# INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

## CHHATRAPATI SAMBHAJINAGAR BRANCH OF ICAI, WIRC

## NEWS LETTER FOR JUNE 2025

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# Chairman's Message

Dear Professional Colleagues,

May was a month of well-rounded engagement for the CSN Branch, reflecting our continued dedication to the holistic development of our members and students. We began with a detailed seminar on Audit Quality Aspects, followed by a webinar introducing the power of early investing and technical analysis—both aiming to strengthen professional acumen and financial foresight.

In a unique wellness initiative, we hosted **daily virtual yoga sessions**, promoting both mental clarity and physical well-being—reminding us that self-care is equally important in our journey. Members gained valuable insights through sessions on Project Finance, industry-specific seminars, and practical guidance on navigating post-qualification opportunities.

Our young aspirants benefitted from the inspiring "All-in-One CA Guide" webinar, helping them balance exam pressure, articleship responsibilities, and personal growth. A highlight of the month was our **Residential Refresher Course in Goa**, where learning met leisure in the best way possible. We also proudly participated in the **Lokmat Educational Fair**, increasing awareness of the CA profession among students and parents.

As we move into June, the spirit of energy and celebration continues. We kick off with a **Cyclothon** on June 15—promoting fitness and environmental awareness among members. On **June 17**, we proudly celebrate **Branch Foundation Day**, marking the legacy and growth of our vibrant CSN Branch.

A major highlight this month will be the **Two-Day National Conference on GST**, scheduled for **20th and 21st June**—bringing together industry experts, thought leaders, and professionals for deep discussions on this evolving domain. We'll conclude June with a focused seminar on **MSMEs**, furthering our efforts to support India's economic backbone.

And just as June ends, we look ahead to the grand celebration of **CA Day on 1st July**—a tribute to the spirit, dedication, and integrity of the chartered accountancy profession.

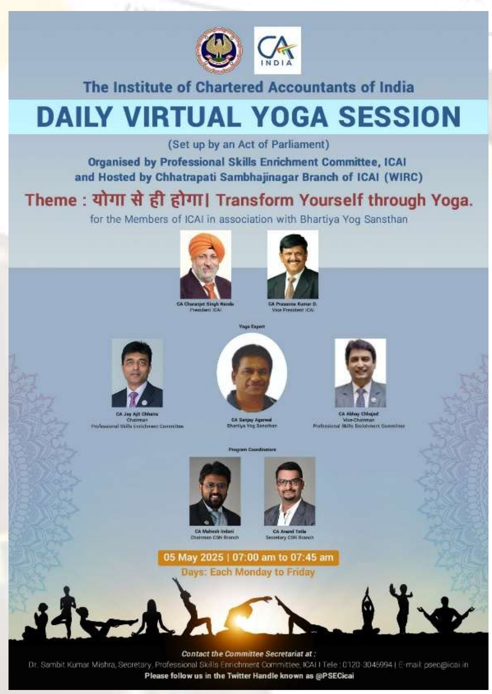
I invite each one of you to be part of these enriching programs and continue contributing to the growth and excellence of our community. Let's keep the momentum alive and make every step forward count.

Warm regards,
***CA Mahesh Indani***
Chairman, CSN Branch of ICAI (WIRC)

# Photos and Activities for the Month May 2025

1. Dated 2 May 2025, One day Seminar on Audit Quality Aspects, Floral welcome of Chairman , Centre of Audit Quality directorate CA Pramod Jain by Chhatrapati Sambahjinagar Branch Chairman CA Mahesh Indani,

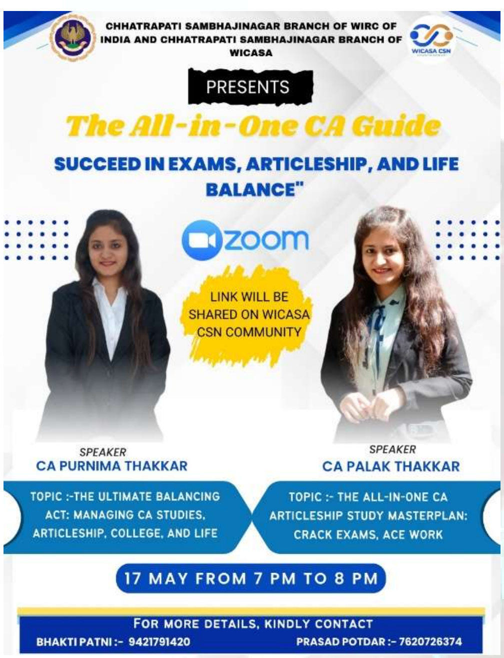

2. On 3rd May 2025, Online Webinar was conducted on Advantages of Early Investing by CA Abhinav Sharma.




3. Dated 5 May 2025, Daily Virtual Yoga Sessions for Chartered Accountants by CA Sanjay Agarwal from Bhartiya Yog Sansthan

4. Dated 10 May 2025, Half day Seminar on Project Finance, Floral welcome of Speaker CA Sachin Lathi by Chhatrapati Sambhajinagar Branch Chairman CA Mahesh Indani.


5. On 10th May 2025, Online Webinar was conducted on Opportunities after CA by CA Harshada Wankhede.




6. On 17th May 2025, Online Webinar was conducted on Succeed in Exams, Articleship, and Life Balance by CA Purnima Thakkar, CA Palak Thakkar.

7. GOA RRC Conducted from 24th May to 29th May 2025 along with Dhule Branch of WICASA.

8. Dated 30 May 2025, One day Seminar for Members in Industries, Presentation of Momento to Speaker CA. Guatam Lath by Branch Chairman CA. Mahesh Indani, Branch Vice Chairman CA. Amol Godha and Branch Treasurer CA. Rafeeque Pathan

9. Dated 30 May 2025, Lokmat Educational Fair, Inaugural Function at Lokmat Bhawan, Chhatrapati Sambhajinagar

# Cybersecurity for Industry Professionals: A Strategic Priority for Finance Experts

- CA Ajay Bhandari

🔐 **Cybersecurity for Industry Professionals: A Strategic Priority for Finance Experts**

In the modern digital economy, cybersecurity is no longer a niche IT topic—it has become a core concern for every industry professional. For Chartered Accountants, auditors, CFOs, and finance controllers, the stakes are especially high. These professionals regularly handle sensitive information such as banking data, customer identities, tax records, and confidential financial statements. A cyber breach in this context doesn't just mean inconvenience—it can mean crippling financial losses, legal penalties, reputational harm, and broken client trust. The growing adoption of online accounting tools, remote working environments, email-based communication, and cloud data storage has exposed even traditional finance functions to digital vulnerabilities. As a result, professionals in finance must evolve beyond spreadsheets and ledgers—they must now also understand digital risks and defenses.

🎯 **Why Are Finance Professionals Prime Targets?**

Hackers and cybercriminals are no longer only focused on IT systems or tech firms. Today, they actively target professionals and organizations that deal with financial decision-making. Why? Because finance professionals have privileged access to:

- Bank accounts and payment systems
- Corporate and personal tax details
- Vendor and client financial agreements
- Regulatory filings and sensitive audit observations

These data points are highly valuable in the wrong hands—whether for identity theft, corporate fraud, or ransomware extortion. A well-crafted phishing email posing as a government notice or internal instruction can easily deceive even experienced staff. Once access is gained, attackers can manipulate records, transfer funds, or demand ransoms. In fact, one of the most dangerous forms of cyber fraud today is Business Email Compromise (BEC)—where attackers impersonate legitimate company email addresses to trick finance teams into making unauthorized transactions.

🛡️ **Strengthening the First Line of Defence: Email Authentication Protocols**

One of the most effective ways to prevent email-based attacks is by configuring your domain with three critical security protocols:

1. SPF (Sender Policy Framework) – Think of this as a whitelist for your email servers. It ensures that only authorized servers can send emails on your domain's behalf.

2. DKIM (DomainKeys Identified Mail) – This attaches an encrypted digital signature to outgoing emails, verifying that they haven't been altered in transit.
3. DMARC (Domain-based Message Authentication, Reporting, and Conformance) – DMARC works in combination with SPF and DKIM to block suspicious emails and report back to your organization on any misuse of your domain.

These three settings are technical but simple to configure with the help of your domain administrator. They significantly reduce the chances of your business being impersonated online—a crucial protection layer for chartered accountancy firms and finance departments alike. A free tool like mxtoolbox.com can help verify whether your domain is currently protected or vulnerable.

### ⚖️ The Legal and Regulatory Landscape: Why Compliance Matters

Beyond reputation and internal safeguards, cybersecurity today is also a matter of law and regulatory obligation. Indian finance professionals must be aware of two key frameworks: the Digital Personal Data Protection Act (DPDPA), 2023 and the RBI Cybersecurity Guidelines.

### 📜 Digital Personal Data Protection Act, 2023

This law governs the processing of personal data and imposes clear responsibilities on organizations:

- Consent-first approach: Personal data must be collected only with freely given, informed consent.
- Purpose limitation: Data should only be used for the purpose stated at the time of collection.
- Rights of individuals: Every individual (called the "Data Principal") has the right to access, correct, or erase their data.
- Breach notification: If a data breach occurs, it must be reported to the Data Protection Board within prescribed timeframes.

The law introduces steep penalties, such as:

- Up to ₹250 crore for breaches due to lack of safeguards
- ₹200 crore for misuse of children's data
- ₹50 crore for failing to report a breach
- ₹10 crore for absence of grievance redressal mechanisms

This makes compliance not just a legal formality but a serious business risk.

### 🏦 RBI Cybersecurity Guidelines for Banks and NBFCs

The Reserve Bank of India has also issued specific cybersecurity guidelines applicable to Regional Rural Banks (RRBs), Co-operative Banks, Urban Cooperative Banks, and NBFCs. These guidelines include:

- A board-approved cybersecurity policy

- Installation of endpoint security and anti-malware tools
- Conducting Vulnerability Assessment and Penetration Testing (VAPT) every year
- Regular system patching and asset classification
- Incident detection systems to identify cyber intrusions in real time

RBI also expects these entities to maintain audit trails for all core systems and actions—meaning logs that show what was changed, who changed it, and when. For example, a modified journal entry in Tally or a change in vendor master in SAP must be traceable through logs.

### 🛠️ Practical Cyber Hygiene for Professionals

Cybersecurity is not just about tools—it's about behaviour. Every finance professional should follow a set of practical habits that significantly reduce cyber risk:

- Always use VPNs when accessing company data remotely
- Avoid using public Wi-Fi for financial operations
- Never click on suspicious or unexpected links, even if they appear internal
- Use multi-factor authentication (MFA) for email and accounting software
- Store data in encrypted and access-controlled systems
- Set up automatic data backups and test recovery regularly
- Educate your team and clients about phishing and fake websites

Also, USB-based threats are on the rise. Organizations should consider restricting USB port access and using Endpoint Data Loss Prevention (DLP) tools to block malware or data leakage via pen drives.

### 📄 ISO 27001: Building Credibility Through Certification

For firms and professionals dealing with high-stakes clients, especially in BFSI, pharma, or IT sectors, obtaining ISO 27001 ISMS Certification is a wise step. It demonstrates that your organization adheres to international standards of data security and risk management. It can also serve as a competitive advantage when bidding for contracts or being audited by global clients.

### 🔁 From Reaction to Preparedness: The Way Forward

Cybersecurity is not just a technical setup; it's a culture. It requires leadership support, ongoing training, regular audits, and proactive planning. Unfortunately, many organizations act only after a breach—by then, the damage is already done. As finance professionals, we must shift from reactive defense to proactive preparedness. Start with simple steps like domain protection, password hygiene, and data access controls. Review your compliance posture under laws like DPDPA. Conduct mock drills, phishing simulations, and regular IT audits. Create a cybersecurity incident response plan—even a basic one is better than none.

**Conclusion: Cybersecurity Is Everyone’s Responsibility**

In today’s digital landscape, cybersecurity is no longer an IT issue—it is a business survival issue. Financial professionals cannot afford to ignore it. Whether you are a practicing CA, an auditor, or a CFO, it is your responsibility to protect not just numbers, but the trust your clients and stakeholders place in you. With rising digital threats, tightening regulations, and increasing client expectations, embracing cybersecurity is not optional—it’s essential. By staying informed, vigilant, and compliant, we can ensure that our profession remains both secure and future-ready.

# 💼 Empowering MSMEs: A Comprehensive Guide to Government Subsidies, Incentives, and Digital Platforms

- CA Sachin Tulsyan

India's Micro, Small, and Medium Enterprises (MSMEs) are a foundational pillar of the country's economic landscape. With over 7 crore MSMEs across sectors and geographies, the segment contributes approximately 30% to the nation's GDP, 45% of total exports, and generates over 27 crore direct jobs. These enterprises are instrumental in fostering rural employment, innovation, and inclusive growth. Given their economic significance, both the Central and State Governments have designed a wide array of financial incentives, policy frameworks, and digital platforms to support and strengthen the MSME ecosystem.

For finance professionals, entrepreneurs, consultants, and advisors, understanding these schemes is crucial. This article explores the key MSME definitions, benefits, challenges, and most importantly—the expansive basket of subsidies and funding mechanisms available to MSMEs in India, particularly in Maharashtra.

### 🔍 Understanding the MSME Classification

The definition of MSMEs has been revised to reflect a broader and more inclusive approach. As per the latest criteria (revised in 2025), enterprises are classified based on investment in plant and machinery and turnover, regardless of whether they are in manufacturing or services.

However, some activities are **excluded** from MSME benefits—such as forest logging, fishing, aquaculture, household service activities, and undifferentiated goods/services production. Notably, wholesale and retail trade are excluded except for priority sector lending eligibility.

### 📑 Key Benefits of MSME Registration

Registering under the MSME (Udyam) framework opens the door to a multitude of advantages:

- **Procurement Access**: Registration on the Government e-Marketplace (GeM) enables participation in public procurement tenders.
- **Invoice Financing**: Eligibility to register on the TReDS platform for invoice discounting and quicker cash flow.
- **Dispute Resolution**: Access to MSME Samadhaan for redressal of delayed payments.
- **Banking Support**: Preferential treatment by banks under priority sector lending norms.

- **Collateral-Free Loans**: CGTMSE scheme offers loans up to ₹10 crore without collateral.
- **Lower Interest on Machinery Finance**: SIDBI and other institutions offer concessional rates.
- **Income Tax Benefit**: Disallowance under Section 43B(h) ensures payments to MSMEs are made within 45 days.

### 🚧 Key Challenges Faced by MSMEs

Despite their potential, MSMEs in India face several operational and financial challenges:

- Difficulty in accessing formal credit due to lack of collateral.
- Delays in payments from large buyers or government entities.
- Shortage of skilled labour, especially in adopting modern technologies.
- Tough competition from larger enterprises.
- Limited awareness of schemes and digital platforms available to them.

These hurdles often limit growth, scale, and innovation—necessitating strong institutional and financial support.

### 🏛️ Central and State Government Incentives for MSMEs

Government support is available through **both Central and State schemes**, which are broadly classified into:

- **Credit-linked vs Non-credit linked subsidies**
- **Front-ended (received upfront) vs Back-ended (received after investment)**

### 🟠 Maharashtra's PSI 2019 Scheme

The **Package Scheme of Incentives (PSI) 2019** by the Government of Maharashtra is a flagship subsidy program offering capital and operational support to MSMEs.

- **Coverage**: New as well as expansion projects across the state.
- **Eligibility**: Investment in land, building, plant & machinery; Udyam registration; pollution control clearance.
- **Area Classification**: Maharashtra is divided into 7 zones (A, B, C, D, D+, No Industry Area, Aspirational Districts). Subsidy rates vary by zone.
- **Capital Subsidy**: Ranges from 30% to 100% of Fixed Capital Investment (FCI).
- **Tenure**: Benefits are available for 7 to 10 years.
- **Nature**: Subsidy is back-ended and not credit-linked.

Expansion units are eligible if they meet certain criteria, such as at least 25% additional investment and 10% employment growth.

### 🟢 Additional State Incentives

- **Chief Minister's Food Processing Policy (2017)**: Offers up to ₹50 lakh subsidy (or 30% of project cost) for food/agri processing units.

- **CMEGP Scheme (Employment Generation):** Credit-linked subsidy for manufacturing units with project cost up to ₹50 lakh; available to entrepreneurs up to 45 years of age (50 for women).
- **Stamp Duty, Power Tariff & SGST Refunds**: Included in the incentive basket under PSI 2019.

### 🏢 Central Government Subsidies and Sector Schemes

The Central Government has designed sector-specific financial incentives aimed at building infrastructure and scaling capacities:

- **National Agri Infra Fund**: 3% interest subsidy on loans up to ₹2 crore for projects like cold storages, warehouses, tissue culture, seed processing, and organic input manufacturing.
- **NHB Cold Storage Scheme**: 35% capital subsidy for storage infrastructure between 5,000–10,000 MT.
- **PM Kisan SAMPADA Yojana**: Offers 35% subsidy (up to ₹5 crore) for setting up or expanding food processing units in fruits, dairy, poultry, cereals, and ready-to-eat food sectors.

### 💰 Financing Options: Banks and Institutions

Recognizing the finance gap for MSMEs, several structured loan schemes are available:

- **CGTMSE**: Provides collateral-free term and working capital loans up to ₹10 crore. Banks charge minimal guarantee fees, and many PSU banks have special MSME verticals.
- **Stand-Up India**: Tailored for SC/ST and women entrepreneurs, this scheme offers loans up to ₹50 lakh for greenfield projects.
- **SIDBI Schemes**: Offer low-interest loans and flexible terms for machinery, expansion, and technology adoption.

Start-up dedicated branches and SME cells (e.g., SBI SME Cell, BOB SME Loan Factory) offer streamlined access.

### 🛒 GeM Portal: Digital Procurement Marketplace

The **Government e-Marketplace (GeM)** is an e-commerce platform that facilitates procurement by government bodies. MSMEs can register as sellers and list their products and services.

- **Zero Registration Cost**: No fees to register.
- **Open to Professionals**: As per ICAI's 2022 clarification, CA firms can also register for professional service offerings.
- **Procurement Volume**: Over ₹2.5 lakh crore orders processed in FY 2023–24.

GeM ensures transparency, fair pricing, and easy access to public procurement.

### 🧾 TReDS: Faster Cash Flow Through Invoice Discounting

**TReDS (Trade Receivables Discounting System)** enables MSMEs to convert their unpaid invoices into immediate cash through financiers. It's regulated by the RBI and operated through platforms like:

- www.rxil.in
- www.m1exchange.com
- www.invoicemart.com

Benefits include 24-hour funding, no collateral requirement, and digital processing. It's especially useful for MSMEs supplying to large corporates or government departments.

### ⚖️ MSME Samadhaan: Addressing Delayed Payments

MSME Samadhaan is an online portal to help Micro and Small Enterprises resolve delayed payment issues. Under Section 16 of the MSMED Act, buyers who delay payments beyond 45 days are liable to pay compound interest at thrice the RBI bank rate.

- **Eligibility**: Only Micro and Small Enterprises with Udyam registration can apply.
- **Application**: Free filing on the Samadhaan portal; can be assisted by CA professionals.
- **Timeline**: Facilitation Councils (MSEFCs) are required to resolve disputes within 90 days.
- **Enforcement**: Buyers must deposit 75% of the awarded amount before challenging the decision in court.

Cases are monitored at ministerial levels and decisions are published on the public domain portal.

### 📌 Final Takeaway: MSMEs Must Leverage What's Available

India's MSME policy ecosystem is evolving rapidly to align with economic needs and global standards. With the right guidance, these enterprises can avail a wealth of benefits—ranging from financial aid to compliance relief and digital market access.

For Chartered Accountants, consultants, and finance professionals, this is an opportunity to empower clients and small businesses with structured advice on:

- Selecting the right scheme
- Preparing documentation
- Navigating government portals
- Structuring projects for subsidy eligibility

MSMEs are not just the "missing middle" of the economy—they are the bridge between informal entrepreneurship and formal industrial growth. With informed participation, they can lead India's march toward becoming a $5 trillion economy.

# 📈 Opportunities in SME IPOs: Unlocking Capital & Growth for Indian Enterprises

- *CA Gautam Lath*

India's entrepreneurial ecosystem has evolved tremendously over the last decade. At the heart of this transformation lies the growing success of **SME Initial Public Offerings (IPOs)**—a powerful mechanism for small and medium-sized enterprises to raise capital, enhance visibility, and build trust in financial markets. With over 62.5 million MSMEs in India and just around 7,575 listed companies, there remains immense untapped potential for SMEs to transition into publicly listed entities.

To democratize early-stage investment and help emerging businesses tap into formal capital markets, **SME exchanges** were introduced. These platforms—BSE SME and NSE Emerge—are tailor-made for smaller companies that are ready to grow but constrained by private financing options.

### 💡 The Thought Behind SME Listings

The philosophy of SME listing is simple: **A big business starts small**. SME IPOs allow common investors to participate in early-stage companies, while entrepreneurs benefit from access to equity capital without giving up complete control. As of 2025, SME IPOs have begun dominating new listings—accounting for over **92% of IPOs in 2025** alone. This upward trend is driven by favorable SEBI regulations, high listing gains, and increasing investor appetite.

### 📊 Market Performance and Growth

In 2024 alone, **244 SME IPOs were listed**, raising over ₹9,395 crore with an average **listing gain of 63%**. The **total market capitalization of SME IPOs has crossed ₹34,000 crore**, with consistent double-digit wealth creation across recent years. The BSE SME index has delivered annualized returns of up to **96.68%**, showcasing the growing depth, confidence, and opportunity in this segment.

The growth has not been limited to numbers. Platforms have matured technologically and operationally. The **BSE SME Exchange has grown by 500%**, while **NSE Emerge has surged by over 9,157%** since their inception in 2012.

### 🏛 Recent SEBI Reforms: A Boost to SME Listings

SEBI has implemented progressive reforms to enhance governance, protect investors, and streamline SME IPOs. Key amendments include:

- Minimum operating profit of ₹1 crore in 2 of last 3 years for IPO eligibility
- **Cap of 20% on Offer for Sale (OFS)** in issue size, while allowing shareholders to sell up to 50% of their holdings
- **Cap of 15% or ₹10 crore on general corporate purposes** from IPO proceeds

- Proceeds cannot be used to repay **promoter or related-party loans**
- DRHP must be kept open for **21 days for public comments**, with QR code access
- Further capital raise possible **without migrating to Main Board**, subject to LODR compliance
- Mandatory adherence to **Main Board norms on Related Party Transactions (RPT)** even without migration

These steps ensure better transparency, accountability, and alignment with investor interests—making SME IPOs more secure and accessible.

### 📈 SME IPO vs Main Board IPO: What's the Difference?

Compared to main board IPOs, SME IPOs are designed with **lower compliance burden** and **faster processing**. Key differences include:

- Post-issue capital for SME IPOs is capped at ₹25 crore
- Minimum 50 allottees (vs 1,000 in main board)
- Minimum application size ₹1 lakh (SME), ₹10,000–₹15,000 (Main board)
- DRHP is reviewed by stock exchanges for SMEs, SEBI for main board
- Reporting is **half-yearly for SMEs, quarterly for main board**
- Listing timeline for SME IPOs is shorter—**3 to 6 months** vs 12 months

This makes SME IPOs not only **cost-effective** but also **time-efficient**, especially for growing companies with a strong business model but limited capital.

### 📊 Wealth Created Through SME IPOs: A Decade of Impact

SME IPOs have created tremendous value for companies and investors alike. The year-wise data illustrates this clearly:

- In 2024, 245 IPOs raised ₹9,396 crore, creating market cap of ₹58,530 crore—**71% wealth growth**
- In 2023, 179 IPOs raised ₹4,822 crore, now worth ₹42,012 crore—**148% growth**
- In 2022, 108 IPOs raised ₹1,942 crore, now worth ₹20,903 crore—**209% growth**
- Since 2012, IPOs worth ₹97 crore are now valued at over ₹1,499 crore—**15x wealth creation**

These figures underscore how SME IPOs have not only raised capital but multiplied it, benefitting promoters, investors, and the broader economy.

### 🧾 The Listing Process: Step-by-Step Journey

The path to an SME IPO includes several well-defined steps:

1. **Appointment of Merchant Banker**
2. **Due diligence and restructuring**
3. **Conversion to a Public Limited Company**

4. **Appointment of independent directors**
5. **Preparation and filing of the offer document**
6. **Stock exchange and ROC approvals**
7. **Issue opening, subscription, and allotment**
8. **Completion of post-issue compliance**
9. **Listing of shares**
10. **Ongoing regulatory compliance**

Though regulatory and documentation-heavy, the process is efficient and well-supported by intermediaries and exchanges.

### 🎯 Benefits of Listing on SME Exchange

The advantages of SME IPOs go beyond capital raising:

- **New Collateral**: Listed equity enhances creditworthiness and eases future loan access
- **Brand Building**: Boosts visibility, trust, and stakeholder goodwill
- **Strategic Partnerships**: Listing credibility can facilitate M&A, JVs, and strategic tie-ups
- **Valuation Discovery**: Market capitalization reflects fair value
- **Improved Banking Relations**: Enhances borrowing capacity and reduces risk perception
- **Liquidity for Promoters**: Creates partial exit opportunities

### 🧮 Role of Chartered Accountants in SME IPOs

CAs are integral to the SME IPO ecosystem. Their responsibilities include:

- **Restating and certifying financial statements for past 3 years**
- Preparing **tax benefit statements**, **valuation models**, and **business forecasts**
- **Financial due diligence** and assisting in DRHP documentation
- Ensuring compliance with SEBI and ICAI disclosure norms

Today's Chartered Accountants are not just financial gatekeepers—they are **comprehensive business advisors** enabling MSMEs to scale through capital markets.

### 🧭 Final Thoughts: Time to Think Bigger

SME IPOs represent a massive opportunity for entrepreneurs seeking to scale. They offer a structured, transparent, and empowering route to mobilize equity capital, increase business legitimacy, and multiply wealth. With supportive regulations, rising investor participation, and proven success stories, SME IPOs are no longer a niche—they are the new normal for ambitious businesses.

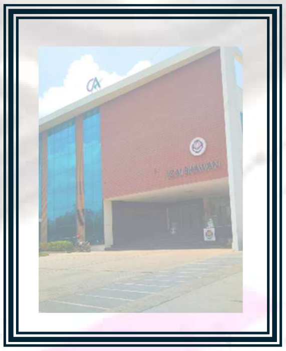
For Chartered Accountants and finance professionals, this space is a high-potential advisory domain. From feasibility to execution, their guidance can be the difference between a missed opportunity and a growth breakthrough.

As India inches closer to becoming a global economic powerhouse, SME IPOs will be key drivers in building **Aatmanirbhar Bharat** and realizing the **$5 trillion economy vision**.

## Upcoming events

1. 15th June 2025 – Cyclothon


2. 20th and 21st June 2025 – Two days National conference on GST



3. 17th June 2025 – Branch Foundation Day


4. 28th June 2025 – Seminar on MSME

5. 1St July 2025 – CA Day celebration