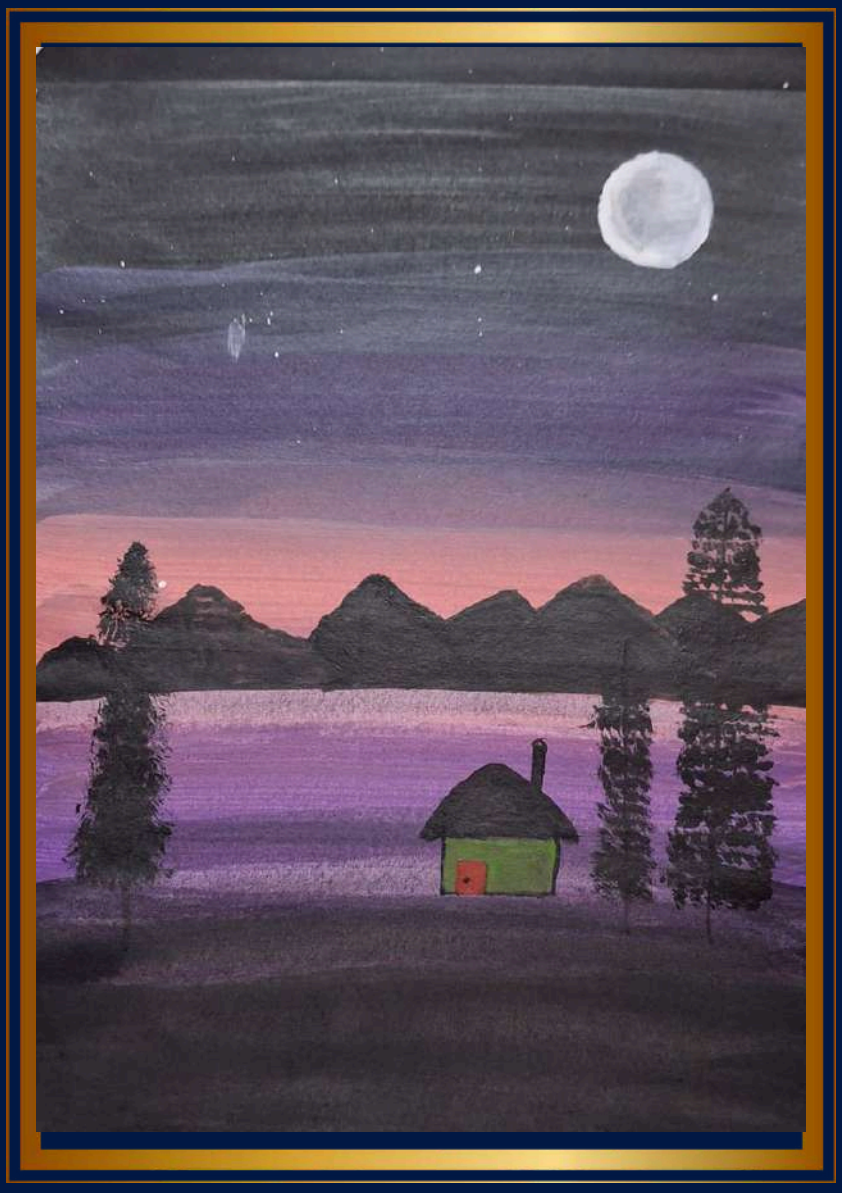


RESHMA SARAVANAN
SR00763451





DRAWING



Pooja Laxmi M

SR00700573

PHOTOGRAPHY







GEETHA SHRI D
SR00783656



SICASA BUZZ CORNER



IDEA FORGE EVENT







WALL OF FAME



CA SANTHANAKRISHNAN



CA BHARATHRAM



CA JYOTI IYER

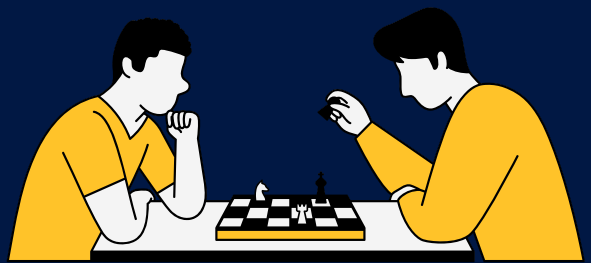


RAM AND MYTHRI

National Talent Search









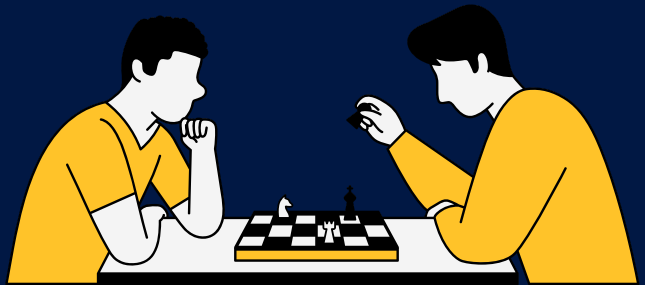
National talent search chess











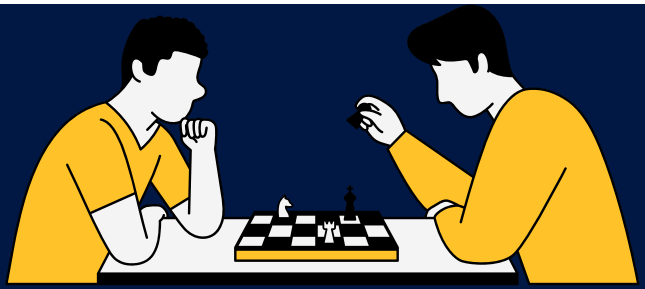
National Talent Search

Chess







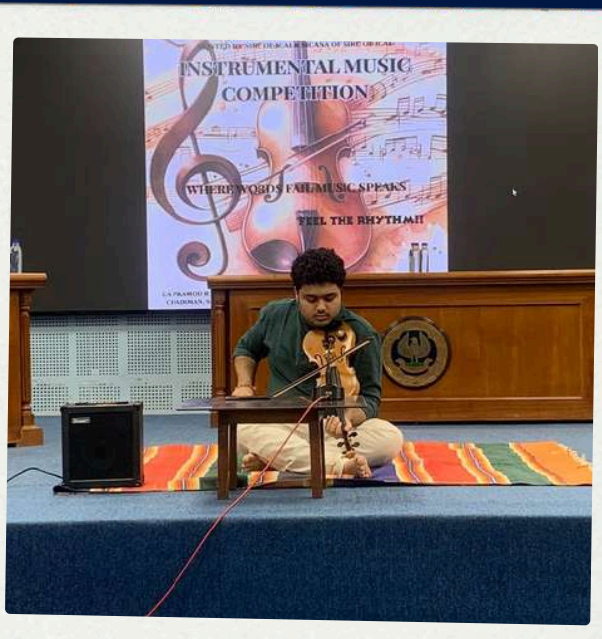


NATIONAL TALENT SEARCH
INSTRUMENTAL MUSIC











NATIONAL TALENT SEARCH

DRAWING









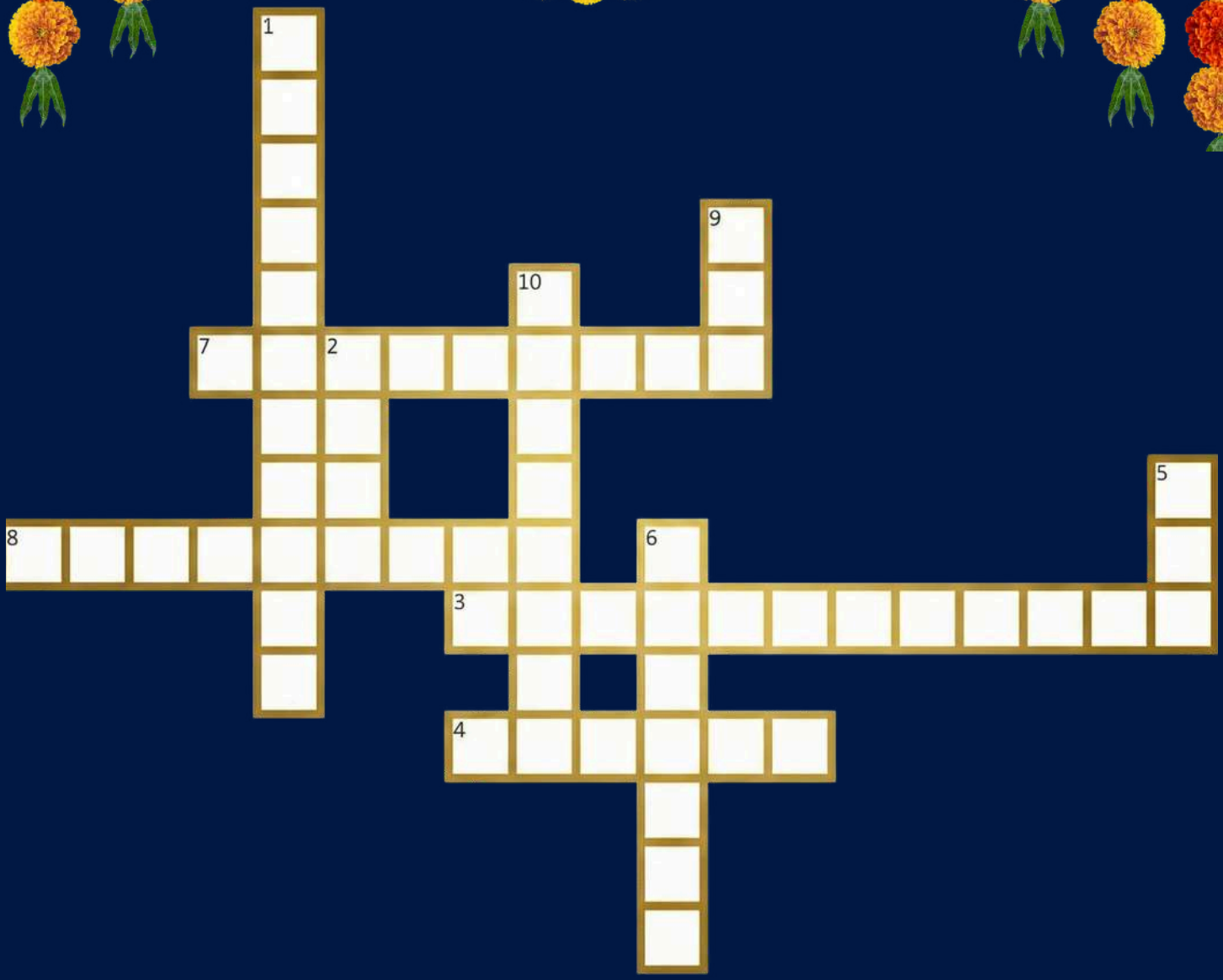
NAME REVEAL NATIONAL CONFERENCE

"AAZHI"



Crossword Puzzle





ACROSS ←

3. Document showing assets and liabilities
4. Assets = Liabilities + ?
7. Profit after deducting expenses
8. Amount withdrawn by the owne

DOWN ↓

1. Recording business transactions in books
2. Tax Deducted at Source
5. Tax levied on Goods and services
6. Money invested by owner in business
9. Indirect tax replaced by GST
10. The book where the occurrence of transaction initially







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The Content Published here are original Content of the writers and have no intention to hurt someone's sentiments or emotions

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SUBIYANA BEGUM. M

