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Chairman Desk

CA Amit Tenani

Chairman,
ICAI – Navi Mumbai (WIRC)



Dear Esteemed Members,

It gives me immense pride to address you at a time when India stands tall on the global economic stage. Our nation's financial resilience, driven by innovation, fiscal prudence, and strong governance, continues to inspire confidence worldwide. The global economy, though facing headwinds, is gradually stabilizing with emerging opportunities in sustainability, technology, and regulatory reforms—areas where our profession plays a pivotal role.

As Chartered Accountants, we are trusted advisors, shaping economic progress and integrity. With the government's vision of "**Viksit Bharat 2047**", our profession must continue leading in transparency, assurance, and financial stewardship.

Heartiest congratulations to **Team India (Women)** for their remarkable World Cup triumph—a testament to dedication, teamwork, and national pride. I also extend my warmest wishes to all **students who have cleared the CA examinations** and joined our noble fraternity. Your hard work and perseverance are truly commendable.

I take this opportunity to appeal to all members to register and participate in the upcoming **World Forum of Accountants (WOFA)**, to be held on 30th–31st January and 1st February 2026 at Greater Noida. This prestigious global event, hosted by ICAI, will bring together thought leaders, policymakers, and accounting professionals from across the world. Let us register for event with pride and enthusiasm at this landmark event in our profession's history. Together, let us continue to uphold the values of excellence, integrity, and service to the nation.

With Warm Regards,

CA Amit Tenani

Chairman,

Navi Mumbai Branch of WIRC of ICAI



Member Section

Financial Due Diligence: A Complete Guide for Smarter Deals and Investments

Contributed By: • CA Harsh Davra

Whenever money changes hands in business—whether it's investing in a startup, buying a company, raising capital, or finalizing a merger—there's always risk involved. That's where financial due diligence (FDD) comes in.

Think of FDD as the financial “x-ray” of a business. It helps you see past the surface and understand what's really going on inside. Done right, it protects you from hidden problems and makes sure you don't pay for something that isn't worth the price.

This guide will walk you through why FDD matters, what exactly to check, how it fits into different kinds of deals, and common red flags to avoid.

1. Why Financial Due Diligence is So Important

Financial due diligence isn't just about checking numbers—it's about making sure the story the company tells matches reality.

- For investors: It confirms whether the company is worth the valuation and shows if profits are real or inflated.
- For founders raising money: Being “due diligence ready” shows professionalism and builds investor trust.

- For mergers or acquisitions: It avoids surprises like hidden debt, fake revenues, or tax disputes.
- For lenders or VCs: It reduces the chance of funding a company that can't survive.

Bottom line: Due diligence protects your money and reputation.

2. Key Goals of Financial Due Diligence

When you do FDD, you're trying to answer these big questions:

1. Is the company's past financial performance reliable?
2. Are the profits real and sustainable?
3. Can the business generate enough cash to survive and grow?
4. What risks or hidden liabilities exist?
5. Do future projections make sense—or are they just wishful thinking?
6. Are taxes and compliance in order?
7. Is the valuation fair, or is someone overcharging?

3. What to Check in Financial Due Diligence

Now let's break down the areas you need to dig into:

- a) Historical Financial Performance
 - Look at 3–5 years of financial statements.

- Check revenue trends: is growth steady, declining, or spiking oddly?
- Identify recurring income vs. one-time deals.
- Look at cost structures: fixed vs. variable, rising vs. controlled.

Example: A software company with 80% recurring subscription revenue is safer than one that depends on one-off projects.

b) Real Profit (Quality of Earnings)

Not all “profits” are created equal. Some companies inflate numbers by including one-time gains.

- Adjust profits to remove extraordinary items (like asset sales, grants, or subsidies).
- Compare profit margins with industry standards.
- See if EBITDA reflects ongoing performance.

Lesson: If a company’s profit looks high only because of a one-off property sale, that’s not sustainable.

c) Cash Flow Health

Cash is king—without it, even profitable companies fail.

- Compare reported profits vs. actual cash inflows.
- Study working capital (how quickly they collect money vs. pay suppliers).
- Look for seasonal cash shortages.
- See if the company depends on short-term loans to survive.

Red flag: A company showing “profits” but constantly short of cash is risky.

d) Debt and Liabilities

Debt is not always bad—but you need to know what’s owed.

- Review all loans, repayment schedules, and interest rates.
- Check for contingent liabilities (e.g., guarantees, lawsuits, pending disputes).
- See if debt covenants restrict future growth.

Example: A company might look debt-free but could have guaranteed loans for a sister company—this can backfire later.

e) Taxes and Compliance

- Verify if taxes are filed correctly and on time.
- Check for pending tax disputes.
- Ensure compliance with sector-specific regulations (e.g., banking, pharma, food, or funds).

Ignoring this can mean huge penalties later.

f) Forecasts and Projections

Every pitch deck shows big growth, but not all projections are realistic.

- Check if assumptions behind growth make sense (new markets, hiring, marketing).
- Compare projections with historical data.
- Stress-test for worst-case scenarios.
- Validate capital needs for growth.

Example: A startup promising 10x revenue in two years without expanding its sales team is probably dreaming.

4. Beyond the Numbers

FDD is crucial, but numbers alone don’t tell the full story. You should also check:

- Legal Side: Ownership, contracts, intellectual property, pending cases.
- Operations: Supply chains, technology systems, scalability.
- Market Position: Customers, competitors, growth opportunities.
- Management: Track record, honesty, and ability to execute plans.
- A company can look good financially but still fail if the leadership is weak or the market is shrinking.

5. Financial Due Diligence in Different Situations

- Deal Sourcing: Quick checks help you filter good opportunities from bad ones.
- Deal Finalization: Deep dive into numbers before signing contracts.
- Funding/Investment: Investors validate burn rate, runway, unit economics.
- M&A: Ensures buyers don't overpay and understand integration risks.

6. Red Flags to Watch Out For

- Revenue too dependent on one or two big customers.
- Unexplained spikes in sales or profits.
- High debt without clear repayment ability.
- Frequent auditor or accountant changes.
- Overly optimistic projections without evidence.
- Poor internal controls or missing financial data.

7. Best Practices for Strong Due Diligence

1. Don't just take numbers at face value—ask why.

- Cross-check information using multiple sources (bank statements, contracts, tax filings).
- Use independent experts—auditors, tax advisors, lawyers.
- Keep records of everything you review (important for future legal protection).
- Balance speed and depth—move quickly, but don't rush into blind spots.

Final Thoughts

Financial due diligence isn't just a checkbox—it's your safety net. It helps you see risks clearly, negotiate better, and avoid regret later.

Whether you're investing in a startup, acquiring a company, or raising funds, remember:

- It's not about being paranoid—it's about being prepared.
- It's not about slowing deals—it's about making the right deals.

If you get financial due diligence right, you protect your capital, your reputation, and your future.

In short: **Always do your homework before you sign the deal.**

EVENT HIGHLIGHTS



WICASA Chairperson Desk

CA Pragya Jain
Chairperson,
WICASA - Navi Mumbai (WIRC)



Dear Students,

"You don't have to be great to start, but you have to start to be great."

This quote beautifully captures the journey of every CA student and professional. We all begin with small steps, and through dedication and persistence, we pave our way to greatness.

As the Chairperson of Navi Mumbai WICASA, it gives me immense pleasure to share the consistency and enthusiasm with which our WICASA team continues to organize impactful events that inspire learning, leadership, and growth.

In the month of October, we successfully conducted a seminar on Capital Market – “Valuation: Every CA Should Know” and “AI in Algo Trading.” The sessions offered valuable insights into valuation techniques, the functioning of capital markets, and the growing role of artificial intelligence in trading. Our esteemed speakers shared their expertise, enabling participants to gain a deeper understanding of the evolving financial world.

The seminar was followed by a vibrant Garba Night, where everyone came together to celebrate joy, unity, and culture.

It was an evening filled with music, energy, and togetherness, truly reflecting the festive spirit.

Just as the rhythmic beats of Garba unite us, the empowerment of girls and women strengthens our community. As we celebrated the divine feminine energy during Navratri, we also recognized the power, talent, and leadership of young women in the CA fraternity. Let's continue to create opportunities, break barriers, and encourage every girl to dream big and achieve her goals with confidence and courage.

To all CA students, remember – every challenge you face today is shaping the professional you will become tomorrow. Stay consistent, stay curious, and never lose faith in your journey.

May we keep empowering ourselves and others –with knowledge, compassion, and an unshakable belief in equality. Together, let's build a community where every girl shines, every student grows, and every dream takes flight.

CA Pragya Jain
Chairperson,
Navi Mumbai WICASA

Student Section

Master the Art of Networking

Contributed By: Aditi Baurai

Networking isn't just swapping business cards—it's an art form rooted in curiosity, generosity, and authenticity. Done right, it can change how you connect, grow, and succeed in every area of life. Whether you're reaching out to a mentor, chatting with a colleague, or running into an old classmate at a conference, every interaction paints a stroke in your broader professional masterpiece.

Below are ten creative, actionable tips to help you master the art of networking—with a few reflection points to keep you engaged along the way.

1. Redefine Networking as an Ongoing Habit

Networking isn't a one-time event; it's a continuous cycle of connection. Treat it like fitness for your relationships—something to build regularly, not just when you need it.

Try this: Schedule one "networking touchpoint" a week. Send a check-in message, share an article, or congratulate someone on their success.

2. Help Others First

The best networkers give before they get. Offer your help, your experience, or simply a listening ear. Supporting others not only builds goodwill but keeps relationships reciprocal.

Ask yourself: "When was the last time I offered help without expecting anything in return?"

3. Be Fully Present in Every Interaction

Instead of mentally preparing your next question, focus on what the other person is truly saying. Active listening is one of the most powerful tools in relationship building.

Engage: During your next conversation, avoid distractions—no phones, no glancing around the room. See how much more insight you gain.

4. Text Back, Don't Vanish

People can tell when you're only reaching out because you need something. Stay connected even when you have no agenda. A short "been thinking of you" message goes a long way.

Tip: Create a simple note in your phone with key details about people—birthdays, interests, or milestones—to make future check-ins more personal.

5. Lead with Self-Awareness

Understand your tone, limits, and timing. Avoid being pushy, but don't shrink back either. Balance confidence with consideration—especially when asking for favors.

Reflect: Before you ask someone for a referral or introduction, pause and ask, "Have I earned their trust yet?"

6. Roll Out the Red Carpet (for Them!)

Always make it convenient for others to connect with you. Suggest times that work for them, meet near their office, or adapt to their preferred communication style.

Challenge: Next time you request a meeting, include two flexible options so it's effortless for them to say yes.

7. Find What You Have in Common

Shared experiences—college, hobbies, or mutual friends—build rapport fast. Spot those threads of connection and nurture them.

Interactive Step: After a meeting or call, jot down three personal details they mentioned. Use them to personalize your next conversation.

8. Follow Up Like a Pro

A thoughtful follow-up can transform a brief chat into a meaningful relationship. Send a thank-you note or a LinkedIn message within 48 hours to express gratitude.

Try this: In your follow-up, reference something specific you discussed—it shows genuine engagement and attentiveness.

9. Don't Collect Cards, Collect Connections

One deep connection is worth more than a handful of business cards. It's better to truly know a few people who trust you than to "kind of know" everyone.

Mindset shift: Treat networking like a conversation over coffee, not a speed-dating round.

10. Never Burn a Bridge

Reputation travels faster than business cards can. Even if an opportunity falls through, respond with professionalism and grace—you never know where paths will cross again.

Remember: Every interaction is an audition for future opportunities.

Why Networking Matters for CAs and Professional Learners

The Seminar Spotlight: Turn Sessions into Connections

Seminars aren't just learning hubs—they're opportunity goldmines. Every workshop, taxation update, or corporate law discussion puts you in a room full of future collaborators, employers, and mentors. The smartest professionals use these moments to exchange ideas, not just collect notes.

PRO Tip: After every seminar, connect with at least two people you found insightful. Drop a short message like, "Really enjoyed your viewpoint on the GST panel!" Simple and effective.

Batchmates Today, Power Network Tomorrow

Your classmates from CA Inter or Final aren't just study partners—they could be your biggest professional circle later. The auditing buddy beside you today might head a top firm tomorrow. Nurture those relationships early; you'll grow together in the same industry ecosystem.

PRO Tip: Create a small LinkedIn or WhatsApp group for your batch focused on sharing articles, job updates, and exam insights. It keeps the community alive and career-focused.

Professional Courses = Professional Relationships

Networking during training programs, workshops, or coaching batches helps you stay updated on evolving standards and learn from diverse perspectives. In high-pressure courses like CA, peer-to-peer advice is often as valuable as textbook knowledge.

Classroom Conversations

Soft skills—communication, empathy, collaboration—grow best in interactive learning environments. Practicing networking during your CA journey not only prepares you for corporate life but helps you build social capital long before signing your first balance sheet.

Final Thought: Networking as an Art Form

At its core, networking is about curiosity, empathy, and generosity. When done with sincerity, it becomes less about what you can get and more about what you can give—and become.

So, approach each interaction as an artist would approach a blank canvas: with patience, thoughtfulness, and creativity. The masterpiece you create—your network—will color every success that follows.



THE RICHES
PEOPLE IN THE
WORLD LOOK FOR
AND BUILD
NETWORKS,
EVERYONE ELSE
LOOK FOR WORK



- Robert Kiyosaki

A Journey Begins - Poem

Contributed By: Vaishnavi Bhanushali

With each step, I paved my way to CA,
Months of preparation, all leading to the day.
The exam hall awaited, a challenge to face,
But my heart remained steadfast, with a determined pace.

The CA Inter hurdle cleared, a milestone achieved,
A new path unfolded, with articleship to conceive.
I applied, interviewed, and waited with bated breath,
For the selection that would unlock my future's depth.

Mumbai beckoned, a city of dreams so bright,
A world away from Nanded's quiet, familiar night.
My parents' concerns whispered, like a gentle breeze,
"Will you be safe? Will you find your way through the city's tease?"

But I was resolute, with a spirit so free,
To carve my path, and make my own destiny.
They searched for alternatives, a safer shore,
A firm nearby, where I could walk, and not roam so far.

But fate had other plans, it seemed so clear,
A Pune assignment, with a distance so dear.
Five months passed, in a PG, a new home away,
With experiences gained, and lessons that would stay.

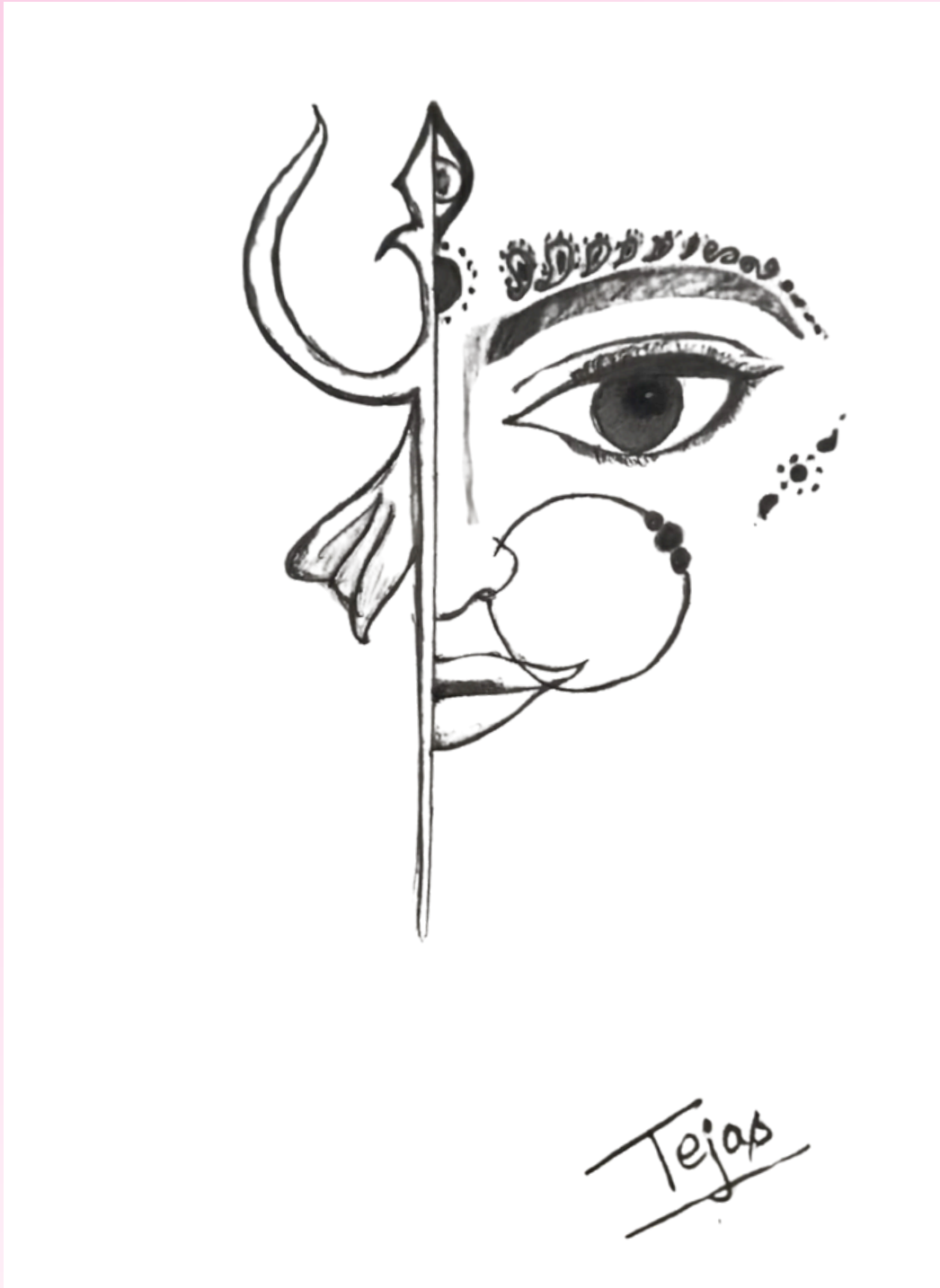
My parents learned to let go, with trust so true,
Their daughter's strength, they could now imbue.
Back in Mumbai, with a story to share,
I realized, sometimes detours lead to growth so rare.

Now I believe, when paths diverge, and plans unfold,
It's the universe's way, of guiding me to a better hold.
Everything happens, for a reason so grand,
And I'll trust the journey, with an open hand.

Student Section

SKETCH

Contributed By: Tejas Malkar



Credits & Acknowledgments

We extend our heartfelt thanks to all contributors, writers, and volunteers who made this edition possible. The success of this newsletter lies in the collective efforts of dedicated professionals who shared their insights, time, and creativity.



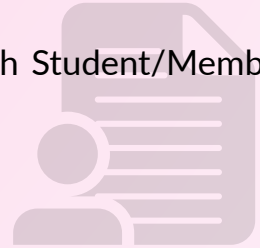
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