



**THE INSTITUTE OF  
CHARTERED ACCOUNTANTS OF INDIA**  
(SET UP BY AN ACT OF PARLIAMENT)

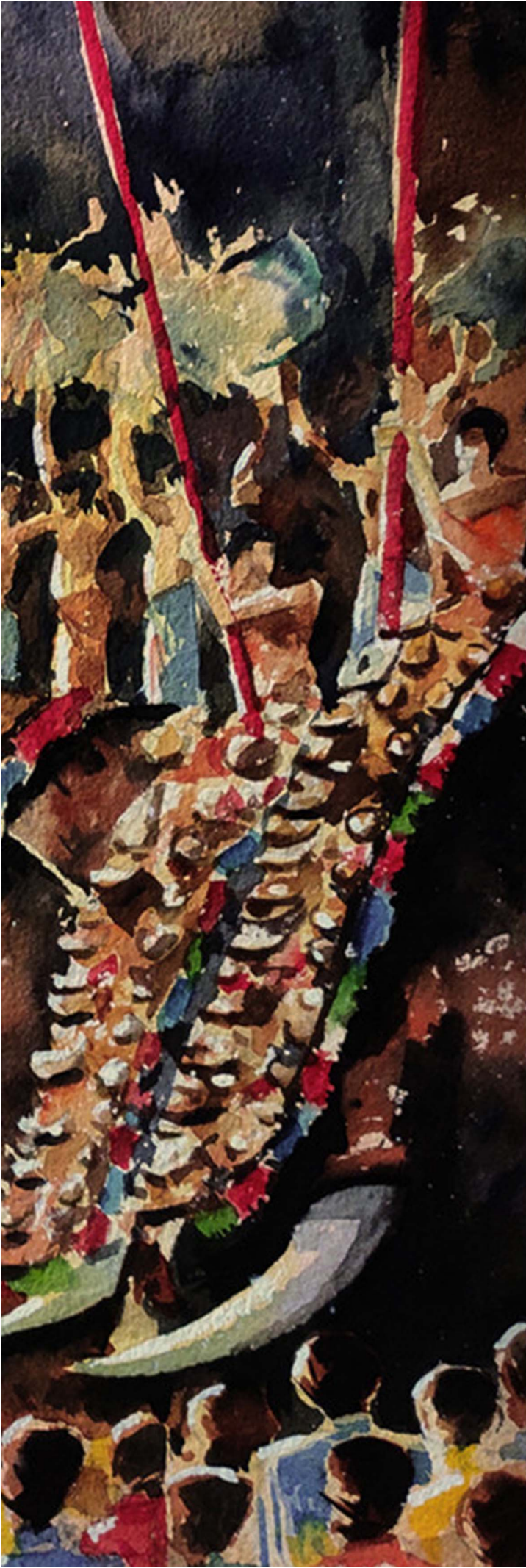
The background of the cover is a vibrant, abstract painting depicting a Thiruvalluvar Pooram festival. It shows a large, ornate chariot (Pottam) pulled by a dark horse, adorned with colorful garlands and ribbons. The scene is filled with energy and traditional elements.

*Thiruvalluvar  
Pooram*

2024 APRIL

E-NEWSLETTER





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# EDITOR'S NOTE



Dear Members,

As Financial Year 2023 draws to a close, we stand at the threshold of a new chapter. Much like a fresh page in a book, the new financial year beckons us to wield the pen of possibility and craft a narrative of prosperity. May this coming year be adorned with new hopes, successes for each of you. Here's wishing all our readers a Happy Financial New Year 2024!

As we embark on this journey, it heartens me to witness the steadfast preparation for the statutory bank audit season among our members. Despite the intricate web of global financial connections, Indian banks have remained resilient, bolstered by robust regulatory frameworks. India continues to stride as one of the world's fastest-growing economies, with its banking sector poised at the vanguard.

Let us, as proud members of this esteemed profession, march forward with a commitment to excellence, ensuring the delivery of impeccable audits and reports.

In this edition of our newsletter, we are privileged to feature an insightful article penned by our esteemed member, CA Harikrishnan V, focusing on the dynamic world of startups.

As the adage goes, "You can make anything by writing." I take this opportunity to encourage our members to enrich our branch newsletter with their contributions. Your insights and perspectives are invaluable to us. Wishing you all an enriching reading experience, and please do share your feedback.

Jai Hind, Jai ICAI!

Warm regards,

CA. Jeen Paul  
Newsletter In Charge



# CHAIRMAN'S MESSAGE



*Dear Professional colleagues,*

In today's dynamic professional landscape, where change is constant, resilience and sustainability stand out as indispensable qualities for achieving success. The ability to adapt, persevere, and thrive amidst shifting circumstances is paramount. Moreover, sustaining one's relevance and effectiveness necessitates a commitment to continuous learning and skill development.

Throughout the month of March, our organization facilitated a series of enriching seminars and programs aimed at enhancing the competencies of our members. These initiatives were designed to address key areas of professional development, with a focus on staying abreast of industry trends and regulatory changes.

Led by seasoned experts in their respective fields, our Continuing Professional Education (CPE) seminars covered a diverse range of topics. From intricate aspects of GST invoicing and compliance to the nuances of bank audit procedures, participants gained valuable insights and practical knowledge to excel in their roles. Additionally, special sessions dedicated to physical and mental well-being, as well as investor awareness, underscored our holistic approach to professional growth.

Beyond skill-building seminars, our organization also fostered a culture of collaboration and knowledge-sharing. We convened the All Kerala Branches Managing Committee Meet, providing a platform for networking and collective decision-making among stakeholders. Furthermore, our commitment to community engagement was evident in initiatives such as the session on energy conservation, which not only imparted valuable lessons to students but also contributed to the broader societal discourse on sustainability.

In essence, our March initiatives exemplify our unwavering dedication to nurturing resilient, sustainable, and future-ready professionals who are equipped to navigate the complexities of the modern business landscape. Through a blend of education, collaboration, and community outreach, we endeavor to empower our members to thrive in an ever-evolving world.

I eagerly anticipate your presence at our forthcoming events as we continue our collective journey of growth and learning.

*Jai ICAI Jai Hind*

**CA. ANOOP V FRANCIS**  
**CHAIRPERSON**

# GOVERNMENT AND START-UPS



**CA. HARIKRISHNAN V**

*“Startups are going to be the backbone of New India”,*

when the Prime Minister of the country declares Jan 16th as National Startup Day and issues a statement like this, it shows the important role that they play and will play in the future of our Economy. Everyone seems to agree with the PM on the importance of Startups but there seems to be some difference of opinion when it comes to what qualifies a business to be called a startup? I’ve been asked this question multiple times at multiple forums. So let us first try to understand what a startup is.

The Government of India has given a definition for a business to be classified as a startup. It says a business registered as a private limited company, LLP or a partnership and not formed from a splitting up of an existing entity can be a startup. However, that not the only condition, it should not have completed 10 years since the date of incorporation/registration and its turnover for any year not exceeded 100 Crores. The entity also needs to work towards innovation or development of new products/services or processes or improvement to existing product/Service or process, have a scalable business model with the potential of creating wealth or employment generation.

Now that we know what a startup is let us see what are the benefits available for such startups.

The Central Government through “Start-up India” aims at helping startups from various angles. It tries to reduce the legal compliance burdens associated with running a business in India and at the same time provides incentives and schemes for promoting innovation and development, including tax holidays and discount on Govt fees. Both go hand-in-hand with the overall objective of the Government in improving the easy of doing business in India.

The benefits of a Start-up registering under the Start-up India Scheme include

- 50% reduction in Govt fees for trademarks, patents etc.
- Exemption from the provisions of Angel Tax
- 3-year exemption from Income Tax\*
- Eligibility to apply for Seed fund scheme and SIDBI Fund of Funds scheme\*\*
- Self-certification on compliance of multiple Labour Laws including ESI, EPF and Gratuity Acts
- Access to various incubation centers

It's not just the Central Government that has understood the importance of Startups. State Governments have also joined in the effort and Kerala, has been at the forefront of promoting startups. It was the first state in India to have a PPP model Startup Incubation facility way back in 2013 and since then been actively supporting these businesses through various schemes. The activities undertaken by the Kerala Startup-Mission (KSUM), the present nodal agency for startup promotion under the Kerala Government has been widely appreciated and has received multiple awards including being awarded the “top performer” award for 3 consecutive terms by the DPIIT of Government of India and the “Best Public Business Accelerator” award at the world Incubation Summit held at Doha, Qatar. Some of the noteworthy schemes initiated by them include

- Idea, productization and marketing Grants up to 12 lakhs for innovative startups
- Reimbursements for Indian and International patents
- Seed fund (up to 15 lakhs at 6% interest and collateral free)



- Government as a market place (preference in Govt procurement)
- R&D Grant up to 30 lakhs for hardware startups
- Fund of funds Scheme, where the Govt invests in startups along with SEBI accredited AIFs
- Rent subsidy of 50% up to Rs 20 per Sq feet
- Incubation facility at the Kerala Technology Innovation Zone, Kochi
- Reimbursement/ subsidized participation fee at national and international events
- Softloan against Purchase orders

An important point to note is that just because you satisfy all the conditions of a startup, you do not get the benefits of the Scheme, the startup needs to be registered with the Startup India website for getting the benefits under the Central Government scheme and to be eligible for the KSUM schemes you need to get the Unique Start-up ID allotted by the Start-up Mission.

The Kerala Government also encourages others to start incubation facilities and provides certain benefits to those involved in such activities. A quick glance at what the Government offers private incubators owned and managed by non-profit organization, says the Government will provide operational assistance funding at Rs. 5 per square feet or 25% of the rent paid by such organizations for up to 10,000 square feet and if the incubator is by a government agency or department or an industry association the amount goes up to a maximum of Rs. 50 per square feet. It also says that for the latter there is a capital assistance of Rs. 2,000/Square feet for furnishing, that the Government will provide for setting up the infrastructure.

Today there are close to eighty thousand registered startups in India and it is estimated that they provide over 8 lakh jobs. One of the major contributors to India leap frogging its ranking in the Global Innovation Index (41 places in the last 7 years) is our Start-up sector and with over 100 unicorn startups and counting, the future looks bright and promising. If the start-ups are able to emulate the words our PM “Innovate for India and Innovate from India”,

the next few decades are for the Indian Startups to conquer the world.

*\*Inter-ministerial board approval required in addition to startup India recognition*

*\*\* As of 09.04.2023, SIDBI has committed INR 7979.95 crores as FFS, 936.47 Crores under IAF and 72.50 crores under ASPIRE and over 1200 startups and MSME's have been supported (<https://www.sidbivcf.in/en>)*

**CA. HARIKRISHNAN V**

# Glimpses

## MARCH 24







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