



KOTTAYAM BRANCH OF SICASA
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA



EXCELORA

DECEMBER 2025



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“Excellence is not a destination; it is a continuous journey that never ends.”

— Brian Tracy

CHAIRMAN'S MESSAGE



Dear CA Students,

December 2025 was a month of learning, celebration, and reflection for the SICASA Kottayam family, marking a meaningful conclusion to an eventful year.

We successfully organized an Industrial Visit to Vagamon Masco Tea Factory, which offered our students valuable practical exposure to industrial operations, management practices, and real-world applications of theoretical concepts. Such visits play an important role in bridging the gap between academic learning and professional understanding, and the enthusiastic participation from students made the visit truly rewarding.

The month was also filled with joy and togetherness as we celebrated Christmas, spreading cheer, warmth, and a sense of unity among students and members. The celebration reminded us of the importance of compassion, sharing, and bonding beyond our academic pursuits.

As the year draws to a close, I take this opportunity to express my heartfelt gratitude to our mentors, faculty members, committee members, volunteers, and students who have continuously supported and contributed to SICASA Kottayam throughout the year. Your cooperation, dedication, and enthusiasm have been the foundation of every successful initiative.

As we step into 2026, let us welcome the new year with renewed hope, determination, and confidence. May it bring new opportunities, continued learning, and success in both personal and professional spheres.

Wishing you and your families a joyful holiday season and a Happy and Prosperous New Year 2026.

**Warm regards,
CA. Manosh Mani,
Chairman,
SICASA Kottayam**

“Failure is simply the opportunity to begin again, this time more intelligently.”

— Henry Ford

VICE-CHAIRMAN'S MESSAGE



Dear CA Aspirants,

I am happy to share a brief note reflecting on the activities and experiences of the month of December. The month proved to be both productive and engaging, offering students a healthy mix of academic exposure, practical learning, and moments of celebration.

A significant highlight during the month was the industrial visit to the Masco Tea Factory. This visit offered students valuable real-world insights into the operations of a manufacturing unit. Observing the complete tea production process—from raw material handling to final packaging—helped students better understand concepts related to operations, quality assurance, and management practices. Such hands-on experiences play a vital role in strengthening practical knowledge and complementing classroom learning.

Alongside academic initiatives, the festive spirit of Christmas was celebrated with great enthusiasm. The celebration fostered a sense of unity and camaraderie among members, reminding us of the importance of togetherness, goodwill, and shared joy beyond academics.

As we move forward, I extend my heartfelt best wishes to all students appearing for the January examinations. May your consistent efforts and disciplined preparation translate into success and confidence.

With the dawn of a New Year, let us look ahead with renewed determination and positivity. I wish everyone a year filled with learning, growth, good health, and personal as well as professional achievements.

**With warm regards,
Karun Johny,
Vice Chairman,
SICASA Kottayam**

**“Action is the foundational key to all success.”
— Pablo Picasso**

SECRETARY’S REPORT



Dear fellow CA Aspirants,

I am pleased to present the Secretary’s report for the month of December. This month was marked by a blend of academic enrichment, experiential learning, and festive celebrations. Various activities were organized to enhance students’ practical knowledge, promote cultural harmony, and motivate them as they prepare for their upcoming examinations.

One of the major highlights of the month was the industrial visit to the Masco Tea Factory. The visit was both educational and insightful, providing students with firsthand exposure to the functioning of a tea manufacturing industry. Students were guided through the different stages of tea processing, from plucking and withering to drying, grading, and packaging. The visit helped students gain a deeper understanding of industrial operations, quality control measures, and management practices. It also served as an excellent opportunity to bridge the gap between theoretical concepts and practical applications.

In addition to academic activities, we celebrated Christmas with great enthusiasm and joy. The celebration created a warm and festive atmosphere that strengthened bonds of togetherness, friendship, and unity among the members.

As the month draws to a close, we extend our best wishes to all students appearing for the January examinations. May your hard work, dedication, and perseverance lead you to success and excellent results.

We also take this opportunity to welcome the New Year with hope and optimism. May the coming year bring new opportunities, academic success, good health, and happiness to all our members.

**With regards
Rose Mary Joswin
Secretary,
SICASA Kottayam**

**“Quality means doing it right when no one is looking.”
— Henry Ford**

EDITOR'S NOTE



Dear CA Students,

The month of December 2025 stood as a fitting close to a dynamic and fulfilling year for the SICASA Kottayam fraternity. It was a period marked by meaningful learning experiences, festive cheer, and moments of reflection that strengthened our collective spirit.

One of the notable initiatives during the month was the Industrial Visit to the Vagamon Masco Tea Factory. The visit provided students with an excellent opportunity to observe industrial processes firsthand and gain insights into operational systems, managerial decision-making, and the practical relevance of concepts learned in theory. The active involvement and curiosity shown by students made the visit both engaging and impactful.

Adding to the vibrancy of the month was the celebration of Christmas, which brought members together in a warm and joyful atmosphere. The festivities fostered a sense of unity and reminded us of the values of kindness, togetherness, and mutual respect that bind our association beyond academics.

As we conclude the year, I extend my sincere appreciation to our faculty, mentors, committee members, volunteers, and students whose consistent efforts and support have been instrumental in the smooth execution of our activities. Every contribution, big or small, has played a role in shaping a productive year for SICASA Kottayam.

Looking ahead to 2026, let us move forward with optimism, commitment, and renewed enthusiasm. May the coming year open doors to fresh opportunities, deeper learning, and achievements in both academic and personal journeys.

Wishing all our members and their families a wonderful holiday season and a happy, healthy, and prosperous New Year 2026.

Warm regards,
Blesson Thomas Mammen,
Editor,
SICASA Kottayam

GST Compliance Challenges for Small Businesses

GST Compliance Challenges for Small Businesses

Goods and Services Tax (GST) was introduced in India to simplify indirect taxation and create a unified market. While the reform has brought many benefits, small businesses often find GST compliance challenging. Limited resources, lack of expertise, and frequent rule changes make it difficult for them to navigate the system efficiently. Understanding these challenges and knowing how to address them is crucial for long-term sustainability.

Key GST Compliance Challenges for Small Businesses

1. Multiple Returns and Filing Deadlines

Small businesses must file several returns every month or quarter, such as GSTR-1 (sales return), GSTR-3B (summary return), and annual returns. Missing deadlines or submitting incorrect data can result in penalties. For example, a small retailer may struggle to reconcile sales invoices with the GST portal, leading to discrepancies.

2. Keeping Up with Frequent Updates

GST rules and notifications are constantly updated. Changes in tax rates, HSN codes, exemptions, or ITC eligibility can be difficult to track for small business owners. This increases the risk of non-compliance. For instance, if a business is unaware of a new HSN reporting requirement, its return may be rejected or attract penalties.

3. Input Tax Credit (ITC) Issues

Claiming ITC correctly is one of the biggest challenges. Small businesses often face mismatches between supplier invoices and GST portal data. Unclaimed or wrongly claimed ITC can increase tax liability and affect cash flow. A small manufacturing unit, for example, may lose thousands of rupees in ITC due to data mismatches.

4. Cash Flow Pressure

GST must be paid on sales even if customers have not yet paid. For small businesses with tight cash flows, this can create financial stress. Delayed payments from clients further aggravate the situation. Planning for GST payments in advance is essential to avoid liquidity issues.

5. Digital Literacy and Technological Barriers

GST compliance is entirely digital, requiring online filing and record-keeping. Many small business owners in semi-urban or rural areas may not have access to reliable internet or may not be familiar with accounting software, making compliance difficult.

6. Documentation and Record-Keeping

Maintaining accurate invoices, bills, and records is critical. Small businesses often struggle with organizing documents, which can lead to errors in filing and issues during GST audits. Inadequate record-keeping may also trigger penalties or investigations.

7. Penalties and Legal Consequences

Non-compliance, whether intentional or accidental, can result in fines, interest charges, or even prosecution in severe cases. Small businesses, with limited resources, may find it hard to bear the financial burden of penalties, affecting business continuity.

Real-World Examples

Retail Sector: A small clothing retailer may fail to file monthly returns on time due to lack of staff, leading to cumulative late fees.

Manufacturing Units: Small manufacturers often face ITC mismatches because suppliers fail to upload invoices on the GST portal.

Service Providers: Freelancers or small service providers may miss out on exemptions or incorrectly classify services, leading to disputes with tax authorities.

Strategies to Overcome GST Compliance Challenges

Invest in Technology: Use GST-compliant accounting software to automate invoicing, reconcile data, and file returns accurately.

Hire Professionals: Outsourcing GST compliance to a trained accountant or GST practitioner reduces errors and ensures timely filing.

Stay Updated: Regularly monitor GST notifications, government circulars, and industry updates to remain compliant.

Organize Documentation: Maintain a systematic record of invoices, bills, and ITC claims to simplify audits and return filing.

Plan Cash Flow: Allocate funds for GST payments in advance, irrespective of pending customer payments, to avoid liquidity issues.

Training and Awareness: Conduct training for staff to improve digital literacy and understanding of GST procedures.

Conclusion

GST compliance may be challenging for small businesses, but it is not insurmountable. By leveraging technology, seeking professional help, and staying informed, small businesses can navigate GST effectively. Compliance not only avoids penalties but also strengthens business credibility, enhances financial discipline, and allows owners to focus on growth.



Cyril Varghese
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Indian Companies Expanding Globally - Opportunities & Risks

Indian Companies Expanding Globally - Opportunities & Risks

Exploring Growth Beyond Borders

Introduction

In recent years, Indian companies have increasingly looked beyond domestic markets, seeking opportunities to expand globally. Globalization, technological advancements, and evolving trade policies have created an environment where Indian businesses can compete internationally. Expanding globally offers significant growth potential, but it also exposes companies to new challenges and risks that must be carefully managed.

Opportunities for Indian Companies Going Global

Access to Larger Markets

One of the primary motivations for global expansion is access to a much larger customer base. India's domestic market, while vast, is highly competitive and price-sensitive. By entering international markets, Indian companies can tap into new revenue streams, diversify their customer base, and reduce dependency on domestic demand.

Brand Recognition and Global Presence

Global expansion helps Indian companies build international brand recognition. Firms such as Tata, Infosys, and Reliance have successfully leveraged global operations to establish themselves as credible global players. A strong international presence not only enhances reputation but also attracts partnerships, investors, and talent from around the world.

Diversification of Revenue Streams

Operating in multiple countries allows companies to spread business risk across geographies. Economic slowdowns, regulatory changes, or market saturation in one country can be offset by revenues from other regions, making the business more resilient.

Access to Advanced Technology and Expertise

Global expansion can provide Indian companies access to advanced technologies, innovative practices, and skilled talent. Collaborations, joint ventures, or acquisitions abroad can help domestic companies improve product quality, enhance operational efficiency, and innovate faster.

Economies of Scale

Entering global markets often allows companies to achieve economies of scale in production, procurement, and marketing. Larger production volumes, optimized supply chains, and international sourcing can reduce costs and improve profitability.

Risks and Challenges of Global Expansion

Regulatory and Compliance Risks

Each country has its own legal and regulatory framework. Complying with international trade laws, labor regulations, taxation policies, and environmental standards can be complex and costly. Failure to comply can lead to penalties, fines, or even legal action.

Cultural and Market Differences

Understanding consumer preferences, cultural nuances, and market behaviors is critical for success abroad. A product or marketing strategy that works in India may not resonate with customers in other countries. Misjudging local tastes or underestimating cultural differences can lead to poor sales and brand damage.

Political and Economic Risks

Global expansion exposes companies to political instability, currency fluctuations, and changing trade policies in foreign markets. Unfavorable economic conditions, tariffs, or geopolitical tensions can disrupt operations and affect profitability.

Operational and Logistical Challenges

Managing operations across multiple geographies can be complex. Supply chain disruptions, communication barriers, and coordination between international offices can create inefficiencies and increase costs.

Financial Risks

Expanding internationally requires significant investment. Companies may face high initial costs for market entry, infrastructure, marketing, and talent acquisition. If the international venture underperforms, it can strain overall financial health.

Strategies for Successful Global Expansion

To mitigate risks while maximizing opportunities, Indian companies must adopt a strategic approach:

Market Research: Conduct thorough research to understand target markets, customer preferences, and competitive landscapes.

Strategic Partnerships: Form joint ventures, alliances, or acquisitions to enter new markets with local expertise and credibility.

Adaptation: Customize products, services, and marketing strategies to suit local tastes and regulatory requirements.

Strong Governance: Establish effective management structures, compliance systems, and risk monitoring frameworks.

Financial Planning: Allocate resources carefully and maintain financial flexibility to withstand market fluctuations.

Conclusion

Global expansion presents Indian companies with immense growth opportunities, including access to new markets, diversified revenue streams, technological advancements, and enhanced brand reputation. However, it also exposes businesses to regulatory, cultural, economic, and operational risks. Success in international markets requires careful planning, strategic partnerships, cultural adaptability, and robust risk management. Indian companies that navigate these challenges effectively can establish a strong global presence and position themselves as competitive players in the international business arena.



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ART CORNER



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Mergers & Acquisitions: Why Companies Choose Them

Mergers & Acquisitions: Why Companies Choose Them

Driving Growth, Innovation, and Competitive Advantage in Today's Business Landscape

Introduction

In today's dynamic business environment, companies are constantly seeking ways to expand, strengthen their market position, and stay ahead of competitors. One of the most powerful strategies to achieve these goals is through mergers and acquisitions (M&A). While the process can be complex and sometimes risky, M&A offers unique advantages that organic growth alone often cannot provide.

Understanding Mergers and Acquisitions

A merger occurs when two companies combine to form a single entity, while an acquisition involves one company purchasing another to gain control of its operations, assets, or intellectual property. These strategies are increasingly employed by businesses aiming to accelerate growth, enter new markets, access innovative technologies, or gain a competitive edge.

Reasons Companies Pursue M&A

Accelerated Growth

Organic expansion, although sustainable, can be slow, particularly in saturated markets. By acquiring an established business, a company can immediately increase revenue, expand its customer base, and enhance operational capacity. For instance, a national retail chain acquiring a regional competitor can instantly establish a presence in new locations without the time and cost of opening stores from scratch.

Market Expansion

Entering new regions, especially international markets, often involves navigating regulatory requirements, understanding local customer behavior, and setting up infrastructure—all of which can be challenging. Acquiring a local business enables companies to leverage existing operations and knowledge, reducing entry risks and accelerating market penetration.

Access to Technology and Expertise

In fast-evolving industries such as technology, pharmaceuticals, and renewable energy, access to new technology, intellectual property, and specialized expertise is a major motivation for M&A. Acquiring a company with innovative capabilities provides a competitive edge that would take years to develop internally. Tech corporations frequently acquire startups to accelerate product development and maintain leadership in emerging fields like AI, cloud computing, or cybersecurity.

Operational Efficiency

By combining operations, companies can achieve economies of scale, reduce redundancies, and optimize resource allocation. For example, two manufacturing firms merging can consolidate production facilities, streamline supply chains, and negotiate better terms with suppliers, ultimately reducing costs and improving profitability.

Diversification

M&A can help companies diversify their product or service portfolios, reducing dependence on a single market or revenue stream and mitigating risks during industry downturns.

Competitive Advantage and Market Position

Acquiring competitors or complementary businesses strengthens a company's market position, reduces competition, and increases bargaining power with suppliers and customers. Combined revenue streams, cost savings, and even tax advantages can improve overall profitability and shareholder value.

Challenges in Mergers and Acquisitions

While the potential rewards are substantial, M&A also comes with challenges. Cultural integration is often difficult, as differences in company culture and management styles can create friction among employees. Regulatory approvals and legal compliance can further complicate the process, especially in sectors such as banking, telecommunications, and healthcare. Overvaluation and poor financial planning may lead to acquisitions that do not deliver the expected returns, and operational disruptions during integration can temporarily affect business performance. Effective communication, thorough due diligence, and a well-planned integration strategy are essential to ensure success.

Real-World Examples

Facebook’s acquisition of Instagram allowed rapid expansion into mobile photo-sharing and strengthened its social media ecosystem. Tata Steel’s acquisition of Corus enabled the company to enter European markets and enhance global competitiveness. Pfizer’s acquisition of Wyeth diversified its pharmaceutical portfolio and bolstered research and development capabilities. These examples illustrate how strategic M&A can reshape industries, accelerate growth, and provide a sustainable competitive advantage.

Conclusion

Mergers and acquisitions remain a powerful tool for companies seeking growth, innovation, and market leadership. They provide opportunities for rapid expansion, operational efficiency, market diversification, and technological advancement. While M&A requires careful planning, due diligence, and strategic execution, companies that approach it thoughtfully—balancing financial and cultural integration—can unlock long-term value and secure a sustainable competitive edge in an increasingly complex business landscape.



Anitt Mariyam Saji
SRO0836747

A close-up photograph of a person's hand holding a black pen, writing on a document. The document has some handwritten notes in blue ink. In the background, there is a desk with a calculator, a yellow sticky note, and a computer monitor. The lighting is warm and focused on the hand and pen.

Internal Audit: Why Companies Can't Ignore It

Internal Audit: Why Companies Can't Ignore It

In today's fast-paced and competitive business environment, organizations face unprecedented challenges—ranging from technological disruption and cyber threats to regulatory pressures and economic uncertainty. Amidst this complexity, internal audit has emerged as a critical function that companies cannot afford to overlook. While often misunderstood as just a compliance formality, internal audit is, in reality, a strategic tool that drives efficiency, mitigates risks, and supports long-term growth.

What Is Internal Audit?

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. Unlike external audits, which primarily focus on financial statements and statutory compliance, internal audits cover a wider spectrum—operational processes, risk management, regulatory adherence, governance practices, and IT systems. Its purpose is not only to detect errors but to proactively prevent problems before they escalate.

Why Companies Cannot Ignore Internal Audit

1. Risk Management and Early Issue Detection

Organizations face multiple types of risk: financial, operational, strategic, technological, and reputational. Internal auditors act as the company's first line of defense by identifying these risks early, ensuring that management can address them before they become crises. For example, an internal audit may detect weaknesses in cybersecurity protocols before a data breach occurs, saving millions in potential losses and reputational damage.

2. Regulatory Compliance

With regulations becoming increasingly stringent across industries—from finance and healthcare to manufacturing—non-compliance can be costly. Internal audits ensure that companies meet legal requirements and follow industry best practices. Failure to comply can lead to heavy fines, legal action, or even restrictions on operations.

3. Operational Efficiency and Cost Savings

Internal audits are not only about risk mitigation; they are also a tool for process improvement. By examining workflows, resource allocation, and operational controls, internal auditors can pinpoint inefficiencies and redundancies. This can lead to substantial cost savings and productivity gains. For instance, a manufacturing company might uncover supply chain inefficiencies that, once corrected, save thousands of dollars annually.

4. Fraud Prevention and Detection

Fraud is a serious threat that can go unnoticed without proper oversight. Internal auditors examine transactions, controls, and business processes to detect unusual patterns or irregularities. Their presence also serves as a deterrent to potential fraudulent activities. Companies with robust internal audit practices tend to experience fewer internal fraud incidents.

5. Strategic Decision Support

Internal audit reports provide executives and boards with actionable insights. By highlighting gaps, risks, and operational inefficiencies, audits help decision-makers prioritize initiatives, allocate resources more effectively, and align operations with strategic objectives. In many cases, audit findings have directly influenced product launches, investment decisions, and market expansion strategies.

6. Strengthening Stakeholder Confidence

Investors, lenders, and partners increasingly value transparency and accountability. Companies with strong internal audit functions demonstrate proactive governance, which builds trust among stakeholders and enhances reputation. This can be particularly important for publicly listed companies, startups seeking funding, or organizations operating in highly regulated sectors.

Case in Point

Consider a multinational company that ignored internal audits for years. Due to poor internal controls, it faced a massive compliance breach that led to regulatory fines, operational disruption, and a damaged brand image. On the other hand, companies that prioritize internal audit, such as those in the financial sector, often catch discrepancies early, avoid costly fines, and improve operational resilience.

The Cost of Ignoring Internal Audit

Neglecting internal audit is a high-risk strategy. Potential consequences include:

Financial Losses: Undetected errors, waste, or fraudulent activities can erode profits.

Legal and Regulatory Penalties: Non-compliance can result in fines, litigation, and restrictions.

Reputation Damage: Stakeholders lose confidence in organizations that fail to manage risks properly.

Missed Growth Opportunities: Without audit insights, companies may overlook process improvements, cost-saving measures, or strategic risks.

Conclusion

Internal audit is far more than a compliance exercise—it is a strategic safeguard that enables companies to operate efficiently, manage risks, and maintain stakeholder trust. In an era where business landscapes are increasingly complex and unpredictable, ignoring internal audit is not just negligent—it is dangerous. Forward-thinking organizations recognize internal audit as an essential tool for resilience, growth, and sustainable success.



Blesson Thomas Mammen
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DID YOU KNOW?

The Forex (Foreign Exchange) market is the largest financial market in the world, with over \$8 trillion traded every day—far more than all global stock markets combined. Unlike stock exchanges, Forex is decentralized and operates 24 hours a day, connecting banks, corporations, governments, and individual traders across the globe.

Currencies are traded in pairs, like USD/EUR or INR/USD, where one currency is bought while the other is sold. Companies rely on Forex for international trade, investors use it for speculation, and central banks intervene to stabilize economies.

Interestingly, the US Dollar dominates the market, appearing in about 88% of all trades, which is why global commodities like oil are priced in dollars. Forex is not just about currency exchange—it reflects global economic health, geopolitical events, and market sentiment, making it one of the most dynamic and influential markets in the world.

OUR MANAGING MEMBERS

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CA MANOSH MANI
CHAIRMAN



KARUN JOHNY
VICE CHAIRMAN



ROSE MARY JOSWIN
SECRETARY



SANAYA MARIAM SONY
TREASURER



JEFFIN JACOB
MANAGING
COMMITTEE MEMBER



VENI KRISHNA
JOINT SECRETARY



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INDUSTRIAL VISIT



INDUSTRIAL VISIT

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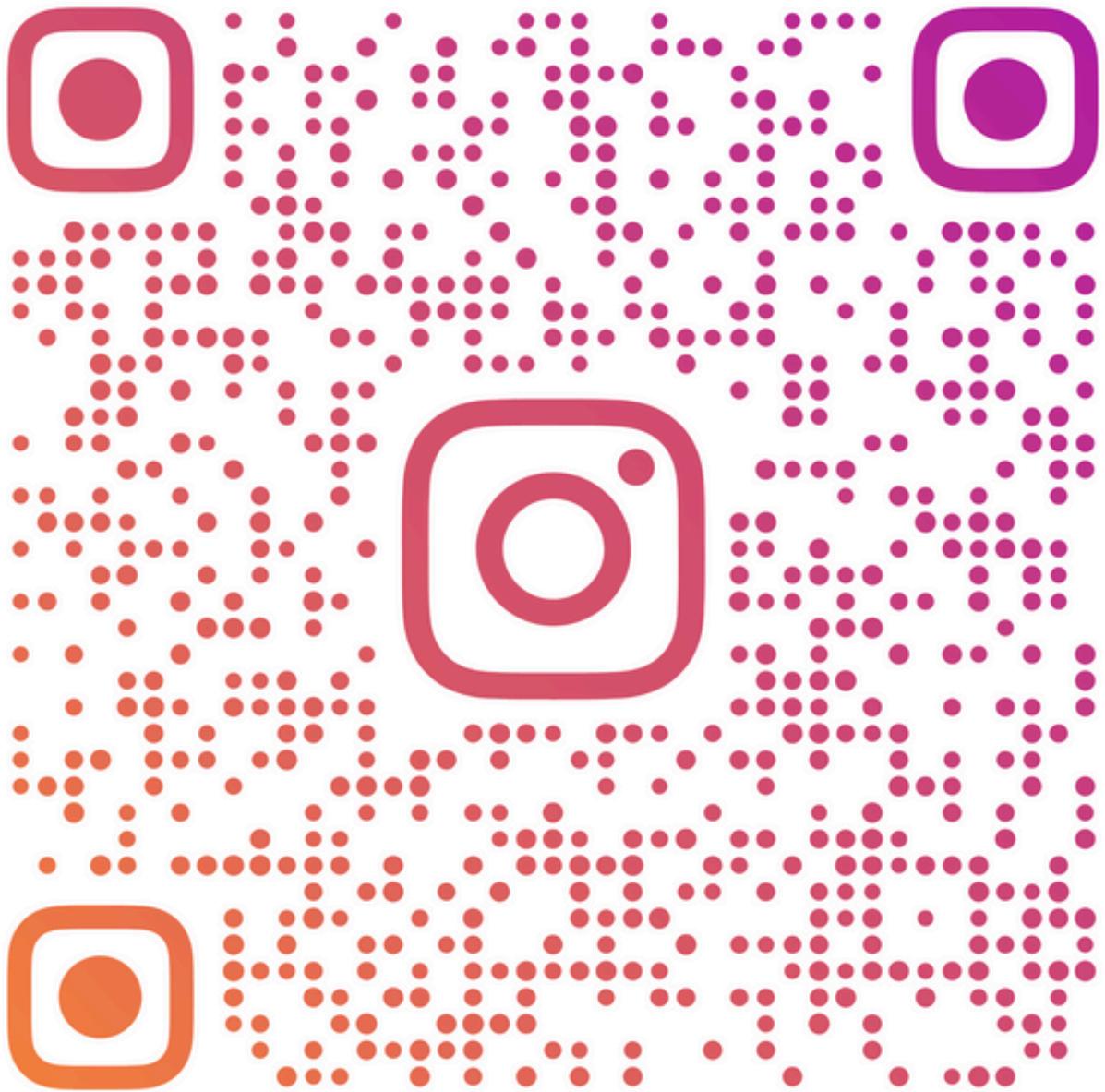


INDUSTRIAL VISIT

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