



## IN THIS ISSUE

**CHAIRPERSON'S COMMUNIQUE** **PAGE 2**

---

**ARTICLE: MSME** **PAGE 3**

---

**ARTICLE: CAPITAL MARKET** **PAGE 7**

---

**GST UPDATES** **PAGE 9**

---

**DUE DATES CALENDAR** **PAGE 12**

---

**PHOTOS OF EVENTS** **PAGE 14**

---

# Chairperson's Communique



Another productive and dynamic month has gone by that overflowed with activities aimed towards professional and personal development of our members.

- During the month of September, in presense of Keshubhai Patel (MLA of Bhuj) Bhuj Branch of ICAI and Chamber of Commerce and Industry Federation Bhuj Kutch jointly organised ICAI MSME Yatra on the theme of **Financial and Tax Literacy by CA Mehul Lodariya and CA Bhaumik Shah.**
- Managing Committee of Bhuj Branch had organised Career counselling programme in schools and college of Nakhatrana region.

I take this occurrence to remark a sense of gratefulness to the faculties for enriching the members with their knowledge and branch Managing Committee for their joint participation.

**With Regards,**  
**CA Jagdish Hirani**  
**Chairperson – Bhuj Branch of WIRC of ICAI.**

## MANAGING COMMITTEE

**CA Jagdish Hirani**  
Chairperson

**CA Bharghav Shankarwala**  
Vice Chairperson & Treasurer

**CA Manisha Joshi**  
Secretary

**CA Hardik N. Thakkar**  
WICASA Chairperson

**CA Vijay Thacker**  
Immediate Past Chairperson

**CA Zahir Memon**  
Past Chairperson

## MSME Finance Schemes

### A Comprehensive Overview of Loan Options and Documentation Requirements

CA Ami Desai

Micro, Small, and Medium Enterprises (MSMEs) contribute significantly to the Indian economy, providing employment, promoting regional development, and enhancing exports. Recognizing the critical need for financial assistance, the government has launched several loan schemes to meet the funding needs of MSMEs. These schemes, offered through various financial institutions, aim to streamline credit access and encourage entrepreneurship. This article provides an overview of prominent MSME finance schemes and detailed documentation requirements to help business owners prepare for loan applications.



#### **Prime Minister's Employment Generation Programme (PMEGP)**

##### Objective:

PMEGP aims to generate sustainable employment opportunities by encouraging youth and artisans to start micro-enterprises in rural and urban areas. The program discourages occupational migration by supporting entrepreneurial ventures through financial aid and margin money subsidies.

##### Key Features:

###### 1. Financial Assistance:

- Manufacturing Sector: Loans up to ₹50 lakh
- Service Sector: Loans up to ₹20 lakh

###### 2. Subsidy Structure:

- Special Categories (SC/ST/OBC/Women/Ex-Servicemen/Transgenders, etc.):
  - 35% subsidy in rural areas
  - 25% subsidy in urban areas
- General Category:
  - 25% in rural areas
  - 15% in urban areas

###### 3. Own Contribution:

- General Category: 10% of the project cost
- Special Category: 5% of the project cost

##### Eligibility Criteria:

- Any individual aged 18 years or above.
- Applicant must not have availed benefits from other government schemes for the same business.
- Only new units are eligible for PMEGP; existing units or businesses are not allowed to apply.

#### How the Scheme Works:

##### 1.Application Process:

Applications must be submitted online via the PMEGP portal:

- <https://www.kviconline.gov.in/pmegpeportal/pmegphome>
- The system sends SMS/e-mail alerts to applicants at each stage of processing.

##### 2.Loan Disbursement:

- Banks sanction 90-95% of the total project cost, ensuring adequate funds for setting up the unit.
- Margin money subsidy is transferred directly to the financing bank, which releases it into the borrower's loan account after successful unit setup.

##### 3.Support Services:

- Beneficiaries receive Entrepreneurship Development Program (EDP) training and access to marketing support through exhibitions and fairs.

#### Upgradation Loans for Existing Units:

- A second loan is available for expansion or technological upgrades for PMEGP, REGP, or MUDRA units.
- Maximum project cost:
  - Manufacturing Units: ₹1 crore
  - Service/Trading Units: ₹25 lakh
- Subsidy: 15-20% of the project cost, with banks financing the remaining amount.
- Eligible units must have repaid the first loan and be profitable for the past three years.

PMEGP plays a vital role in promoting entrepreneurship in India, particularly in underserved communities, by offering financial incentives and development support to entrepreneurs.

#### **Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE)**

##### Objective:

The scheme encourages first-time entrepreneurs to venture into business by providing collateral-free loans. It aims to promote the flow of institutional credit to micro and small enterprises (MSEs) by offering credit guarantees to lending institutions for loans extended without collateral.

##### Key Features:

##### 1.Loan Coverage:

- Maximum loan amount: ₹5 crores
- No need for collateral or third-party guarantees.

##### 2.Eligible Institutions:

- Banks, non-banking financial companies (NBFCs), and Small Finance Banks registered under the scheme.
- Both new and existing enterprises are eligible for coverage.

### 3.Claims Settlement:

- In case of loan default, CGTMSE settles 75% of the defaulted amount with the lender for loans up to ₹2 crores.

### Eligibility of Units:

- All new and existing micro and small enterprises engaged in manufacturing or service activities.
- Enterprises in retail trade activities are eligible for limited guarantee coverage.

### How to Apply:

- Applications are processed through member lending institutions, such as banks or NBFCs, which assess the eligibility of the enterprise for CGTMSE coverage.
- More information can be accessed at: <https://www.cgtmse.in>

CGTMSE plays a crucial role in reducing financial barriers for small businesses by enabling them to obtain formal credit without pledging assets as collateral. This initiative helps foster entrepreneurship and encourages the growth of MSMEs across the country.

### **PSB Loans in 59 Minutes**

PSB Loans in 59 Minutes is an online platform introduced by the government of India with SIDBI to simplify and expedite MSME loan processing. It allows eligible businesses to get in-principle loan approvals within 59 minutes from public and private sector banks. The loans are designed to provide working capital or term loans to micro, small, and medium enterprises (MSMEs).

### Key Features:

#### 1.Loan Amount:

- Loan ranges from ₹1 lakh to ₹5 crores.

#### 2.Digital Integration:

- The platform is integrated with the applicant's GST, IT returns, and bank account details for seamless data retrieval.
- The loan eligibility and amount are automatically calculated using these financial records.

### Documents Required:

#### 1.KYC Documents:

- Aadhaar and PAN cards of the business owner.
- Address proof, such as a utility bill or driving license.

#### 2.Business Proof:

- GST registration or Udyam certificate.

#### 3.Financial Records:

- GST returns for the past 6 months.
- Income Tax Returns (ITR) for the last 1-2 years.
- Bank statements for the last 6-12 months.

#### 4. Loan Purpose Documents:

- Invoices or vendor quotations for equipment purchase.
- Stock statements for working capital loans.

#### How It Works:

##### 1. Online Application:

- The borrower fills out the application on the PSB Loans 59 portal (<https://www.psbloansin59minutes.com>).
- Required data (e.g., GST, IT returns) is fetched automatically from linked databases.

##### 2. Loan Offer:

- Based on the financial data, the system determines the loan eligibility and shows matching loan offers from multiple banks.
- Applicants can choose their preferred bank for further processing.

##### 3. Approval and Disbursement:

- In-principle approval is provided within 59 minutes if eligibility criteria are met.
- Final loan approval and disbursement occur after the bank completes verification of the documents submitted.

PSB Loans in 59 Minutes has transformed MSME financing by reducing paperwork, increasing transparency, and speeding up approvals. The platform bridges the credit gap for small businesses by offering a quick and seamless experience. With digitized processing, it aligns with the government's vision of financial inclusion and MSME growth.

#### Conclusion

Access to credit is critical for the success of MSMEs, and the government's initiatives have made borrowing more accessible through various schemes. Business owners must ensure their documents are in order to avoid delays during the application process. With streamlined procedures, minimal collateral requirements, and technology-driven platforms like PSB Loans in 59 Minutes, MSMEs can access funds more efficiently. Keeping up with new policies and schemes, like PMEGP and the enhanced Mudra limits, can further boost entrepreneurial growth and economic stability in the sector.

These schemes not only provide financial assistance but also foster a supportive ecosystem for entrepreneurship. As MSMEs continue to grow, they will play an increasingly vital role in shaping the future of the Indian economy.

# SEBI proposal on strengthening equity derivatives

SEBI/HO/MRD/TPD/P/CIR/2024/132

CA Jigar Kshatriya B.Com., ACA

As we have completed our Audit season, it seems SEBI these days is also working extended hours for protection of retail investors. Lots of circulars coming from our market regulator regarding changes in all segments including derivatives.



Markets regulator, earlier on July 30, proposed a series of measures to curtail speculative trading in the index derivatives segment.

SEBI wants to make stock market derivatives less risky for investors. Here's what they suggested:

- Larger investments: SEBI wants to increase the minimum amount of money needed to buy certain derivative contracts.
- Upfront payments: They want brokers to collect the full option premium upfront instead of letting investors pay later.
- Closer monitoring: They want exchanges to track how much of a stock someone owns throughout the day, not just at the end.
- Fewer options to choose from: They want exchanges to offer fewer derivative contracts that expire every week.
- Less reward for some trades: They want to take away some of the benefits for certain trading strategies involving options expiring soon.
- Higher margins near expiry: They want to require investors to put up more money as the expiry date approaches.

SEBI says these changes will help prevent risky bets and protect investors.

On October 1, 2024, SEBI released a circular that changes a few things for index derivatives. We can say more detailed version of July circular. Let's understand the impact of changes one by one.

## 1. Increase in contract size

Currently, the contract size for index F&O contracts is between Rs. 5 lakhs to 10 lakhs. Starting November 20, 2024, the contract value will be increased to between Rs. 15 lakhs to Rs. 20 lakhs. This will increase the margins requirement for FnO contracts and increase lot size as well. Which are as follows:

Index	Current lot size	New lot size (Rounded off)
NIFTY	25	60
BANKNIFTY	15	30
FINNIFTY	25	65
NIFTYNXT50	10	20
MIDCPNIFTY	50	115
SENSEX	10	20
BANKEX	15	25



## **2. No calendar spread benefits on expiry day**

Traders use to hold different expiry so that overall margin requirement would be less, this would result in higher volatility. To curb this, SEBI has decided that traders will not get any margin benefits for calendar spreads on the day of expiry for contracts expiring on that day from February 1, 2025.

For example, Call option requiring margin of 1.5 Lacs would be hedged with Put option and overall margin would be less say 80000. Now, Call option expiring on the same day will require Full Margin of 1.5 Lacs.

## **3. Limiting weekly expiry contracts**

Currently, there are weekly expiries for 4 indices on NSE and 2 on BSE. Under the new rules, stock exchanges will only be allowed to offer weekly expiry contracts on one benchmark index.

Only 1 weekly expiry per exchange i.e. Nifty50 for NSE & Sensex for BSE will be continued. Rest all weekly expiry will end from November 20, 2024.

However, it may be noted that monthly expiry will be continued for all the indices.

## **4. Additional margins on expiry day**

Starting November 20, 2024, an Extreme Loss Margin (ELM) of 2% will be applied to short positions (selling options) on the expiry day to cover potential risks due to increased volatility. In simple terms, additional margin of 2% required for shorting.

## **5. Upfront collection of premium while buying options**

To ensure there is no additional leverage provided, SEBI has mandated that an option buyer now needs to pay the entire option premium upfront.

## **6. Intraday monitoring of position limits**

SEBI and exchanges have limits on the maximum positions a single client or a broker can hold for a particular contract. For clients, this limit is set at 5% of the total number of all derivative contracts of the same underlying and 15% for brokers.

Currently, these limits are monitored at the end of each day by the exchanges. Starting April 1, 2025, these will be monitored multiple times throughout the trading day.

Timeline for changes to come into effect are as follows

	Measure	Effective from
1	Increase in contract size	November 20, 2024
2	Limiting weekly expiry contracts	November 20, 2024
3	Additional margins on expiry day	November 20, 2024
4	No calendar spread benefits on expiry day	February 1, 2025
5	Upfront collection of premium while buying options	February 1, 2025
6	Intraday monitoring of position limits	April 1, 2025

## GST Updates – Notifications, Circulars, Order, Instructions, RoDs, Press Releases For the month of Sept 2024

-CA Deep Koradia B.Com., FCA, DISA(ICAI)

Sr No	Notification No	Category	Date	Description	Keyword / Reference/ Comment	Link
1	17/2024	Central Tax	27-09-24	Seeks to notify the provisions of Finance (No. 2) Act, 2024	- JULY24 Budget Provisions Notified - WEF 27-09-2024 [16(5), 16(6).Amendment in Sec 109 w.r.t anti-profiteering cases with GSTAT, Sec 148 anti-profiteering sunset clause, No refund if amount already paid for 16(4) NOTIFIED - Rest all of the Amendments Notified WEF 01-11-2024 Including Amnesty Scheme	<a href="#">Click here</a>
2	18/2024	Central Tax	30-09-24	Seeks to notify Principal Bench of GST Appellate Tribunal to hear cases of anti-profiteering	Principal Bench of GSTAT Now to hear cases of anti-profiteering wef 01-10-2024	<a href="#">Click here</a>
3	19/2024	Central Tax	30-09-24	Notification under Section 171 of CGST Act to provide for the sunset date.	01-04-2025 date kept as Sunset date for Accepting any cases for anti-profiteering	<a href="#">Click here</a>

4	230/2024	Circular - CGST	11-09-24	Clarification in respect of advertising services provided to foreign clients	<p>- Foreign Client appointed Advertising Company in INDIA. The said Indian Company will procure various Media Rights and Spaces. It's P2P and cant be called intermediary Services</p> <p>Also, its ReSALE of Media Services</p> <p>- Even if the final Recipient / Consumer of Advertisement is in india, if billed to foreign client, then its export of Services</p>	<a href="#">Click here</a>
5	231/2024	Circular - CGST	11-09-24	Clarification on availability of input tax credit in respect of demo vehicles.	<p>- Demo Vehicle Car ITC available to Car Dealer. 17(5)(1)(A) uses the word "SUCH Vehicle" and not "SAID VEHICLE"</p> <p>- Capitalisation of such Demo Vehicle doesn't affect the ITC of such vehicle</p>	<a href="#">Click here</a>
6	232/2024	Circular - CGST	11-09-24	Clarification on place of supply of data hosting services provided by service providers located in India to cloud computing service providers located outside India.	<p>- Data Hosting Services are not Intermediary, Are also not required anything to 'Made available physically', Are also not In relation to Immovable Property, PoS To be determined as per General Rule</p>	<a href="#">Click here</a>

7	233/2024	Circular - CGST	11-09- 24	Clarification regarding regularization of refund of IGST availed in contravention of rule 96(10) of CGST Rules, 2017, in cases where the exporters had imported certain inputs without payment of integrated taxes and compensation cess.	- If the Import done without Paying IGST and CESS, and later on BoE revised along with payment of such IGST+CESS+Interest, then there is no contravention of Rule 96(10)	<a href="#">Click here</a>
---	----------	--------------------	--------------	---	--	----------------------------

## DUE DATES CALENDAR

DATE	COMPLIANCE
1st October 2024	New TDS Rates applicable
7th October 2024	TDS Payment for Sep 2024
7th October 2024	Audit Report in Form 3CB-3CD and 3CA-3CD for Non Corporate's and Corporate's for FY 2023-24
10th October 2024	Professional Tax (PT) on Salaries for Sept 2024
11th October 2024	GSTR 1 (Monthly) for Sept 2024
13th October 2024	GSTR 1 (Jul - Sept 2024) for QRMP
14th October 2024	ADT-1 filing (Appointment of an Auditor for Companies)
15th October 2024	TCS Return in Form 27EQ for Jul-Sep 2024
15th October 2024	Provident Fund (PF) & ESI Returns and Payment for Sep 2024
18th October 2024	CMP 08 for July to Sep 2024 (Composition)
20th October 2024	GSTR 3B for Sept 2024 (Monthly)
22nd October 2024	GSTR 3B (Jul-Sep 2024) for South India
24th October 2024	GSTR 3B (Jul-Sep 2024) for North India
29th October 2024	AOC 4 Filing for Companies for FY 2023-24
30th October 2024	Form 8 Filing for LLP's for FY 2023-24

30th October 2024	TDS Payment in Form 26QB (Property), 26QC (Rent), 26QD (Contractor Payments), 26QE (Crypto Assets) for Sep 2024
30th October 2024	Issue of TCS Certificates in Form 27D for July to Sep 2024
31st October 2024	Income Tax Returns for Non Corporate's who needs Audit and Corporates for FY 2023-24
31st October 2024	TDS Returns in Form 24Q,26Q,27Q for July to Sep 2024

# PHOTO GALLERY OF BRANCH EVENTS

## MSME DAY CELEBRATION

