MANGALURU BRANCH OF SICASA OF ICAI

# GARUDA

## MONTHLY NEWS LETTER

## MARCH

# WHAT'S INSIDE

# CHAIRMAN'S MESSAGE

CA. B. NITHIN BALIGA
SICASA CHAIRMAN

**Dear Students,**

**Greetings to all!**

As we approach the end of the financial year 2024–25, I take this opportunity to extend my best wishes to each of you for a prosperous and productive FY 2025–26. The start of a new financial year brings fresh opportunities and renewed motivation. Let us embrace it with optimism and determination to continue growing both personally and professionally.

This time of year is particularly significant for CA students and article assistants as we prepare to step into yet another tax filing season. I urge all of you to make the most of this period to sharpen your technical knowledge, gain practical exposure, and enhance your understanding of compliance and taxation practices. This hands-on experience is a vital part of your journey to becoming a successful Chartered Accountant.

I would also like to take a moment to extend my warm wishes to everyone on the occasion of Ugadi and Eid. May these festivals bring happiness, peace, and positivity into your lives.

**Event Updates – March 2025**

We are happy to share that SICASA Mangalore successfully conducted two impactful seminars during the month of March:

1. Budget Session on the Income Tax Act 2025–26 and GST Input Management System (IMS) – A highly informative session that helped students gain clarity on the latest budgetary changes and GST practices.

2. Bank Audit Seminar – A practical and insightful session that addressed key aspects of bank audits, offering students a much-needed understanding of the audit process and expectations during the season.

We hope all those who attended had a great learning experience and were able to benefit from the expert insights shared during the sessions. We always welcome your feedback and suggestions to help us serve you better.

**Glimpse Ahead – April 2025**

Looking ahead, we have some exciting programmes planned for April:

- Two-Day Crash Course on Accounting for CA Inter – A focused revision session to help CA Inter students reinforce key accounting concepts and prepare with confidence.
- Walkathon – An energetic and community-driven initiative to promote health, bonding, and team spirit among students.

The detailed schedule will be shared shortly, and we may also add a few more new programmes to the calendar—so stay tuned!

Wishing all article assistants the very best for the upcoming bank audit season. May you apply your learning effectively, deliver your best, and make the most of this professional opportunity.

Let us continue to work together to foster a spirit of learning, leadership, and community within our SICASA family. Wishing you all continued success in your academic and professional endeavors.

Best regards,
CA Bantwal Nithin Baliga
Chairman, SICASA Mangalore Branch of SIRC
March 2025

# ACTIVITY REPORT

# INVESTITURE CEREMONY

The Mangaluru Branch of SICASA successfully conducted the election for its new committee for the year 2025–26 on 28th February. The investiture ceremony for the newly elected committee was held with great success, marking the beginning of their tenure. In recognition of their contributions, the outgoing committee was also honoured during the ceremony, reflecting a seamless transition and appreciation of leadership.

# WOMEN'S DAY

# Empowered women empower the world!

Mangaluru Branch of SIRC of ICAI and Mangaluru Branch of SICASA of ICAI successfully conducted a half day seminar on the occasion of International Women's Day. The seminar was not just about celebration but about igniting change, empowering voices and shaping the future. Let's keep lifting each other higher!

Here's to strong women: may we know them, may we be them, may we raise them.

# FINANCE BUDGET 2025-26

# ONE DAY SEMINAR

The Mangaluru Branch of SICASA of ICAI successfully conducted a Seminar on the Finance Budget 2025-26 on 15th March 2025. The session provided valuable insights into the key highlights of the Union Budget, tax reforms, and economic policies shaping the financial landscape. Expert speakers analyzed the impact of budgetary changes on businesses, professionals, and the economy at large. The seminar witnessed enthusiastic participation from CA students and professionals, making it an enriching learning experience.

# BANK AUDIT SEMINAR

# ONE DAY SEMINAR

The Mangaluru Branch of SICASA of ICAI successfully organized a Bank Audit Seminar on 27th March 2025, providing an in-depth understanding of the latest auditing standards, regulatory guidelines, and key considerations in bank audits. The session featured expert speakers who shared practical insights on risk assessment, compliance, and emerging challenges in the banking sector. With active participation from CA students and professionals, the seminar served as an excellent platform for knowledge enhancement and professional development.

# ARTICLES

# EMPOWERING CA STUDENTS: THE IMPORTANCE OF PUBLIC SPEAKING FOR SUCCESS

Moray Venkata Sahitya
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Public speaking holds significant value for CA students, offering them a unique opportunity to elevate their career prospects and enhance their personal development. It's not just about talking in front of an audience, but about mastering the art of conveying complex ideas clearly and persuasively. In the world of Chartered Accountancy, where precision and clarity are paramount, being able to communicate effectively is a game-changer.

Consider the legendary Bill Gates. While his technical brilliance brought Microsoft to the top, it was his exceptional presentation skills that helped him shape his message and inspire millions. His ability to break down complicated tech concepts for the general public demonstrated the power of public speaking in making intricate subjects accessible and engaging. For CA students, mastering this art can make the difference between merely knowing the material and being able to share it in a way that leaves an impact.

Take a moment to reflect on the role of a CA in a corporate setting. Imagine presenting a financial report to a group of directors. Having the technical know-how is crucial, but the real value lies in your ability to present that information in a compelling, understandable way. It's about transforming raw data into a narrative that resonates with stakeholders, helping them make informed decisions. Effective public speaking allows you to convey complex financial details in a manner that is both engaging and easily digestible.

Being a confident public speaker can also position you as a leader. Whether you're addressing a small team or a large audience, public speaking is a great way to establish authority in your field. Think about the way top executives or senior professionals are often called upon to present ideas or lead discussions. By mastering the ability to speak well, you enhance your professional image and open doors to new opportunities for leadership.

Moreover, public speaking facilitates networking and relationship building. Attending seminars, workshops, or conferences provides opportunities to present your ideas to a diverse audience. This not only helps you establish credibility but also creates connections with people who value your insights. Your ability to speak confidently in such environments allows you to create meaningful relationships that can benefit both your career and your personal growth.

Over time, public speaking can help you develop immense self-assurance. It's a common fear to speak in front of others, but once you practice and overcome that challenge, it builds resilience and confidence that extends into other areas of life. As the famous quote by Dale Carnegie goes, "The only way to get the best of an argument is to avoid it." By speaking effectively, you avoid miscommunication and foster better understanding, which ultimately enhances your influence in any setting.

Lastly, public speaking sharpens adaptability. As a CA student, you will face a variety of audiences—from peers to clients, from technical experts to business owners. Being able to adjust your message based on your listeners is an essential skill. It ensures that your message not only reaches but resonates with each audience, whether they have a background in finance or are hearing about accounting for the first time.

Public speaking, therefore, is not just a tool for presenting at conferences or leading meetings. It's an investment in your future as a Chartered Accountant, helping you to become a stronger communicator, a more persuasive leader, and a more confident professional. With every opportunity you take to speak, you are shaping your path to success, one word at a time.

# THE PRICE THEORY OF GLISTENING GOLD

Shannel Dsouza
SRO : SRO0798373

"Gold is money. Everything else is credit." says J.P. Morgan. Gold has always been more than just a metal, it's an emotion, a legacy, and a safe haven in times of uncertainty. From the dazzling wedding jewellery in India to the massive reserves stacked in central banks, gold continues to be the ultimate store of value. But in recent times, its price has been soaring, leaving investors, consumers, and policymakers wondering. What's driving this golden rally?


Let's break it down in a way that makes sense to all, not just economists and market experts.

1. Inflation:

Inflation is like a termite that slowly eats away at the value of money. When prices of goods and services rise, people lose faith in paper currency and look for assets that can protect their wealth. Enter gold—the age old hedge against inflation. When inflation surges, so does the demand for gold, pushing its price higher.

2. Global Uncertainty:

Geopolitical tensions, economic slowdowns, and banking crises make investors anxious. When stock markets turn volatile and currencies lose stability, investors flock to gold as a safe investment. Whether it's a war, recession fears, or financial instability, gold shines the brightest in troubled times.

3. Interest Rates & Central Bank Policies

The US Federal Reserve and other central banks play a big role in influencing gold prices. When interest rates are high, people prefer fixed deposits and bonds. But when rates are low, the opportunity cost of holding gold decreases, making it more attractive. Lower interest rates generally lead to a rise in gold prices.

4. Supply & Demand:

Like any other commodity, gold prices are also driven by supply and demand. If mining production slows down or if central banks start stockpiling gold, the supply shrinks, and prices rise. Similarly, rising demand for gold in countries like India and China during wedding seasons or festive periods also contributes to price hikes.

5. Currency Depreciation:

When the value of a currency falls, gold prices automatically rise. A weaker dollar makes gold cheaper for international buyers, increasing its demand. The same applies to countries facing currency depreciation, where people buy gold to protect their wealth.

6. Speculation & Market Trends

In today's digital age, gold prices are also influenced by speculative trading. Investors, hedge funds, and traders closely track gold trends and make bulk investments, causing price fluctuations. The fear of missing out, that is, FOMO also drives investors to buy gold whenever prices start to rise.

So, final thoughts? Gold prices will always be dynamic, reacting to global events, economic policies, and investor sentiments. While short-term fluctuations are inevitable, history has shown that gold remains a trusted asset in the long run. So, whether you're an investor looking for stability or a consumer planning a big fat Indian wedding, understanding the factors behind gold price hikes can help you make smarter financial decisions. After all, as Warren Buffett rightly said, "Gold is a way of going long on fear."

# FROM AUDIT ASSISTANT TO AUDIT MANAGER

**Apeksha A Kamath**
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Once we step into the world of Articleship, the experience of Auditing is undoubtedly one of the most thrilling processes any Articled Student is curious to embark upon and gain hands-on practical knowledge in.

Though the procedural aspects of conducting of an Audit Assignment could be similar to any other similar entity whose audit is also undertaken by the same entity, each Audit engagement, similar to the fact that the fingerprint of any 2 persons is not alike, entail within itself various other miniscule differences that sets it apart from others.

The precision and precisely quoting the "Professional Scepticism" is what ensures the accuracy in the conclusion derived by any Auditor and provides a basis for their opinion.

The theoretical understanding of the delicacies of Audit is already presented to an Articled Assistant during earlier stages of pursuing the Chartered Accountancy course, but the three (now two) years of Articleship serves as a guide for a future Chartered Accountant to practice proficiently as an Auditor of various types of entities.

This Article helps a beginner who is either yet to pursue their practical training or is clueless as to what happens in the real world when it comes to Audit of entities. This will help one debunk the simple Do's and Don'ts' while participating as a engagement team member in an Audit Assignment.

## I. THEORETICAL VS PRACTICAL AUDIT – AN INTRODUCTION :

The "Theoretical Audit" involves understanding the concepts, methodologies, and frameworks that provides a skeleton to conducting of an Audit. It focuses on the principles behind audit processes, regulations, auditing standards, and best practices which are best covered in our CA Curriculum at Intermediate as well as at Final Levels.

Theoretical audits don't concentrate on real-time examination of financial records or operations. Instead, they are concerned with the design, structure, and understanding of audit tools, techniques, and regulations that in-turn assist us to take up Audits.

On the other hand, a "Practical Audit" is the application of these theoretical concepts in real-life scenarios. It involves manually inspecting financial records, operations, and internal controls of an organization to ensure compliance with legal and regulatory standards on Auditing. A practical audit requires auditors to gather evidence, interview staff, conduct tests, and form judgments based on the data available.

The key difference between the two lies in the practical application of audit theory. While theoretical audits teach the "how" and "why," practical audits deal with the "doing" and "applying."

## II. VARIATIONS IN AUDIT PROCEDURES :

Auditing comes in various forms, each with unique characteristics, scope, and requirements. Here are some types of audits and the points that vary among them:

1. Financial Audit:

· This is the most common form, where the auditor evaluates the accuracy and fairness of an organization's financial statements.

The auditor examines financial records, transactions, and compliance with accounting standards.

2. Internal Audit:

· Internal audits focus on evaluating an organization's internal controls, risk management, and governance processes.

· They help organizations identify inefficiencies and ensure compliance with internal policies.

· Internal audits may be more frequent than external audits.

3. Compliance Audit:

· These audits ensure that an organization adheres to external regulations or internal policies.

Compliance audits often deal with industry-specific regulations, such as tax law, health regulations, or environmental standards.

4. Operational Audit:

· Operational audits assess the efficiency and effectiveness of business operations.

· Unlike financial audits, they don't focus on the financial statements but rather the operational processes, including performance, procedures, and resource utilization.

5. Forensic Audit:

· Forensic audits are more investigative in nature.

· Auditors scrutinize financial records to detect fraud, embezzlement, or other financial crimes.

· These audits often require gathering legal evidence for potential litigation.

The above types of Audit clearly states the variety of Audit an Auditor can perform and the scope, tools, and objectives of each audit vary greatly, which is why auditors must adapt to the specific needs of each audit type.

## III. HOW TO UPSCALE FROM AN AUDIT ASSISTANT TO AN AUDIT MANAGER :

For any Auditor aiming to progress in ones career by becoming an audit manager is a significant milestone. Here's a roadmap to move up the ladder from an audit assistant to meticulously handling the duties of an Audit Manager:

1. Gain Experience:

· As an audit assistant, acquiring diverse audit experiences is key.

· Taking part in different types of audits, learning about various industries, and understanding how to assess different financial statements.

· The broader your experience, the better your chances of landing future assignments.

2. Develop Technical Skills:

· Audit assistants must develop a thorough understanding of accounting standards, tax laws, financial reporting, and auditing software.

· Continuing education through professional certifications (such as CPA or ACCA) can significantly improve your prospects.

3. Work on Soft Skills:

· Moving to a managerial position requires excellent communication, leadership and team management skills.

· Auditors should focus on improving their interpersonal skills, including the ability to manage multiple tasks, handle conflicts, and guide teams.

4. Demonstrate Initiative:

· Being proactive is the key.

· Take on additional responsibilities, volunteer to assist in complex audit assignments, and seek opportunities to showcase your leadership and problem-solving skills.

· Engaging with clients and offering solutions will build your reputation within the firm.

5. Learning the importance of Documentation:

· Documentation provides evidence that all required audit procedures were performed.

· It demonstrates the thoroughness of the audit and ensures compliance with auditing standards.

6. Mentorship and Networking:

· Seeking guidance from senior auditors and engaging in industry networking events can open doors for career advancement.

· Take the words "Your Networth is defined by your Network" to heart.

## IV. CONCLUSION:

Delving and exploring the field of Audit and carrying out the same in an ethical way keeping all the threats to the conduct of Audit at bay can be a tricky yet a thrilling space for an Audit Manager to expand his professional services portfolio in.

While always maintain objectivity and impartiality and ensuring confidentiality whilst safeguarding client information plays vital role in Auditing, knowing to never compromise on Audit quality for speed or convenience is a key takeaway every reader experienced or inexperienced in Audit is to take away from this Article.

# MUTUAL FUND ANALYSIS - CHECKLIST FOR FINANCIAL FREEDOM

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In the last article, we learned about mutual funds, some basic terminology, how they work, and their classification. If you haven't read it, it is in the November Garuda; do check it out. In this article, we will explore the essential tools that we must use while analyzing and choosing from the thousands of mutual funds that are currently active.

**1. Beta: Measuring Relative Risk**

Beta measures the relative risk of a mutual fund compared to its benchmark index. In simpler terms, it indicates the fund's tendency to move in response to market movements. However, a common misconception is that if a fund has a beta of 0.93, it means that if the index rises by 10%, the fund will gain 9.3%. This is what happens because of Beta. In reality, beta indicates how volatile or risky a fund is compared to its benchmark based on historic price movements. Hence beta is not a guarantee of this outcome.

Interpretation of Beta:

Beta > 1: The fund is more volatile than its benchmark, implying higher risk.

Beta < 1: The fund is less volatile than its benchmark, implying lower risk.

Beta = 1: The fund moves in sync with its benchmark.

Is a High Beta Fund Risky?

A high beta means higher risk, but higher risk also means the potential for higher returns.

An active fund with a beta of 1 is as good as investing in a high-cost index fund as there is no active management at all. You might as well invest in a low-cost index fund and still get better returns over the long term.

For example, if a mutual fund benchmarked to NIFTY 50 has a beta of 1.5, then investors expect at least a 15% return if NIFTY 50 gains 10%, to compensate for the extra risk taken.

To determine if a high beta fund is good or bad, we must look at Alpha.

**2. Alpha: Adjusted Excess Return**

Alpha measures the excess return a fund generates compared to its benchmark, adjusted for risk.

The formula for Alpha: (Mutual fund return – Risk-free rate) – (Benchmark return – Risk-free rate)*Beta

(Mutual fund return – Risk-free rate) = Return generated by mutual funds for the risk taken.

(Benchmark return – Risk-free rate) = Return generated by benchmark for the risk taken.

(Benchmark return – Risk-free rate)*Beta = Multiplying beta adjusts for the risk taken.

Multiplying beta allows us to know the returns benchmark should have made for the risk taken by the mutual fund we are evaluating.

**Example Calculation:**

Fund Return: 11%

Benchmark Return: 8%

Beta: 0.75

Risk-free Rate: 5%

This means that, despite lower volatility, the fund generated a 3.75% alpha, outperforming the benchmark significantly.

**Impact of Beta on Alpha:**

If the same fund had a beta of 2 instead of 0.75, then:

A higher beta reduces alpha, highlighting the penalty for greater volatility. In this case, mutual fund and risk-adjusted return both come to 6% which means that you have generated a return equivalent to the benchmark but at even more risk. Here the wise decision would be to invest in a low-cost index fund instead.

**3. Capture Ratio: Evaluating Performance in Different Markets**

The capture ratio assesses how a fund performs compared to its benchmark in both bull and bear markets.

Types:

Upside Capture Ratio (>100% means the fund outperformed in a bull market)

Downside Capture Ratio (<100% means the fund lost less than its benchmark in a bear market)

**Example:**

If a fund has an upside capture ratio of 200 and the index grows by 76%, the fund has grown by 152%. Let's look at an example of a real fund. This is the capture ratio of HDFC Flexi Cap fund- Direct Plan-Growth option.

### Market Volatility Measures

| Capture Ratios | Investment | Category | Index |
|---|---|---|---|
| Upside | 108 | 95 | 47 |
| Downside | 61 | 92 | 2 |

Here it means that if the index has gone up by 47% then the HDFC Flexi cap has gone up by 50.76% (47%*108%) while the category average of upside ratio is 95% i.e. it has captured only 44.65% (47%*95%).

Ideal Capture Ratio:

A fund with high upside capture and low downside capture is desirable, indicating strong performance in rising markets while protecting capital in downturns.

**4. Standard Deviation: Measuring Volatility**

Standard deviation (SD) represents the fund's overall risk and volatility.

Higher SD Higher risk and greater price fluctuations.

Lower SD more stable returns.

For example, if a fund has an SD of 20%, it means the fund's value could fluctuate by ±20% annually.

**5. Sharpe Ratio: Risk-Adjusted Return**

Developed by William F. Sharpe in 1966, this metric measures return per unit of risk. It considers risk-free return and calculates the excess return given by the scheme and then uses standard deviation to give us one number.

This number tells us whether the high returns came at the cost of higher risk or smart and calculated fund management.

$$\textbf{Formula: } \frac{\textbf{Mutual fund returns} - \textbf{Risk-free rate}}{\textbf{Standard deviation}}$$

**Example:**

| Fund | Return | SD | Rf |
|---|---|---|---|
| A | 20% | 34% | 7% |
| B | 16% | 28% | 7% |

Here, Fund A has higher returns, but also higher risk. The Sharpe ratio helps determine which fund gives better risk-adjusted returns. The higher the ratio, the higher the returns for every unit of risk taken.

**6. Sortino Ratio: Adjusting for Downside Risk**

The Sortino ratio is an improved version of the Sharpe ratio that only considers downside risk, as retail investors are mainly concerned with losses.

A higher Sortino ratio tells us that the fund is safer as there is a lower chance of negative volatility. We are getting an excess return for a lower downside risk when the market goes down.

**7. Rolling returns:**

Mutual funds often present selective past returns—such as 2-year, 4-year, or 7-year returns—to highlight only their best-performing periods. However, as investors, we must look beyond these figures to get a realistic picture of a fund's performance.

This is where rolling returns come in. Rolling return is the annualized average return for the selected period beginning at a given start date and advancing one day sequentially till the last available date.

This method provides a more accurate and in-depth picture of a portfolio's performance as the return is calculated every day for the period under observation rather than being dependent on any specific time frame. You can use any timeframe that you wish to. 1 year is sufficient in most cases. However, it can be changed as per your choice.

To get my point through, let's look at this picture.


With a timeframe of 1 year, we choose today's date and look at the returns generated by that fund for the past 1 year from today and not the 1-year return that mutual funds want us to see. Similarly, we will plot it for the past (at least) 5 years or as much as data is available. And then we will compare the rolling returns of the past 5 years with other funds. What we are looking for is consistency of return. The higher and more consistent returns a mutual fund delivers, the better. Let's look at a hypothetical example:

| Timeframe | Fund A (Rolling returns) | Fund B (Rolling returns) |
|---|---|---|
| 25th March 2019- 25th March 2020 | 26% | 24% |
| 25th March 2020- 25th March 2021 | 15% | 21% |
| 25th March 2021- 25th March 2022 | 14% | 19% |
| 25th March 2022- 25th March 2023 | 17% | 20% |
| 25th March 2023- 25th March 2024 | 19% | 23% |

As can be seen, the rolling returns are more consistent in Fund B. Similarly, using rolling returns, you can determine whether the returns are generated by luck or with the fund manager's skills.

**8. Expense ratio:**

An expense ratio is the percentage of a fund's assets that it charges for managing the fund's assets. The lower the expense ratio, the better.

Key Takeaways

- Beta measures relative risk against a benchmark.
- Alpha represents the excess return adjusted for risk.
- Capture Ratio evaluates performance in bull and bear markets.
- Standard Deviation quantifies volatility.
- Sharpe Ratio measures risk-adjusted return using total risk.
- Sortino Ratio refines Sharpe by focusing only on downside risk.
- Rolling returns evaluates whether the historic performance was the fund manager's luck or skill
- The expense ratio is the maintenance charge levied by funds.

**Conclusion:**

If you do all this, will it give you the best mutual fund ever? No. There is no perfect mutual fund. Every fund will have good and bad years. What we do while choosing a mutual fund, is to find a mutual fund that gives us healthy returns while keeping risk low. While these are essential metrics, there are many other metrics that you could explore if you are interested in mutual funds. Happy learning!

# UNDERSTANDING THE MONEY MARKET: AN ESSENTIAL GUIDE

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**Introduction:**

The money market plays a crucial role in the financial system by facilitating short-term borrowing and lending. It is a key component of the economy that provides liquidity to businesses, governments, and financial institutions. In this article, we will explore the nature, instruments, participants, and importance of the money market.

**What is the Money Market?**

The money market is a segment of the financial market where short-term financial instruments with high liquidity and short maturities (usually less than one year) are traded. It is an essential mechanism for managing cash flow and meeting short-term funding needs.

**Key Instruments in the Money Market**

Several financial instruments are traded in the money market, each serving different purposes. Some of the most common ones include:

1. "Treasury Bills (T-Bills): These are short-term debt securities issued by the government to finance expenditures. They are considered risk-free and highly liquid.
2. Certificates of Deposit (CDs): These are time deposits issued by banks with fixed interest rates and maturity dates, commonly used by investors seeking safe short-term returns.

3. Commercial Paper (CP): Unsecured, short-term debt instruments issued by corporations to raise funds for working capital needs.
4. Repurchase Agreements (Repos): These are agreements where securities are sold with an agreement to repurchase them at a later date, often used by financial institutions to manage liquidity.
5. Bankers' Acceptances: These are short-term credit instruments used in international trade, backed by a bank's guarantee.

The money market comprises various players, including:
- Central Banks: They regulate and control money supply and interest rates.
- Commercial Banks: They participate by issuing certificates of deposit and engaging in interbank lending.
- Corporations: They use the market to obtain short-term funding for operations.
- Government Agencies: They issue treasury bills to manage fiscal policy.
- Institutional Investors: These include mutual funds, pension funds, and insurance companies seeking secure short-term investments.

**Importance of the Money Market**

The money market serves several critical functions in the economy:
1. Liquidity Management: It ensures that businesses and financial institutions have access to funds for short-term needs.
2. Interest Rate Stability: The money market influences short-term interest rates, helping central banks implement monetary policy effectively.

3. Efficient Allocation of Funds: It facilitates the transfer of funds from surplus units (savers) to deficit units (borrowers).
4. Safe Investment Avenue: Investors looking for low-risk options can invest in money market instruments with high liquidity and security.

**Conclusion :**

The money market is a vital part of the financial system, providing liquidity, stability, and efficiency in short-term financial transactions. By understanding its instruments, participants, and functions, businesses and investors can make informed decisions to optimize their financial strategies. As economies evolve, the money market continues to be a cornerstone in ensuring financial stability and economic growth.

# SMART WAYS FOR CA ARTICLES TO UTILIZE THEIR STIPEND: START AN SIP!

**M Abhijeet Kamath**
**SRO0804875**

As a CA article, getting a stipend is a thrilling milestone. It's your first step towards economic independence and an opportunity to build good money habits early. Although spending your stipend on lifestyle enhancements may be tempting, the ideal way to use it is to invest, at least a part of it. One of the easiest and most effective ways to do so is by investing in a Systematic Investment Plan (SIP) in mutual funds.

**Why Should CA Articles Consider Investing?**

Managing Finance well is an important skill for future CAs. The stipend that you earn might be small, but if invested regularly, it can add up considerably with the passage of time. Why is early investment a good idea ?

- Power of Compounding: Small sums invested regularly, in the right way can compound over the years to give good returns.
- Financial Discipline: Investing from an early age inculcates financial discipline and a savings culture, which may not seem appealing to many in the new generation.

• Long-term Wealth: Rather than letting your stipend lie idle, investing it can help you build long-term wealth. I know the amount may be small, but trust me-it's the act of starting that truly makes the difference.

• Beating Inflation: Keeping money in a savings account offers minimal returns—essentially, it's like losing value over time due to inflation. SIPs, on the other hand, can help generate inflation-beating returns in the long run.

## Learning About SIPs: The Smartest Way to Kickstart Your Investment Journey

A Systematic Investment Plan (SIP) allows you to invest a fixed amount in a mutual fund at regular intervals (monthly, quarterly, etc.). It removes the hassle of tracking daily market movements, as the fund house handles investment decisions for you.

## Why SIPs Are Perfect for CA Articles?

• Start Small: No need for a large investment; even ₹500 per month can set you on the right path.

• Rupee Cost Averaging: Buy more units when markets are low and fewer when they are high, lowering your average cost over time.

• Compounding Benefits: Even small, consistent investments grow exponentially in the long run.

• Disciplined Investing: Automating your investments helps you develop a saving and investing habit. By starting early, you're not just investing money—you're investing in your financial future

## Why You Shouldn't Halt SIPs Amid Volatility in the Markets

Most new investors get nervous during down markets and think of halting their SIPs. But, actually, the times of market falls are the perfect time to invest more! While the market is down, mutual fund units become more affordable for you, and you can buy more units. In the long run, this increases total returns. Example: You purchase 10 mutual fund units at ₹100 per unit today and subsequently purchase another 10 at ₹80 per unit. Your cost per unit on average is ₹90. When the market bounces back, your profits rise exponentially!

## Parag Parikh Flexi Cap Fund: A Case Study

The Parag Parikh Flexi Cap Fund is a well-managed, high-performing fund that has consistently provided strong returns. Managed with discipline, it is designed for long-term investors. Key highlights include:

- Value-Driven Strategy: The fund invests in fundamentally strong businesses rather than chasing short-term market trends.
- Global Diversification: It spreads risk by investing in both Indian and international markets.
- Downside Protection: The fund employs excellent risk management techniques to minimize losses during market declines.
- Strategic Cash Reserves: The fund maintains cash reserves, allowing it to take advantage of opportunities when the market is favourable.
- Long-Term Focus: The fund is structured to create wealth over many years, making it suitable for investors with a long-term horizon

If you prefer a more passive, low-cost strategy, a Nifty 50 Index Fund, which mirrors the performance of the stock market, could be an alternative. Additionally, there are various other funds across different categories that may also suit your investment needs, including:

• Nippon India Small Cap Fund: Focuses on smaller companies with high growth potential but higher risk.
• Kotak Emerging Equity Fund: Invests in emerging sectors with strong growth opportunities.
• Motilal Oswal Mid-Cap Fund: Targets mid-sized companies with strong growth prospects. It follows a high conviction approach.
• UTI Nifty 200 Momentum 30 Fund: Invests in the top 30 stocks from the Nifty 200 index showing strong momentum.

Please note that the funds mentioned above are just examples of investment options and not recommendations. There are numerous other mutual funds, investment strategies, and financial products available that may suit your individual financial goals and risk tolerance. Do your thorough research and consider consulting with a financial advisor before making any investment decisions.

## Creating a Smart Financial Future

Investing your stipend sensibly is not only about increasing money—it's about creating financial independence, discipline, and security. As a future CA, you are going to counsel clients on money matters. Being a role model by starting an SIP will not only serve you well but also upgrade your money sense.

Key Takeaways

- Start investing early.
- Stay consistent with SIPs/Investing, even in market downturns.
- Let compounding work its magic.
- Think long-term—your future self will thank you!

If you haven't started yet, take a few minutes today to explore mutual fund platforms and set up your first SIP (obviously after doing your own research). The sooner you begin, the greater the impact!

**Disclaimer: Mutual fund investments are subject to market risks. Please conduct your own research or consult a financial advisor before making any investment decisions. This article is intended to help you understand how you can utilize your stipend effectively by investing in mutual funds. It should not be considered as a recommendation. For educational purposes only.**

# W.O.M.E.N – THE MANY SHADES OF HER

Woven in strength, yet gentle in grace,
She walks with courage, setting her pace.
No storm can shake the fire inside,
A warrior, a healer, a nation's pride.

Overcoming odds with unyielding might,
She turns her scars into beams of light.
Dreams in her eyes, a spark so divine,
A leader, a thinker, destined to shine.

Molding the world with wisdom and care,
Her love is a gift, so pure and rare.
With hands that nurture, hearts she mends,
A mother, a sister, a lifelong friend.

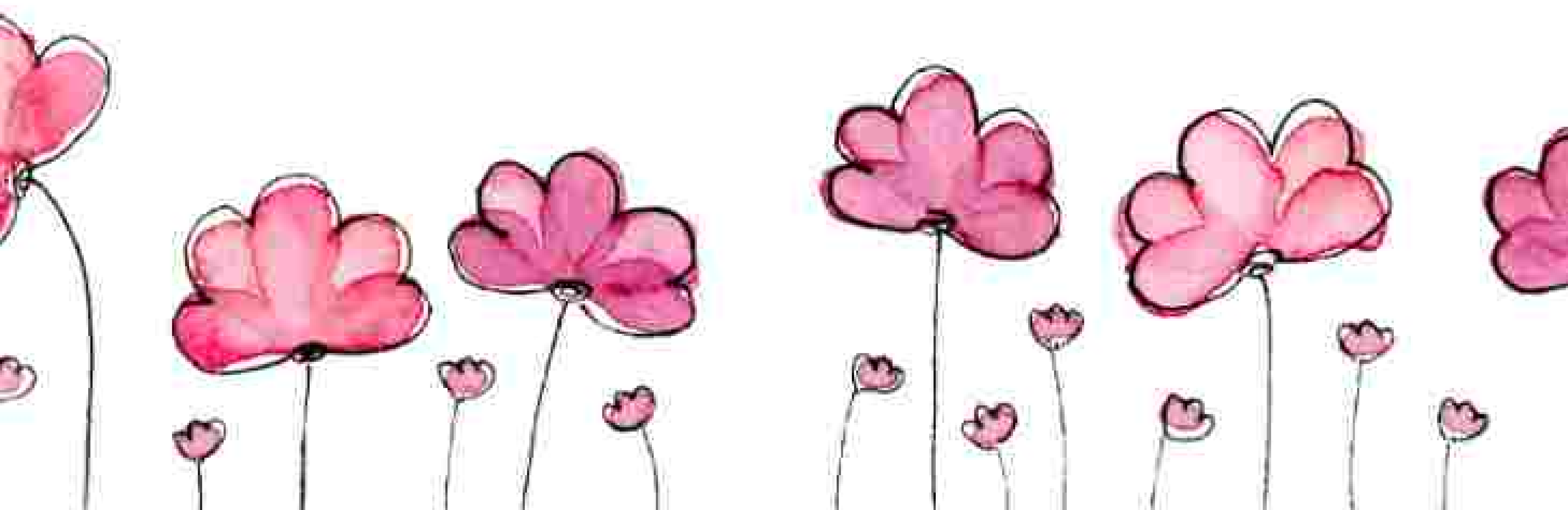
Empowered soul, unchained and free,
She paints her fate like the endless sea.
Breaking the barriers, daring to soar,
A voice of change forevermore.

Never a shadow, she glows like the sun,
Fearless and bold, her journey's begun.
With passion and power, she rises again,
For she is WOMEN—beyond just a name!

**MORAY VENKATA SAHITYA**
**SRO0793578**

**Every girl, Be powerful like DURGA, Wise like SARASWATI, Abundant like LAKSHMI and Unstoppable like KALI. The divine isn't outside, its within you and moreover it's YOU…!!!**

# ART GALLERY



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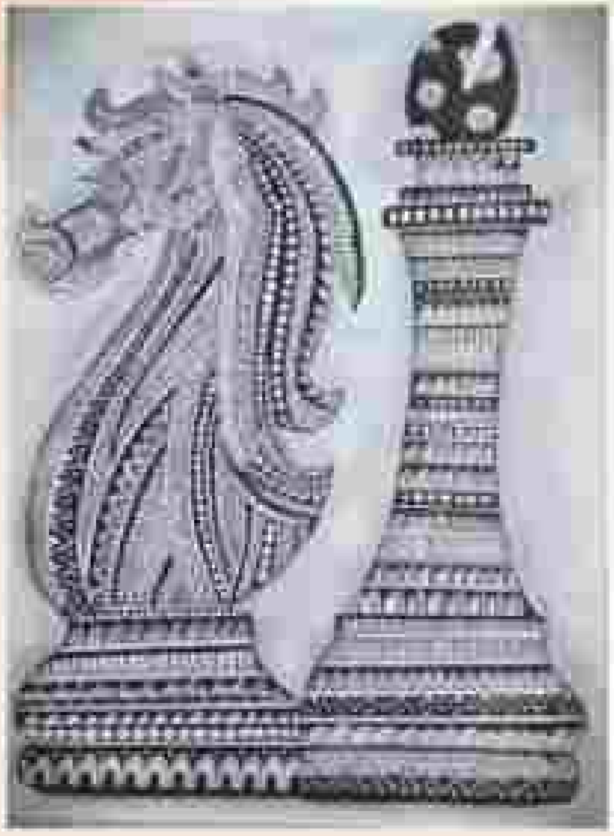

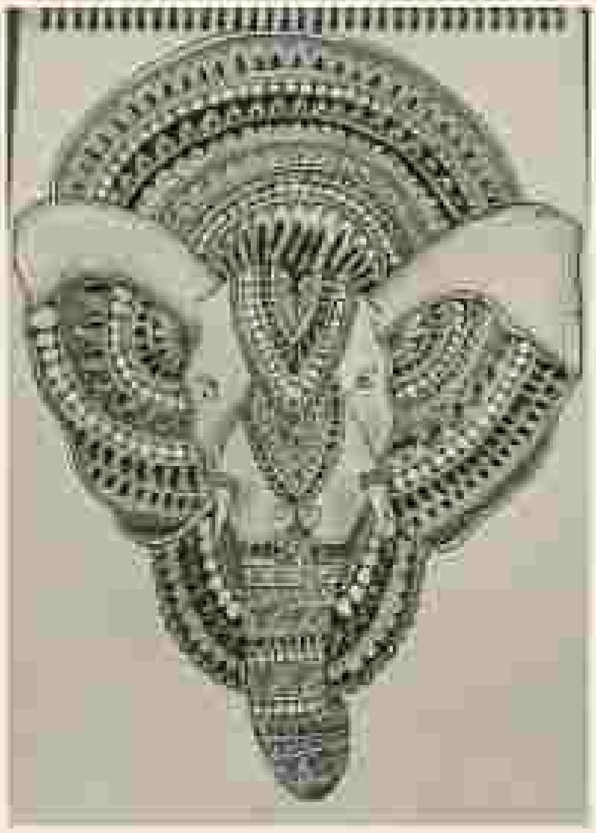

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# UPCOMING EVENTS

1. Funfiesta
2. Study circle
3. National Talent Search
4. Industrial visit

# EDITOR OF THE MONTH

**Avinash Bhat K**

**SRO0781000**