



CHENGALPATTU DISTRICT BRANCH OF SICASA OF ICAI

E-NEWSLETTER



“கற்றதனா லாய பயனென்கொல் வாலறிவன்
நற்றாள் தொழார் எனின்”

“What is the use of learning,
if one does not worship the noble feet of the one who possesses true wisdom”



E-NEWSLETTER



CHENGALPATTU DISTRICT BRANCH OF SICASA OF ICAI

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April 2026

SICASA TEAM (2026-27)

SICASA CHAIRMAN

CA. ARUMUGARAJ P

VICE CHAIRPERSON

Ms. Divya Dharshini B

SECRETARY

Ms. Sowmya CH

TREASURER

Ms. Sherlin Preethi V

STUDENT PROGRAM COORDINATORS

CA. ARUMUGARAJ P

CA. UMAMAHESWARI R

CA. RAVIKUMAR M

CA. BHUVANESWARI R V

CA. SRIDHAR GANESH N

CA. PARASURAMAN R

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MS. MURUGA LAKSHMI M

MS. VAHINI M

NOTE: The views expressed in the articles published are own view of authors and SICASA Chengalpattu District Branch does not endorse or take any responsibility for the views expressed in the articles.

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CHENGALPATTU DISTRICT BRANCH OF SICASA OF ICAI

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CHENGALPATTU DISTRICT BRANCH OF SICASA OF ICAI

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BRANCH CHAIRPERSON'S COMMUNICATION

Dear Students,

Greetings to all from the Chengalpattu Branch.



CA. MADHUMITHA R

As we approach the upcoming examinations next month, it is a crucial time for every student to focus, prepare, and give their best efforts. Exams are not just a test of knowledge, but also of discipline, time management, and confidence. I encourage each one of you to stay calm, organized, and committed to your goals.

Here are a few important tips to help you prepare effectively:

Plan your schedule: Create a realistic timetable and allocate sufficient time for each subject.

Revise regularly: Consistent revision helps strengthen your understanding and boosts confidence.

Practice previous papers: This will help you become familiar with the exam pattern and manage time efficiently.

Take short breaks: Studying continuously without rest can reduce productivity—balance is key.

Stay healthy: Eat nutritious food, stay hydrated, and ensure you get enough sleep. A healthy body supports a focused mind.

Stay positive: Believe in yourself and avoid unnecessary stress or comparison with others.

As the summer season is setting in, I would also like to remind you to take extra care of your health. The rising temperatures can lead to fatigue and dehydration, so make sure to drink plenty of water, avoid going out in the harsh midday sun, and include fresh fruits and light meals in your diet. Taking care of your health during this time will help you stay focused and perform well in your exams.

Our Chengalpattu Branch is also pleased to bring out this newsletter as a platform to showcase student achievements, creativity, and important updates. We hope this initiative keeps you informed, inspired, and connected.

I wish all our students the very best for the upcoming exams. Stay focused, stay confident, and success will follow.

Warm regards,

CA. Madhumitha R

Chairperson

Chengalpattu District Branch of SIRC of ICAI



CHENGALPATTU DISTRICT BRANCH OF SICASA OF ICAI

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SICASA CHAIRMAN'S COMMUNICATION



CA. Arumugaraj P

Dear Students,

Warm greetings!

As we begin the new financial year, I wish you all success in your academic journey and upcoming examinations. Stay focused and make the best use of this crucial time.

I invite students to contribute articles to our SICASA Newsletter and share your knowledge and ideas. We also encourage you to volunteer for SICASA activities—an excellent opportunity to develop skills, network, and give back to the student community.

Let us work together to build a vibrant and supportive learning environment.

Wishing you all the very best!

Warm regards,

CA. Arumugaraj P

Chairman – SICASA

Chengalpattu District Branch SICASA of ICAI



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THE OUTGOING SICASA TEAM FOR 2025 - 26



Ms. Keerthana R
Vice Chairperson
SRO 0837390



Mr. Vishnu Vardan V
Secretary
SRO 0773009



Ms. Arularasi A B
Treasurer
SRO 0767454



Ms. Balaambica V
Member
SRO 0856655



Ms. Deva Renish D D
Member
SRO 0679844



Ms. Krishna Priya
Member
SRO 0709480

*Thank
you*



April 2026

THE INCOMING SICASA TEAM FOR 2026 - 27



Ms. Divya Dharshini B
Vice Chairperson
SRO 0774447



Ms. Sowmya CH
Secretary
SRO 0869677



Ms. Sherlin Preethi V
Treasurer
SRO 0794929



Ms. Shobana S
Member
SRO 0710090



Ms. Muruga Lakshmi
Member
SRO 0858236



Ms. Vahini M
Member
SRO 0783993

Welcome



April 2026

My Journey with SICASA: An Enriching Experience

My journey with SICASA has been a very valuable and memorable part of my CA course. It has helped me grow not only in my studies but also in my personal development.

SICASA provided many opportunities through seminars, workshops, and student programs. These activities helped me gain practical knowledge in subjects like accounting, taxation, and auditing. It made learning more interesting and useful for real-life situations.

One of the biggest takeaways from working with SICASA was practical exposure. While our CA curriculum equips us with technical knowledge, SICASA introduced me to the world of event planning, leadership, and teamwork. From brainstorming ideas for student-centric events to coordinating logistics, I saw how small details contribute to the bigger picture.

Apart from academics, SICASA helped me improve my communication and presentation skills. By taking part in events and group activities, I became more confident in expressing my ideas and speaking in front of others. There were moments when events didn't go as planned—maybe a speaker arrives at last minute, or technical glitches disrupted sessions. But each challenge came with a learning experience.

SICASA was the chance to meet and interact with other students. I was able to build good friendships and learn from different perspectives. This networking experience is very helpful for my future career also encouraged me to come out of my comfort zone. Whether it was attending events, participating in discussions, or helping in organizing programs, every experience added to my growth.

For any CA student looking to learn beyond books, develop leadership skills, and build a strong network, SICASA is the place to be.

If you get the opportunity to be a part of SICASA, grab it! It's an experience that will stay with you long after you clear your CA exams.

Sincerely,



Ms.Keerthana R
Vice Chairperson
SRO 0837390



April 2026

MY SICASA JOURNEY: A CHAPTER IN MY LIFE

I humbly take this platform as an opportunity to express my heartfelt gratitude to each and every one for giving me this wonderful opportunity to serve as the Secretary of SICASA for the year 2025-26. It was an honor to have served as the Secretary and I'm forever thankful for what SICASA has given me.

When I reflect back on this wonderful journey, the instant thought is of how quickly the year has passed by. It feels as if we, as a team, has just started our tenure and are making plans to conduct various events. It feels so fresh and vivid even now.

When I joined SICASA, I was very nervous and eager initially, as I was not sure how to go about organizing various events. I believe that, my eagerness to contribute to SICASA worked in my favour. I gained a lot of knowledge, experience and upskilled myself, but what was more important is that I got a team who treated me like family. They literally adopted me and made me feel that I belonged there. I'll always cherish the happiness, excitement, accomplishment and the friendships that this team gave me.

We started taking up responsibilities to organize an event from day one. The role segregation was quite clear and we started working together for all the events. As the Secretary, I made sure that I actively participated to organize any event, be it a Workshop, Half Day Seminars, One Day Seminars, Study Circle Meetings, AURA, Industrial Visits, Chengai Vizha and Sudar – the Branch Level Conference. We, the SICASA Team, also helped in organizing various events such as the Branch Day, the CA Day, the Teachers Day, the New Branch Building Inauguration and the New Team Instillation Functions that were held during the year.

Those late nights and early mornings, literally fighting against time, feels like it's worth every single penny. And I assure you that, it was not just me, but all the members of my team worked day and night. And the result? We were awarded the Best Branch under the Mega Category at the Regional Level Awards for the Year 2025-26.

Balancing Articleship Work, conducting SICASA events, and other responsibilities was never easy, but it made me who I am today. It made me tough, withstanding high pressure situations, a good communicator, a great manager of my time, and made me an improved problem solver. This was an Once-in-a-Lifetime Experience and it taught me that only experiences shape you into a better person.

Every Single time when I look back at my journey, all I have is gratitude and nothing else. I am really thankful to the Managing Committee Members for supporting and encouraging us, the Branch Staffs, for standing just beside us, during each and every single event, the students, who actively participated in all our events, making it a grand success and Last But Not the Least my SICASA Team; Keerthana R – Vice Chairperson, Arularasi A B – Treasurer, Balaambica V – MC Member, Deva Renish D D – MC Member and Krrishna Priya S M – MC Member. I was fortunate to be a part of such a team and they deserve a Special Appreciation.



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Thank You So Much SICASA for giving me this opportunity and I'll never forget these experiences in my lifetime. SICASA has made me a better person and I believe that the experiences gained, will only make me better, forever. This Secretary of SICASA is something I'll be proud of, every single minute of my life, even when I complete my CA, even when I go places in my life, as this was the Stepping Stone of something very big in my life.



Mr. Vishnu Vardan V
Secretary
SRO 0773009



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Through My SICASA Journey

Treasurer, SICASA – Chengalpattu District Branch (2025–26)

My journey with SICASA began in 2023, when I first started participating in and volunteering for its activities. From that point onward, I always aspired to become a part of SICASA in a greater capacity and contribute more meaningfully from my side. So, when I got the opportunity to serve as the Treasurer of SICASA, Chengalpattu District Branch, there was no second thought, I embraced it wholeheartedly.

Serving as Treasurer for the term 2025–26 has truly been one of the most memorable and enriching experiences of my life. It was a year filled with learning, responsibility, excitement, challenges, and growth, truly a rollercoaster ride in every sense. Through every high and low, I gave my 100%, and I carry this experience with immense pride and gratitude.

This journey was never limited to just handling accounts or responsibilities on paper. It was so much more than that. From budgeting and preparing M2M, to planning for the next day's events, from hosting as MOC, to capturing memories through pictures, dancing at events, participating in games, coordinating behind the scenes, and simply living every moment, each experience added a new layer to my growth and understanding.

I am deeply grateful to CA Priya Ma'am, the SICASA Chairperson (2025–26), for her constant support, encouragement, and guidance throughout the term.

A heartfelt thanks also goes to the branch staff, who were never just staff to us, they were truly part of our team. Their cooperation, coordination, and support in every situation played a huge role in making our journey smoother and more successful.

And when it comes to my team members, words genuinely fall short. They are, without a doubt, one of the best things I gained during my SICASA tenure. The bond, support, teamwork, memories, and togetherness we shared made this journey even more special. I am incredibly grateful to have had them by my side.

Above all, I offer my sincere gratitude to the Almighty for blessing me with this opportunity and for guiding me throughout this beautiful phase of my life.



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This journey has given me not only experience and learning, but also memories and people I will cherish forever.

Thank you, SICASA, for everything.
Wishing everyone the very best always.



Ms. Arularasi A B
Treasurer
SRO 0767454



Beyond Events: A Journey of Self-Discovery with Chengalpattu SICASA

“Sometimes, the journey we begin without confidence becomes the one that defines us the most.”

Some journeys are measured in time, while a few are measured in transformation. My journey with Chengalpattu SICASA, which began on 29th March 2025 as a Managing Committee Member was never just about a tenure, it became a phase that reshaped my perspective, refined my abilities and revealed a version of myself I had never met before.

Like every beginning, mine started with uncertainty. Stepping into my role, I had no prior experience in organizing events or handling responsibilities of this scale. The early days were filled with questions “How do we plan? How do we execute? What makes an event truly meaningful?”

My first experience taught me something invaluable: **Perfection is not the starting point, Learning is.** Mistakes were inevitable, but each one quietly shaped my understanding, my patience, and my approach.

As the days progressed, SICASA became more than a platform, It became a classroom beyond textbooks.

It taught me that leadership is not about control, but about coordination; not about being ahead, but about growing together. I learned how ideas take shape through discussions, how teamwork transforms pressure into progress, and how responsibility builds confidence in ways nothing else can.

One of the most profound lessons I gained was adaptability. Every initiative came with its own set of challenges - uncertainties, last-minute changes, and moments where things did not go as planned.

SICASA taught me to stay composed, think on my feet, and find solutions rather than dwell on problems. It made me resilient and realise **“It is not the strongest who survive, but the ones who adapt.”**

A defining chapter of this journey was being part of organizing the branch-level conference, SUDAR. What seemed like just another event from the outside unfolded into one of the most intense and enriching learning experiences for me.

“What we see on stage is only a fraction of the work done behind the scenes.”

From planning and execution to handling responsibilities beyond visibility, every moment taught me discipline, teamwork, and attention to detail. It was here that I truly understood the depth of commitment required to bring something meaningful to life.

Adding to this experience, presenting my technical paper on **“Beyond the Returns: The Digital Intelligence Behind GST Notices”** and emerging as a winner became a turning point.



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Standing there, presenting my ideas, I realized how far I had come - from hesitation to expression, from doubt to belief.

Beyond skills, SICASA helped me discover my voice. There was a time I doubted my ability to express myself, whether through words or in front of an audience. But slowly, through opportunities and encouragement, I realized that I could communicate, present, and even inspire. Winning at the branch level in an essay competition and presenting a technical paper were not just achievements, they were moments of self-realization.

Equally significant was the power of connection. SICASA introduced me to people who were not just peers, but co-dreamers, individuals driven by the same aspirations and passion. And that's the point where I realised that **"Growth multiplies when shared with the right people."**

Conversations turned into collaborations, and collaborations turned into lasting bonds. I understood that networking is not merely about meeting people, but about learning from them, growing with them, and building relationships that extend beyond professional boundaries.

What made this journey even more special was how it nurtured not just my professional side, but my personal self. This was beautifully reflected in **Chengai Vizha 2025**, the cultural celebration that brought out a completely different side of me.

Stepping onto that stage, expressing through dance and creativity, I realized that I had talents I had never acknowledged before. SICASA, through such platforms, reminded me that growth is not one-dimensional, it is holistic.

It taught me that we can be disciplined yet expressive, focused yet creative - shaping not just a career, but a complete personality.

Looking back, I realize that SICASA did not just give me experiences rather it gave me clarity. It taught me discipline, responsibility, adaptability, and most importantly, self-belief.

As my tenure came to an end on 28th March 2026, I did not just walk away with memories, but with a transformed mindset. I entered this journey unsure of my capabilities, but I leave with confidence, awareness, and a deep sense of gratitude.

SICASA, to me, was never just an students committee - it was a mirror that reflected my potential, a stage that built my confidence, and a journey that helped me become a better version of myself.



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"Some journeys don't just change where we go, they change who we become."

And as I turn this page, I don't just carry memories! I carry a stronger voice, a fearless heart, and the belief that I am capable of far more than I once imagined.

Thank you so much, Chengalpattu SICASA, for shaping me into the person I am today.

With a heart full of gratitude, this is

Balaambica Velmurugan,

Past SICASA Managing Committee Member (2025-2026),

SIGNING OFFFFFF...



Ms. Balaambica V
Member
SRO 0856655



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My Journey with SICASA

Being part of the SICASA team for the 2025–26 term has truly been one of the most memorable chapters of my CA journey. Every meeting, every event, every planning session—everything was filled with fun, learning, and the kind of teamwork that stays with me for life.

I'm carrying forward so many good memories, and I'm grateful for the bond we built as a team. Together, we didn't just coordinate programmes—we enjoyed every moment of making them happen.

One of the biggest highlights of our term was "**Sudar**" – **Branch Level Conference**, which we proudly made a grand success. The energy, the dedication, the unity... it all came together beautifully, and I'm so happy to have been a part of it.

A heartfelt thank you to our Branch Members for their constant support, guidance, and encouragement. Your belief in us students made everything possible.

To all the volunteers, participants, and friends who stood by us—thank you. Every bit of support, every smile, every helping hand made this journey brighter.

As we wrap up this term, I'm excited to see the spark continue.

Wishing the **upcoming SICASA** team all the very best—may you shine brighter and create more unforgettable moments.

With lots of gratitude and happy memories,

Deva Renish D D

SRO0679844

SICASA MC Member



Ms. Deva Renish D D

Member

SRO 0679844



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SICASA Journey – FY 2025–26

The financial year 2025–26 has been a truly defining and enriching chapter in my journey with SICASA—one that extended far beyond responsibilities and roles, and into meaningful connections, shared growth, and collective learning.

Being a part of the Managing Committee gave me the opportunity not only to organize professional sessions and student-centric events, but also to engage closely with members, understand their needs, and contribute to creating a more connected and supportive student community. What stood out the most was how these interactions gradually transformed into genuine relationships. Every meeting, every discussion, and every collaboration helped build a network rooted in trust, mutual respect, and shared purpose.

One of the most remarkable aspects of this journey was the culture of handholding and guidance that SICASA fosters. Whether it was navigating new responsibilities, handling challenges, or stepping into unfamiliar roles, there was always someone to guide, support, and encourage. Seniors, mentors, and peers alike played an integral role in ensuring that no one felt lost or overwhelmed. This environment made it easier to learn, adapt, and grow with confidence.

Handling responsibilities also came with its fair share of challenges—tight timelines, coordination hurdles, and the need to balance multiple commitments. However, these situations were never faced alone. There was a strong sense of teamwork where problems were discussed openly, solutions were built collaboratively, and every hurdle became an opportunity to learn. These experiences strengthened not only my problem-solving abilities but also my ability to work effectively within a team.

Contributing to initiatives that impacted a wide student base was deeply fulfilling. It was not just about execution, but about creating value—ensuring that each session, each event, and each effort made a meaningful difference. This sense of purpose, combined with continuous learning, made the journey truly rewarding.

Over time, this experience transformed me from a learner into a confident contributor and decision-maker. It taught me the importance of communication, adaptability, leadership, and most importantly, the power of collaboration and support.

As I conclude my tenure with the Managing Committee for 2025–26, I carry forward not just the experiences and lessons, but also the relationships and memories that have shaped this journey. SICASA, for me, has not just been a platform—it has been a space of growth, connection, and belonging.



Ms. Krishna Priya
Member
SRO 0709480



From Exemption to Taxation: The Fall of Section 10(38) and Rise of 112A



Uday Kumar Sahu
CRO0752200

Introduction

Section 10(38) of the Income Tax Act, 1961, once exempted long-term capital gains (LTCG) from the sale of equity shares and equity-oriented mutual funds, provided they were held for over 12 months and subject to Securities Transaction Tax (STT). Introduced in 2004 to boost stock market investment, it was abolished by the Finance Act, 2018, effective April 1, 2018, and replaced with Section 112A.

Reasons for Removal:

1) Revenue Loss

The exemption caused significant revenue loss to government as stock market gains grew, with high-net-worth individuals and institutions harvesting tax-free profits. This eroded the tax base, prompting the government to seek sustainable revenue sources.

2) Tax Inequity

Section 10(38) favored capital gains over taxable income sources like salaries or rent, disproportionately benefiting wealthy investors. This imbalance clashed with the principle of equitable taxation.

3) Tax Evasion and Abuse

The provision was exploited through fake transactions, such as circular trading and penny stock manipulation, to launder unaccounted money as exempt LTCG. Despite 2017 amendments mandating STT at acquisition and sale, loopholes persisted.

What the 2017 amendments did:

To tighten the rules and prevent misuse, the government amended the law in 2017 to mandate the payment of STT both at the time of acquisition (purchase) and sale of the shares or mutual fund units. Earlier, STT was mostly charged only on the sale side. This change was meant to ensure that only genuine transactions (where STT is paid both ways) would qualify for the exemption under Section 10(38).



Why loopholes persisted:

Despite this stricter requirement, some investors and entities found ways to exploit loopholes in the law by creating fake transactions that complied with STT requirements but were designed primarily to avoid paying taxes on capital gains. For example:

Circular trading: Buying and selling shares among related parties or through multiple entities without genuine economic substance.

Penny stock manipulation: Using low-value stocks to generate artificial gains exempted under Section 10(38).

What Replaced Section 10(38)?

With the removal of Section 10(38), the Finance Act, 2018 introduced Section 112A, which imposed a 12.5% tax on LTCG exceeding ₹1.25 lakh on the sale of:

- 1) Listed equity shares
- 2) Units of equity-oriented mutual funds
- 3) Units of a business trust

However, this tax applies only on gains exceeding ₹1.25 lakh, and the cost of acquisition for assets acquired before 1 February 2018 is grandfathered—i.e., the gains up to that date are protected from taxation.





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Modification of Audit Opinion vs Modification of Audit Report



Vignesh Ramanan
SRO0804426

“The Line That Changed My Understanding of Modification on of Audit Report and Opinion”

This me, “We are modifying the report, but not modifying the opinion” for xxxx Company.

That sentence confused me more than any mathematical formula ever did.

During the fag end of second year of my articleship ship, my friend proudly told me the above line. I was genuinely amazed — how can you modify the report without modifying the opinion?

That was the first me I truly understood the distinction on:

As per SA 700, an unmodified audit report contains headings like:

- Opinion
- Basis for Opinion
- Key Audit Matters
- Management’s Responsibility
- Auditor’s Responsibility
- Report on Other Legal & Regulatory Requirements

Now comes the interesting part.

We can modify the report without modifying the opinion by adding:

- SA 706 (Revised) – Emphasis of Matter / Other Matter
- SA 570 (Revised) – Material Uncertainty related to Going Concern

But when we modify the opinion itself, that falls under:



- SA 705 (Revised) – Qualified, Adverse, Disclaimer

So yes — modification of opinion is a subset of report modification.

But report modification does not always mean opinion modification.

And yes, you won't believe recently, I heard that this very concept landed up in a CA inter audit paper.

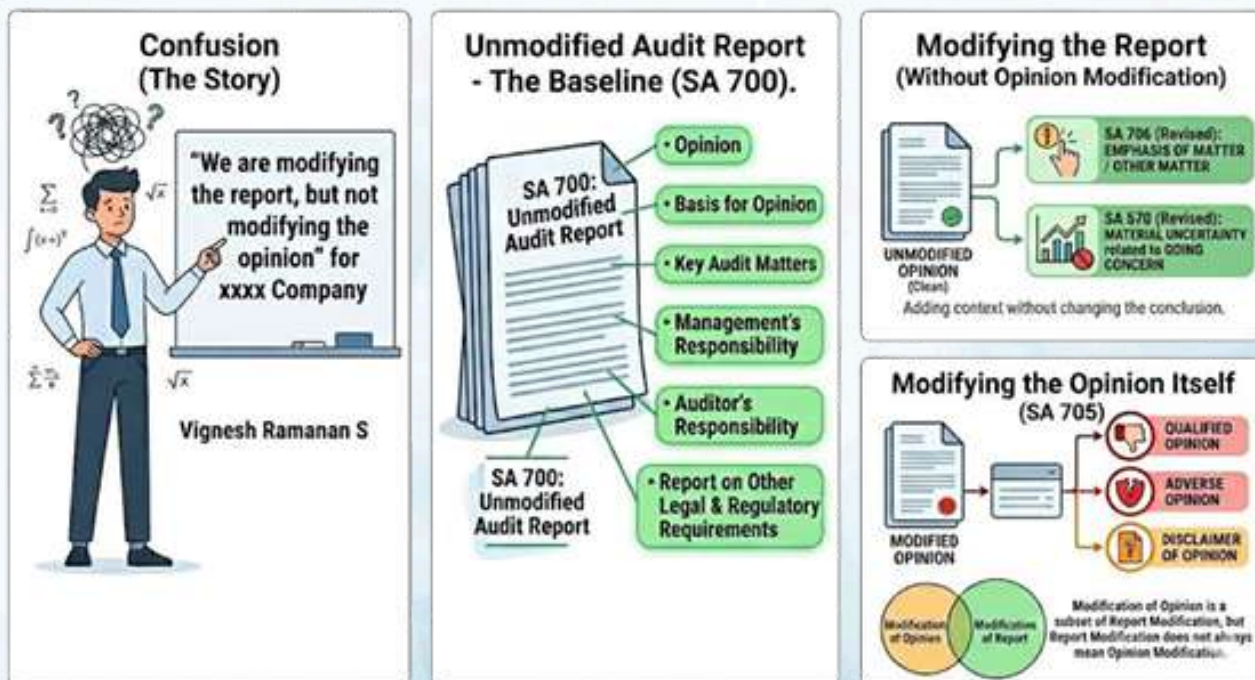
Imagine naïve CA Inter student Vignesh Ramanan seeing that question. I would have confidently written only about types of opinion modification and walked out expecting an exemption in Audit.

That probably explains my 52 in CA Inter Audit paper — despite exemptions in 7 other papers!

Jokes apart, the standard of CA question papers at all three levels has gone up significantly after syllabus changes

All views are personal.

#Audit #SA700 #SA705 #SA706 #SA570 #CAInter #ArticleshipDiaries #LearningCurve #CharteredAccountant





April 2026

STUDENTS PHOTO GALLERY



Vahini M
SRO0783993



SANJAY GOPAL
SRO0703261



Nothing can be replaced with an exact match, either it is more or less, never equal.

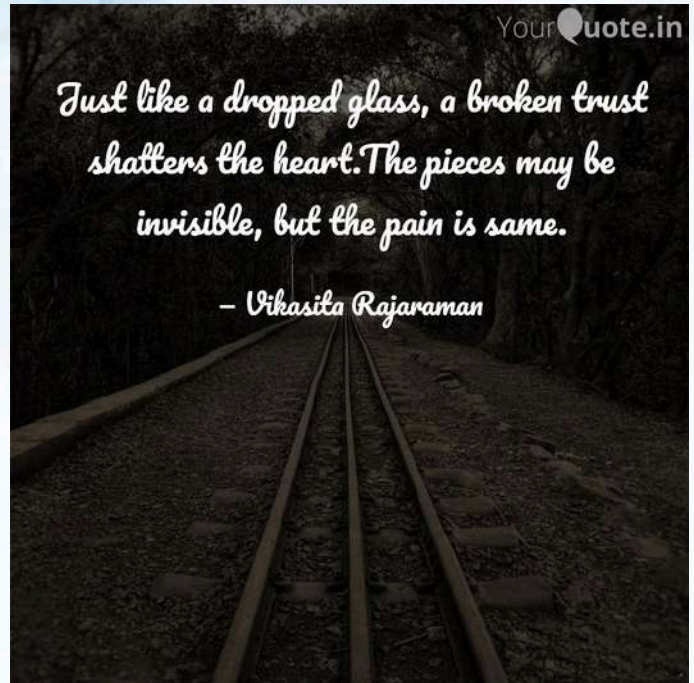
— Vikasita Rajaraman



YourQuote.in

Just like a dropped glass, a broken trust shatters the heart. The pieces may be invisible, but the pain is same.

— Vikasita Rajaraman



YourQuote.in

Great people are Great because of Great practices.

— Vikasita Rajaraman



YourQuote.in

Sometimes knowing less is more than enough.

— Vikasita Rajaraman



YourQuote.in

**Vikasita Rajaraman
SRO0818198**



TRIVIA

DS & Co., Chartered Accountants, are statutory auditors of SAR Industries Pvt. Ltd., a company engaged in manufacturing business since 2018. The company operates from rented premises, and it does not have building of its own. It had upgraded its machinery last time in 2020. Except interest in this company, promoters, directors, key managerial persons and their relatives do not have interest or ownership in any other entity. Also, the company does not enter into any business dealings with promoters, directors, key managerial persons and their relatives. The directors and key managerial persons get only reasonable remuneration from the company. Though the company has an internal control system in place, it has not appointed an internal auditor. It is also not mandatorily required to make such an appointment under the provisions of the Companies Act, 2013. DS & Co. have accepted an audit of the above company for the year 2023-24 for the first time. Promoters and directors of the company are known to engagement partner only socially for quite some time. However, it is for the first time that any type of professional work related to this company has been accepted by them. While formulating audit plan for the company, CA D (engagement partner) has planned certain risk assessment procedures and further audit procedures consisting of tests of controls and substantive procedures in relation to different areas.

The following is extract of financial information of the company: -

(figures in rupees crores)

S. No.	Particulars	Year 2023-24	Year 2022-23
1.	Turnover	30.00	15.00
2.	Inventories	5.00	2.00
3.	Property, plant and equipment (Gross block)	1.25	1.25
4.	Property, plant and equipment (Net block)	1.00	1.25
5.	Gross profit	6.00	3.75
6.	Trade receivables	12.50	5.00

The PPE items consist of machinery only. While planning procedures in respect of Property, Plant and Equipment, auditor has included audit procedures like inspecting and reviewing company's plan for performing physical verification of PPE, assessing depreciation method used, verifying cost of PPE items acquired during the year with purchase bills and recalculation of depreciation charged in statement of profit and loss.

Further, while performing risk assessment procedures to identify risk of material misstatements in financial statements, engagement partner has come to notice that there is considerable variation in gross profit ratio as compared to last year. During performance of substantive procedures, he has also studied data of purchases and sales of the company during the year under audit and has also compared such data with preceding year and earlier years also. Based on the above facts, answer the following MCQs:



MULTIPLE CHOICE QUESTIONS

1) Keeping in view the description provided in the case scenario, which of the following statements is likely to be most appropriate?

- a) Engagement partner is known socially to promoters and directors of the company. The situation mandatorily involves advocacy threat casting a doubt on auditor's independence. Irrespective of this, detection risk in engagement is low.
- b) Engagement partner is known socially to promoters and directors of the company. The situation mandatorily involves familiarity threat casting a doubt on auditor's independence. Irrespective of this, detection risk in engagement is high.
- c) The situation reflected in the case scenario may not constitute threat to independence of auditor mandatorily. Irrespective of this, detection risk in engagement is low.
- d) The situation reflected in the case scenario may not constitute threat to independence of auditor mandatorily. Irrespective of this, detection risk in engagement is high.

2) CA D has included in the audit plan certain procedures in respect of PPE items. Which of the following audit procedure included in audit plan is likely to be least relevant?

- a) Inspecting and reviewing company's plan for physical verification of PPE.
- b) Assessing depreciation method used
- c) Verifying cost of PPE items acquired during the year with purchase bills.
- d) Recalculation of depreciation charged in statement of profit and loss.

3) Which of the following statements is likely to be most suitable to explain the fact relating to variation in gross profit ratio as compared to last year?

- a) Gross profit ratio has decreased in year 2023-24 as compared to year 2022-23. It may be due to the fact that sales prices may have been reduced by the company to procure more orders.
- b) Gross profit ratio has increased in year 2023-24 as compared to year 2022-23. It may be due to the reason that the cost of materials purchased by company could have decreased.



c) Gross profit ratio has decreased in year 2023-24 as compared to year 2022-23. It may be due to the fact that office staff salary engaged in administrative functions and office maintenance expenditure could have increased.

d) Gross profit ratio has decreased in year 2023-24 as compared to year 2022-23. It may be due to the reason that the company has not made an allowance for obsolescence in respect of inventories during the year.

4) CA D has also studied purchases and sales data of the company during the year and has also compared such data with the preceding year and earlier years also. It is an example of _____.

- a) Ratio analysis forming part of substantive analytical procedures.
- b) Trend analysis forming part of substantive analytical procedures.
- c) Reasonable test forming part of substantive analytical procedures.
- d) Structural modelling forming part of substantive analytical procedures.

5) Considering the whole case scenario, identify which of the following combination of Standards is not proper for their likely relevance in performing and completing the above engagement?

- a) SQC 1, SA 220, SA 501, SA 505.
- b) SA 550, SA 510, SA 220, SA 610.
- c) SA 700, SA 510, SA 220, SA 500.
- d) SQC 1, SA 700.



ANSWERS TO MULTIPLE CHOICE QUESTIONS

1) Option (d)

The situation reflected in case scenario may not constitute threat to independence of auditor mandatorily. Irrespective of this, detection risk in engagement is high.

Reason: The engagement partner's social acquaintance with the promoters does not create a familiarity threat mandatorily as it does not influence professional judgment. However, detection risk is high since it is the firm's first audit of the company, and there is a significant increase in turnover and trade receivables, indicating potential misstatements.

2) Option (c)

Verifying cost of PPE items acquired during the year with purchase bills.

Reason: While comparing given procedure in the questions more relevant audit procedures include inspecting and reviewing company's plan for physical verification of PPE, assessing depreciation method used, and recalculation of depreciation charged in statement of profit and loss to be included in audit plan. Thus, verifying cost of PPE items acquired with purchase bills during the year only will be least relevant.

3) Option (a)

Gross profit ratio has decreased in year 2023-24 as compared to year 2022-23. It may be due to the fact that sales prices may have been reduced by the company to procure more orders.

Reason: The Gross Profit Ratio for 2022-23 is 25% $[(3.75/15) * 100]$, whereas for 2023-24, it has decreased to 20% $[(6/30) * 100]$. This indicates a decline in the gross profit ratio. A possible Reason for this decrease could be that the company lowered its selling prices to secure more orders. Further, office staff salary engaged in administrative functions and office maintenance expenditure and allowance for obsolescence in respect of inventories primarily impact net profit, not gross profit.

4) Option (b)

Trend analysis forming part of substantive analytical procedures.

Reason: Trend analysis is the comparison of current data with the prior period balance or with a trend in a two or more prior period balances. In other words, trend analysis implies analysing account fluctuations by comparing current year to prior year information and, also, to information derived over several years.

5) Option (b)

SA 550, SA 510, SA 220, SA 610.

Reason: As per given facts in the question combination of option covering SA 550, SA 510, SA 220, SA 610 are not relevant. Since the company does not engage in related party transactions SA 550, "Related Parties", is not relevant. Further, SA 610 based on Using Work of Internal Auditors is also irrelevant as the company does not have an internal auditor. Furthermore, SA 220 and SA 510 is relevant but does not fit the overall combination when paired with SA 550 and SA 510.



April 2026

UPCOMING EVENTS

Topic - Study circle meetings

Date - 24.04.2026

Speaker - Eminent speaker

Venue - ICAI Bhawan, ICAI Salai, Tambaram Sanatorium, Chennai 600 047.





CHENGALPATTU DISTRICT BRANCH OF SICASA OF ICAI

April 2026



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)



Chengalpattu District Branch (SIRC)

at ICAI Bhawan, ICAI Salai, Tambaram Sanatorium, Chennai - 600047.

(Opp to Tambaram Sanatorium Railway Station - East Exit)

CA Intermediate May exam Orientation and Marathon Revision Batch

Date	Time	Subjects	Name of the Faculty
13th April 2026	10.00 AM TO 1.30 PM	Indirect Tax	CA. Ashwin Kumar P
13th April 2026	2.00 PM TO 5.00 PM	Direct Tax	CA. Balaji Shankar
15th April 2026	10.00 AM TO 1.30 PM	Law	CA. Shanmugapriya
18th April 2026	10.00 AM TO 5.00 PM	Accounting	CA. Ganesh Krishnan

No Fee

Registration Link: <https://events.cglportal-icai.org/student>

CA. Madhumitha R
Chairperson

CA. Aanand Pasupathy
Secretary

CA. Arumugaraj P
SICASA - Chairman

CA. Sridhar Ganesh N
SICASA Nominated Member

CA. Uma maheswari R
Program Convenor

CA. Nookala Kavya
Program Convenor

ICAI Bhawan, ICAI Salai, Tambaram Sanatorium, Chennai - 600 047.

(Opp to Tambaram Sanatorium Railway Station - East Exit)

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CHENGALPATTU DISTRICT BRANCH OF SICASA OF ICAI

GLIMPSE OF MARCH 2026 SICASA PROGRAMMES

April 2026

Programme

Topic: ONE DAY BANK AUDIT SEMINAR

Date: 14.03.2026

Time: 10.00 AM to 5.00 PM

Venue: ICAI BHAWAN, ICAI SALAI, TAMBARAM SANATORIUM, CHENNAI-600 047.





April 2026





April 2026

OPPORTUNITY FOR OUR CA STUDENTS

Articles are invited from students for publishing in the e-newsletter. The articles shall be either on a specific subject or a general article.

For all the artistic minds, you October highlight your artistic skills by sending your art to us. It could be drawing, poem, photographs and all the artwork which is unusual in your way!

Students can mail their work with Name, SRO Number, Mobile Number, Residential Address, Office Address & Photo to our E-Mail mentioned below.

Email Id : sicasa@chengai-icai.org | Mobile No : 80562 44300 | 7550009811.

We wholeheartedly thank all the students who have provided their valuable Inputs for this newsletter as well as for the upcoming newsletters.

CALLING ALL PASSIONATE CA STUDENTS FOR VOLUNTEERING !

Are you eager to grow, connect, and make a real difference? We're looking for enthusiastic and committed volunteers to be part of a series of exciting events curated exclusively for CA students!

These events are not just gatherings—they're gateways to professional development, networking with industry leaders, and knowledge-sharing within the CA community. As a volunteer, you'll be at the heart of it all—gaining hands-on experience in event planning, coordination, and team collaboration.

This is your chance to:

- Sharpen your leadership and organizational skills
- Be part of something meaningful
- Build lasting connections in the CA fraternity
- Stand out and grow personally & professionally

Ready to step up and shine? Join us and be a driving force behind these impactful events. Let's create something unforgettable—together!