

CA PANKAJ DARA'S

STARTUP MAGAZINE



Talking about business, investment, creative industry and good habit for entrepreneurs.

EDITION 7

27TH MAY 2023

Grow Up Your Business



7TH
ISSUE
05/27/2023

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MAGAZINE

Hello Dear friends- From the Desk Founder CA-Pankaj Dara

The Startup World faced Important amendments in relation to angel tax this week in respect of valuation for 56 (2)(viib) of the income tax 1961, in which Central board of direct taxes (CBDT) Invites comments on draft rule 11UA pertaining to Method of computation of fair market value (FMV)of unquoted equity shares for the purposes of section stated above , suggestions /comments have been invited from stakeholders and general publication draft rules, which can be sent to ustpl2@nic.in latest by 5 th June 2023

Those who desire kindly send their views small suggestions can make a big changes.

One Significant changes about angle tax was it levied since 1 st April 2023 on investment from other countries was again relaxed to 21 countries investing in the Indian eco system from angel tax , the Said countries are America, Britain, Australia, Germany, Spain , Canada, Austria, Chec Republic, Belgium, Denmark, Finland, Isarel, Italy, Iceland Japan, Korea, Russia, Norway, New zealand Sweden , as per the Sense the India the Host Of G-20 Summit and meeting of the said may evolve many changes in the startup Notifications, or Definition Which We Have To Wait and see in coming Months Till the Summit last in the Host Country So be prepared For more Changes .

We Thanks All Our readers and invite feedback on the said edition which will help us to improve ourselves and give best to the readers which will enrich their knowledge through this startup magazine .

The following term will be further defined in this edition.

- **PITCHDECK- PART II**

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Pitch Deck – Part II

Understanding the Components in a Pitch Deck

We have seen in Part I - A Pitch Deck is a presentation that entrepreneurs use to pitch their ideas, products, or services to potential investors, partners, or clients. It is typically a concise and visually appealing slide deck that outlines the key aspects of a business or project.

Now in this article let's understand the components that go into the Pitch Deck.

1) **Vision & Mission Statement:-**

Stating your vision and mission statement will show how the organisation is aligned with stakeholders. It also shows your inspiration and brand identity.

2) **Problem Statement :-**

Clearly define the Problem that your product/service is trying to solve and also explain why the product matters and who it affects.

3) **Solution:-**

Present your unique solution to the problem. What benefits and advantages your product or service has and how it differentiates itself from existing alternatives.

4) **Market Analysis:-**

Showcase your market research and your understanding of the target market, its size, growth potential, and relevant trends and provide data to support your claims.

5) **Financial Analysis:-**

Explain the revenue channels. Outline cost structure and financial projections. Financial projections including revenue forecasts, expenses, and anticipated return on investment. Include any previous funding rounds and the current funding requirements.

6) **Competitors:-**

Identify your competitors and explain how your product or service stands out in the market. Showcase your competitive advantages.

7) **Marketing & Sales Plan:-**

Describe your marketing and sales plans, include customer acquisition and retention strategies, advertising and promotional activities, and distribution channels.

8) **Team:**

Introduce key members of your team and highlight their relevant experience, skills, and accomplishments. Highlight your ability to execute the proposed business plan.

9) **Milestones and timeline:**

Outline your key milestones and the timeline for achieving them. This gives investors an idea of what to expect in the future.

10) **Risk & Challenges:**

Highlight the risks and challenges that you foresee in achieving the milestones. State the potential risk mitigation strategy that you could think of.

11) **Call to action:**

Clearly state what you are expecting from your audience, whether it is investment, partnership, or a specific action. Be concise and compelling in your closing remarks.

The Pitch Deck should be concise, visually appealing, and easy to understand. Use clear language, compelling visuals, and relevant data to support your claims. Practice your pitch to ensure you can deliver it confidently and concisely.



Written by CA. Pratima Bhinge,
Pune Co-founder Club **Youngistan**,
an e-learning platform for neurodivergent

>>Importance of Due diligence in Startups for Sustainable development<<

Risks of Frauds & Misstatement in Startup

In the recent past, founders of one of the very famous startups- Go Mechanic confessed of revenue fraud. Founded in 2016, Go Mechanic is a Sequoia backed Startup set out to bring in standardization in terms of processes and service quality, to the unorganized automobile repair industry.

The discrepancies in revenue recognition came to light when due diligence was carried out as part of the exercise of raising further funds from VCs.

Need for sound Internal controls and reliable due diligence in startup

The above-mentioned irregularities are just one of the many such incidences in Startup space. To ensure sustainable development of Startup ecosystem, it is imperative that better internal controls are put in place from inception.

With increasing risks of frauds & misrepresentations coupled with difficulty in assessing risks in early-stage Startups, it makes it imperative for potential investors to look for greater reliability of details submitted.

The Chartered Accountants with their expertise in areas of due diligence and forensic audits can play bigger roles in helping thriving Startups and potential investors.

Areas of Due diligence

Startups in India require significant funding at various stages of their development. Due diligence is critical to securing funding from investors. The key areas of due diligence in Startups include market, financial, financial projections, legal, compliance and operational diligence. Investors need to understand the potential risks and opportunities of the investment. Hence, independent due diligence by experts is the most reliable sources of insight for investors. It helps investors to make informed decisions about their investment and to negotiate terms of investment.



By, CA. Hemant Dave



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>>Women Skills Development<<

There are several Startups in India that focus on women's skill development and employment opportunities. Here are a few examples:

1. **Sheroes:**

Sheroes is a women-centric platform that offers various resources, mentorship programs, career guidance and job opportunities. It connects women with employers who are committed to diversity and inclusion.

2. **JobsForHer:**

JobsForHer is a job portal that focuses on creating opportunities for women who are looking to restart their careers after a break. They provide a platform for women to find full-time, part-time, remote and flexible job options.

3. **Lean In India:**

Lean In India is a non-profit organization inspired by Sheryl Sandberg's Lean In movement. They offer mentoring programs, workshops, and resources to empower women in their personal and professional lives, aiming to bridge the gender gap in the workforce.

4. **Women's Skill Development Network (WSDN):**

WSDN is a social enterprise that offers skill development programs and training for women, enabling them to enhance their employability and enter the workforce. They focus on providing vocational training and job placement support.

5. **Safecity:**

Safecity is a platform that works towards making public spaces safer for women. It collects data on sexual harassment incidents, provides resources for self-defense and advocates for policy changes. They also offer internships and volunteer opportunities to engage women in social impact initiatives.

6. **SheThePeople.TV:**

SheThePeople.TV is a digital platform that focuses on empowering women through storytelling, networking events, workshops, and conferences. They highlight inspiring stories of women leaders and entrepreneurs, fostering a community for skill development and career growth.

7. **JobsForWomen:**

JobsForWomen is a recruitment platform specifically designed to connect women job seekers with companies committed to gender diversity. They curate job opportunities across various industries and provide support in the job application process.

These Startups in India are dedicated to empowering women by providing skill development, mentoring, job placement, and networking opportunities. They strive to create a more inclusive and supportive environment for women in the workforce and contribute to their professional growth.



-Written by CASwati Panchal, A'bad.

>>Startup India -Seed Fund Scheme (SISFS)<<



Startup Ecosystem in India

India has become one of the most dynamic Startup hubs worldwide. One of the key drivers of this exceptional growth is focus of the Government, on promoting entrepreneurship in the country. The Government has extended support to the Startups by implementing various policies and initiatives across the nation.

Startup India Seed Fund Scheme

Innovative business ideas need nurturing, mentoring and financial support. Many such ideas do not see the light of the day. Most of the entrepreneurs require seed capital at an early stage for proof of concept, prototype development, product trials, market entry and commercialization. Seed capital is the capital raised by an enterprise at the earliest stage in its life cycle.

Startup India Seed Fund Scheme (SISFS) is launched by the Government of India, to boost the Startup ecosystem by providing financial assistance or seed capital to earlystage Startups.

Startup India Seed Fund Scheme in nutshell

- a. Experts Advisory Committee (EAC) constituted by (DPIIT) responsible for overall execution and monitoring.
- b. The Seed Fund disbursed to eligible Startups through eligible incubators.
- c. The scheme is sector agnostic. Startups across sectors can raise seed capital.
- d. The EAC to evaluate, select incubators, monitor progress and take all necessary measures for efficient utilization of funds.

- e. Owing to the guidance, support, monitoring and financial assistance, the chances of its success increase manifold.

The key stages of the operation of the fund have been elaborated in the following sections;

Application for assistance

- Financial assistance may be provided for proof of concept, prototype development, product trials, market-entry, and commercialization.
- Eligible Startups to apply online for the scheme on the Startup India portal.
- Option to apply to three incubators for funds, to maximize the chance of the Startup meeting the relevant incubator.
- The application is evaluated by the Incubator Management Committee (EAC).

Mode of disbursement

Based on the stage of the Startup, the funds may be disbursed as below:

Stage	Purpose	Amt Up to	Mode of disbursement
Ideation	Validation of Proof of Concept, or prototype development, or product trials	Rs 20 Lakh	<i>Grant</i> disbursed on milestones related to: <ul style="list-style-type: none"> • development of prototype, • product testing, • building a product ready for market launch, etc
Commercialization & Scale-up	Investment for market entry, commercialization, or scaling up	Rs 50 Lakh	<ul style="list-style-type: none"> • Convertible debentures or • debt or debt-linked instruments

*A Startup applicant can avail seed support in the form of grant and debt/convertible debentures, once as per the guidelines of the scheme.

Monitoring by the Incubator

- ✓ Seed fund to be utilized for the purpose it has been granted for.
- ✓ Regular update to the incubator team at least once in 15 days.
- ✓ Status to be updated on the 'Scheme dashboard' on a monthly basis.

Milestone-based disbursements

In case of milestone-based disbursements, Startup shall submit:

- Interim progress update.
- Utilization certificate to initiate the release of subsequent installment of grant.

- Final report and audited utilization certificate at the end of the project duration.

Failure of the Startup

The incubators evaluate the business model, prospects of the Startups and support them throughout their journey. Despite all these advantages, not every Startup can be successful.

- To support the Startup in such a scenario, the legal agreement for funding under the scheme includes provisions to safeguard it in the event that it fails.
- Proof for utilization of funds and a report elaborating the reasons for the failure and learning's from the same, is to be submitted.



written by CA Praveen Luthra.

She has over two decades of extensive experience in the area of fundraising, credit appraisal and financial management.



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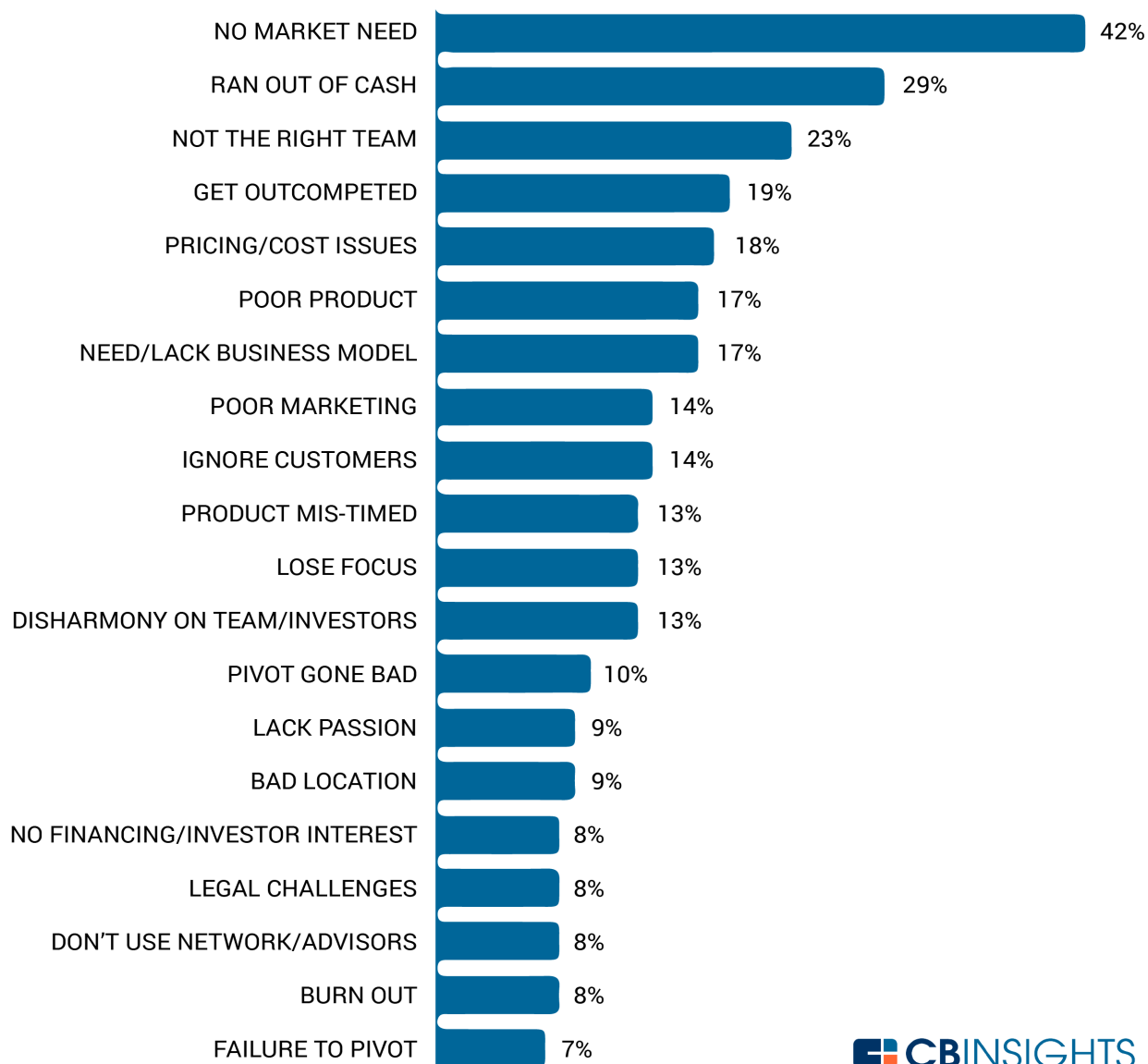
Biggest Startup Failures of All time

Failure is defined as the lack of success or the inability to meet an expectation, state or condition, of not meeting a desirable or intended objective. We all experience it.

The rate of failed Startups is very high, but only very few people know how to learn from it, to be more successful in future. It means that there is much to learn from other peoples' mistakes. Many Startups fail (to be more specific 90%), because of a variety of reasons. Many fail in the initial stage, or after a period of one to two years, because of non-availability of funds, lack of market for the product/services which they have built, bad partnerships, ineffective marketing, and not being an expert in the industry.

THE TOP 20 REASONS STARTUPS FAIL

Based on an Analysis of 101 Startup Post-Mortems



Few examples of failed Startups worldwide are mentioned below:-

1. Quibi

Quibi is an OTT Platform. Founded in 2018 as NewTV by Jeffrey Katzenberg was led by Meg Whitman, its CEO. In October 2018, NewTV was renamed as Quibi.

Quibi was a short-lived American short-form streaming platform that generated content for viewing on mobile devices. The service raised \$1.75 billion from investors.

Quibi launched their APP in April 2020, but shut down in December 2020 after falling short of its subscriber projections. Their product, short-form, serialized video content, failed to attract a large audience. In January 2021, Quibi's content library was sold to Roku, Inc. for less than \$100 million.

2. Jawbone

Jawbone is one of the biggest failed Startups. Jawbone was founded by Hosain Rahman and Alexander Asseily. Hosain Rahman serves as CEO/President of Jawbone. The Tech Company that produced Bluetooth speakers, headsets, fitness trackers, and so on.

This electronics company gathered \$930 million in venture capital. Experts say that it was overfunding that led to the company's demise. It caused the value of the company to appear higher and more stable than it was in reality. Jawbones products did not meet the standards of the competition.

3. Yik Yak

Yik Yak is all about local community. It helps to unite local community. It allows users to post to anonymous forums within a five mile radius of their location, making the app very popular among college students.

With millions of users, it had great potential to bring in a lot of money. They wanted to turn it into a platform similar to Facebook and force users to make a profile.

They started by raising \$74 million, grew to a value of an estimated \$400 million.

However, they failed due to cyber bullying, threats, and other inappropriate content, leading to many campuses banning the App. Google play store removed the App from their list.



CA. Nirmala Soni



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- Practicing Chartered Accountant in Satna (MP)
 - Practicing Registered Valuer (SFA) With IBBI – From Oct. 2022
- Startup Mentor with Satna Incubation Center, Visiting
- Faculty with RVO, Career Counsellor with ICAI

Honoured with Awards:

- Top 50 Remarkable Women Award 2023 presented by Diva Planet Magazine.
- The Real Super Woman Award 2023 presented by Forever Star India
- Certificate of Appreciation received from RVO (IBBI)/

Startup India- Legal Recognition and tax benefits

To know the legal concept of Startup under 'The Startup India Action Plan, we need to go through the following:

1. Definition of Startup, as prescribed under G.S.R. notification 127(E), i.e.

An entity shall be considered as a Startup:

- a. If it is incorporated as a private limited co. or registered as a partnership firm or a LLP in India;
- b. Up to 10 years in existence from the date of its incorporation/registration;
- c. Its turnover has not exceeded INR 100 crore for any of the financial years since incorporation/registration;
- d. It is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.

However, any such entity formed by splitting up or reconstruction of a business already in existence, shall not be considered a 'Startup'.

2. Registration as Startup on www.startupindia.gov.in

3. Certificate of The Department for promotion of Industry & Internal Trade (**DPIIT recognition**) to avail numerous **benefits** like:

- a. Faster incorporation/registration and faster exit for Startups.
- b. Low compliance cost by allowing self-certification under Labour & Environmental Laws for a period of 3 to 5 years from the date of incorporation.
- c. 80% rebate in filing of patent application and 50% rebate in filing of trademarks (to protect your innovative ideas).
- d. Tax exemption u/s 80-IAC of the IT Act for a period of 3 consecutive years out of 10 years since incorporation. Eligibility for such exemption requires incorporation on or after 1st April 2016 but before 1st April 2021.
- e. Exemption from the provision of section 56(2)(viib) of the IT Act.
- f. Deferment of TDS or tax payment on income pertaining to ESOP by five years or till the employee leaves the company or sells their shares, whichever is earliest.
- g. Initiation of Startup India Seed Fund Scheme (SISFS) with an outlay of INR 945 Crore. This funding will assist product/service launch in market, which is known as Seed Level, where Startups will be able to raise further investment from Angel Investors or Venture Capitalists or bank loan etc.

Stay tuned for more details and information relating to Startup benefits as well as risk associated in our next edition...



-Written by CA Shalini Goswami, Jaipur

**Highlighting Events from 28th May to 3rd June –
Perspective- by CA Nikita Tejwani, Gandhidham**

1. Fresh start up meet

Wed, 31 May, 3:00 – 4:30 pm

Thu, 1 Jun, 3:00 – 4:30 pm

Pali Hill Rd, Union Park, Pali Hill, Mumbai, Maharashtra

2. ViennaUP

May 30 – June 07, 2023

Vienna, Austria

3. Dublin Tech Summit

May 31 – June 1, 2023

Dublin, Ireland

4. Celebrating Women Entrepreneurs

Sat, 3 Jun, 12:00 – 2:30 pm

Delhi, India (Exact venue to be decided)

5. GLOBAL STARTUPS CLUB | STARTUP NETWORKING

Sat, 3 Jun, 2:30 pm , Solitaire Corporate Park

Guru Hargovindji Rd, Chakala, Andheri East, Mumbai, Maharashtra

6. STARTUP MEET UP

Sat, 3 Jun, 4:30 pm

Cafe down The Alley

12, 29, 1st F Main Rd, D'souza Nagar, Banashankari 3rd Stage, Hosakerehalli,
Bengaluru, Karnataka.

CAPANKAJ DARA'S START-UP MAGAZINE

CA PANKAJ DARA

-FOUNDER AND CHIEF EDITOR



- Past Chairman of Jalgaon Branch of WIRC, (Awarded best Chairman in the Region).
- Past Chairman of Kanwar Nagar Education society – where we intend to teach Hindi, our national language and keep it alive.
- Committee Member of Startup and MSME Committee-WIRC, Mentor of Startup PathShala.
- Public Speaker on Various Platforms.
- Member of MCCIA (Maratha Chamber of Commerce).
- Finance Mentor with KCIL - Innovation and Incubation Centre Setup by University, Section 8 Company.

Winner of Many Awards –

1. R.C. BAFNA JEWELLERS AWARD-FOR ETHICAL AND FAIR PRACTICE.
2. GRAHAK SHRUTTI AWARD-FOR FAIR PRACTICE IN PROFESSION.

Social Activities:

- 1) We provided jobs to 200 people, below Graduation levels and having lesser skills, to provide jobs to the less educated, aim to giving them a livelihood.
- 2) Conducted Blood Donation events where we had collected and donated 500 bags in a single day.

CA SAPNA RATHOD

-CO-FOUNDER AND CHIEF SUB-EDITOR



- Chartered Accountant, Ahmedabad.
- PwC hired hand.
- Content Writer for Startup PathShala.
- Chief Sub-Editor for Startup Magazines,
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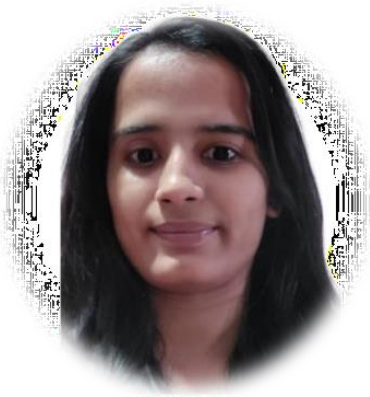
B COM, FCA, DIRM PH D, INSOLVENCY PROFESSIONAL



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