



The Inner Circle — Edition #8

Cyber Security for MSMEs: The Rs 20,000 Crore Threat Nobody Is Talking About

By **Dr. Dibyendu Choudhury** | The Inner Circle Newsletter

The Attack You Did Not Expect

In 2025, Indian MSMEs lost an estimated **Rs 20,000 crore** to cybercrime. The majority of victims had one thing in common: they believed they were too small to be targeted.

This belief is now the most expensive mistake an MSME owner can make.

₹20K Cr

Lost to Cybercrime

Estimated losses by Indian MSMEs in 2025

340%

Rise in Ransomware

Increase in Tally-targeted ransomware since 2024

₹500

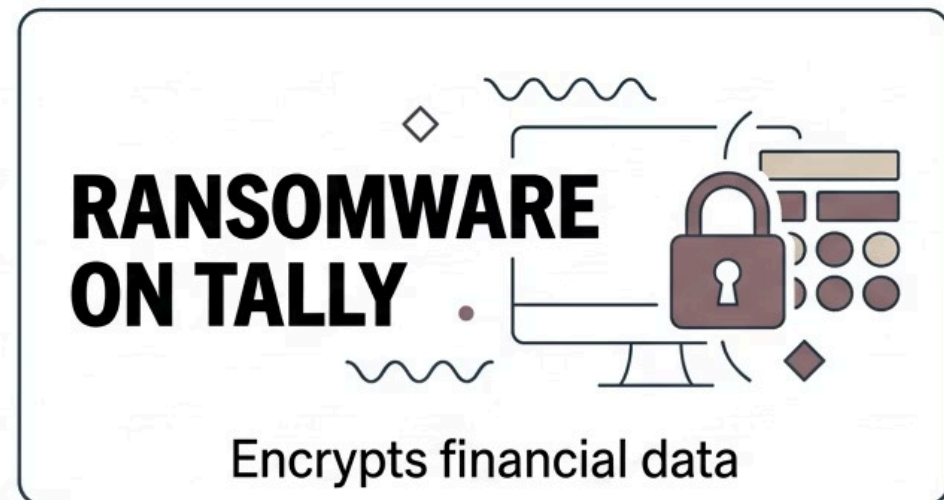
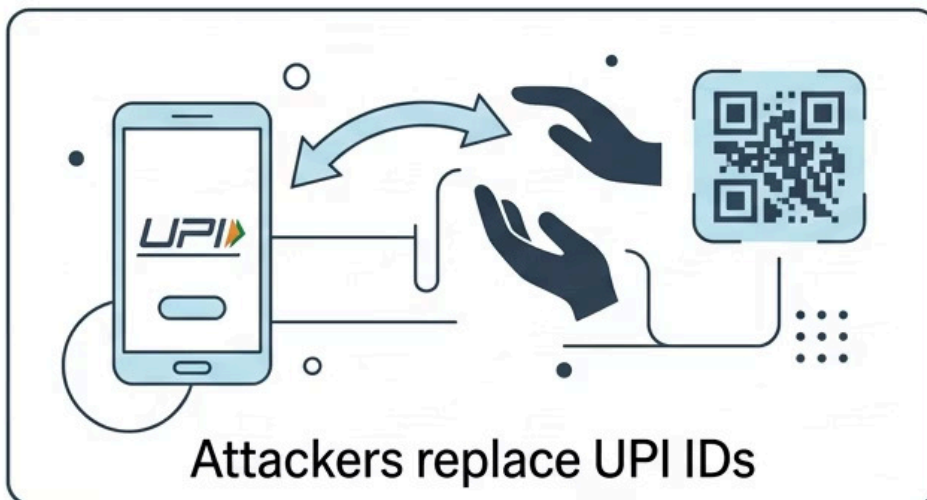
Monthly Protection

Cost of basic cybersecurity checklist per month



The Four Most Common Attacks on Indian MSMEs

Cybercriminals are not targeting large corporations alone. Indian MSMEs are now the primary hunting ground — and these four attack vectors are responsible for the majority of losses.



Attack #1: UPI Fraud and Payment Interception

Attackers intercept payment confirmation messages and replace legitimate UPI IDs with fraudulent ones. A supplier sends Rs 15 lakh to what they believe is a regular vendor — and it is gone within minutes.

How It Happens

- Attacker monitors email or WhatsApp communication between businesses
- Intercepts a payment request and substitutes a fraudulent UPI ID
- Victim transfers funds believing it is a routine transaction
- Money is withdrawn instantly — recovery is nearly impossible

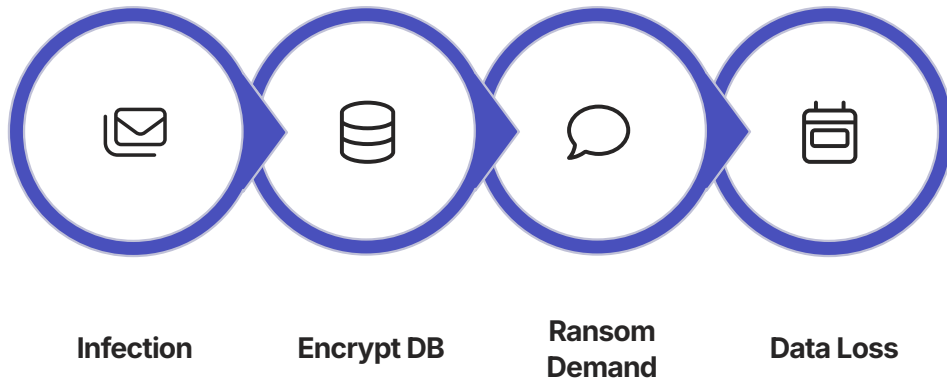
Prevention

Always verify UPI ID changes via phone call to a known number. Never trust email or WhatsApp alone for payment detail changes.

Attack #2: Ransomware on Tally and Accounting Systems

Ransomware specifically targeting Tally databases has increased **340% since 2024**. The attacker encrypts your financial data and demands payment in cryptocurrency for the decryption key.

The Ransomware Sequence



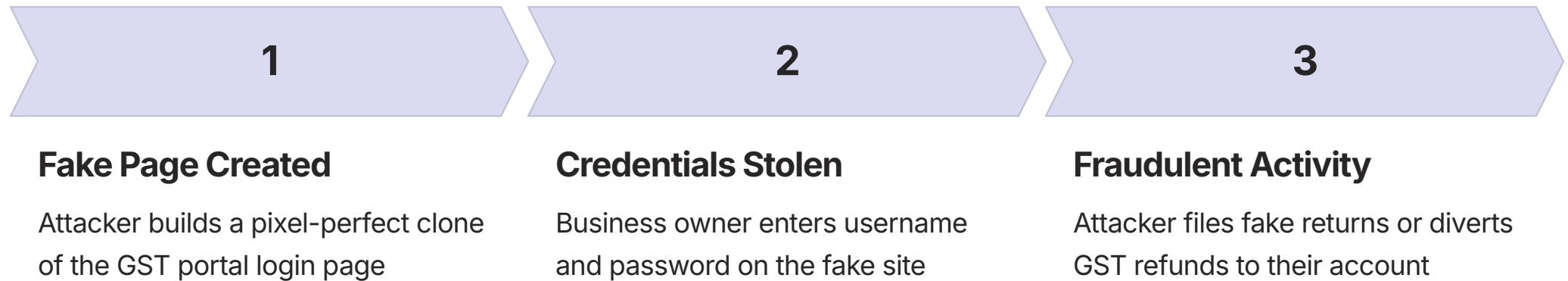
Prevention

Daily encrypted backups stored offline or on a separate cloud account. Never keep the only copy of financial data on a networked computer.

⚠ Total cost of a ransomware attack: **Rs 5–50 lakh minimum**. The cost of prevention is Rs 500/month.

Attack #3: GST Portal Phishing

Fake GST portal login pages — indistinguishable from the real site — harvest credentials. Once inside, attackers file fraudulent returns in your name or extract refund amounts.



Prevention

Always access the GST portal by typing the URL directly into your browser. Never click links from emails or WhatsApp messages claiming to be from GSTN.

Enable Two-Factor Authentication

Enable two-factor authentication on your GST portal account immediately. This single step blocks the majority of credential-based attacks even if your password is compromised.

Attack #4: WhatsApp Business Account Takeover

Attackers gain access to WhatsApp Business accounts and use them to defraud your customers in your name — destroying trust built over years in hours.

Why This Attack Is Devastating

Your WhatsApp Business account carries your brand identity, your customer relationships, and years of communication history. When attackers take control, they impersonate you to your own customers — requesting payments, sharing malicious links, or extracting sensitive information. By the time you regain access, the damage to your reputation may be irreversible.

Enable Two-Step Verification

Go to WhatsApp Settings → Account → Two-step verification. Set a 6-digit PIN immediately.

Never Share OTPs

No legitimate service will ever ask for your OTP over call or message. Sharing it hands over full account control.

The Rs 500 Security Checklist

Total cost of basic protection: **Rs 500/month or less**. Total cost of a ransomware attack: **Rs 5–50 lakh minimum**.



Verify All Payment Changes by Phone

Call a known number to confirm any UPI ID or bank account change before transferring funds. No exceptions.



Daily Offline Backups of Tally Data

Store encrypted backups on an external drive or separate cloud account. Disconnect the backup drive after each backup.



Enable 2FA on GST Portal and Email

Two-factor authentication is free and blocks the vast majority of credential-based attacks instantly.



Activate WhatsApp Two-Step Verification

Set a 6-digit PIN on your WhatsApp Business account. Never share OTPs with anyone, ever.



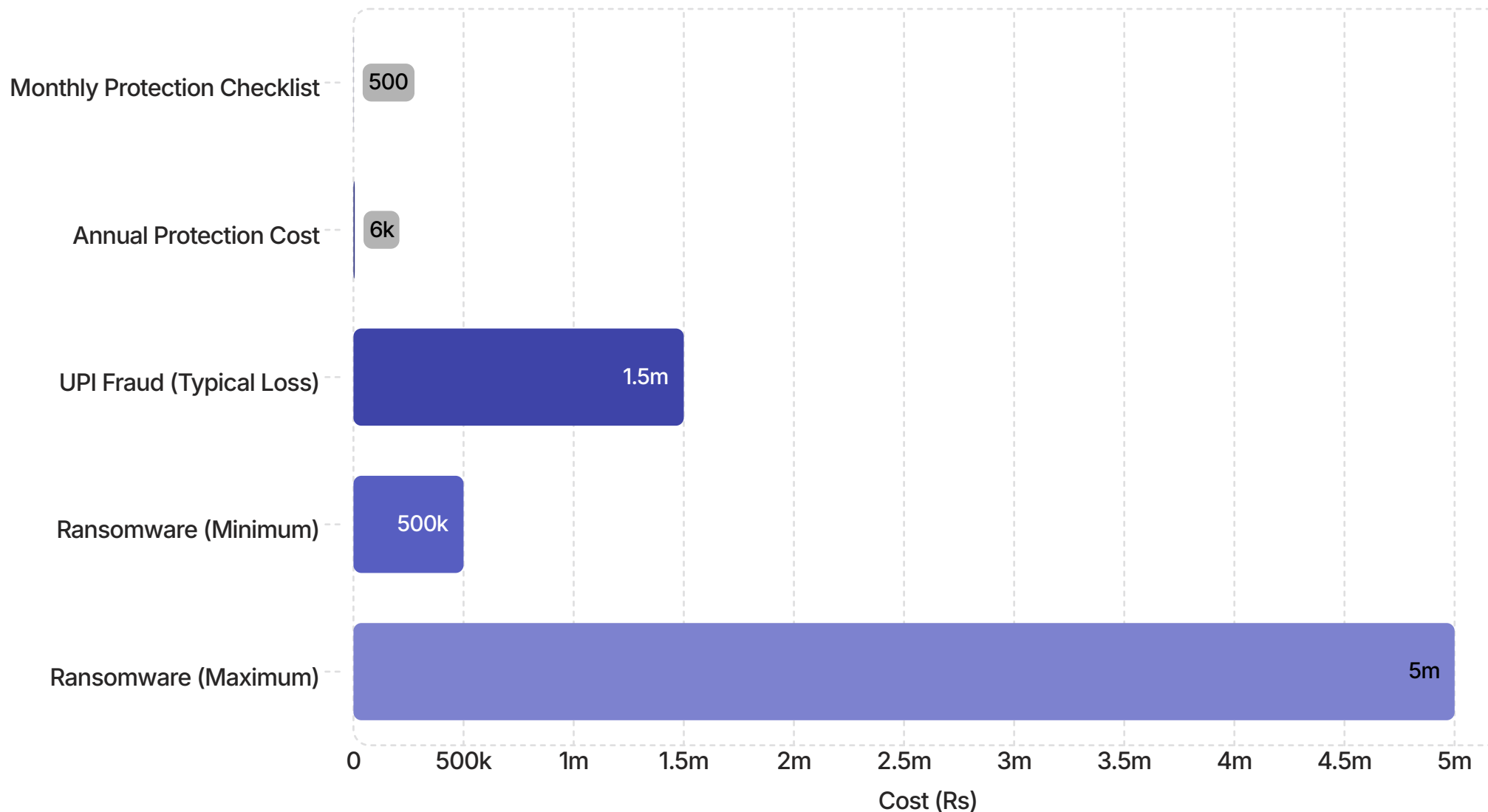
Type URLs Directly — Never Click Links

Access GST portal, banking, and government sites by typing the address directly. Bookmark official URLs for daily use.

The Cost of Inaction vs. The Cost of Protection

The numbers tell a stark story. Basic cybersecurity hygiene costs a fraction of what a single successful attack will cost your business — in money, time, and reputation.

Scenario



The asymmetry is undeniable. A Rs 500/month investment in basic security hygiene stands between your business and losses that can reach Rs 50 lakh or more. The question is not whether you can afford to protect your business — it is whether you can afford not to.

Until Next Fortnight — Keep Thinking, Keep Building

The most dangerous assumption in business today is that you are too small to be a target. Every MSME with a UPI account, a Tally installation, or a WhatsApp Business profile is a target. The good news: basic protection is within reach of every business owner in India.

Share This Edition

Forward this newsletter to every MSME owner you know. Awareness is the first line of defence.

Act This Week

Pick one item from the Rs 500 checklist and implement it today. Do not wait for the attack to arrive.

Stay Connected

Visit www.dibyenduchoudhury.com for more insights, resources, and the next edition of The Inner Circle.