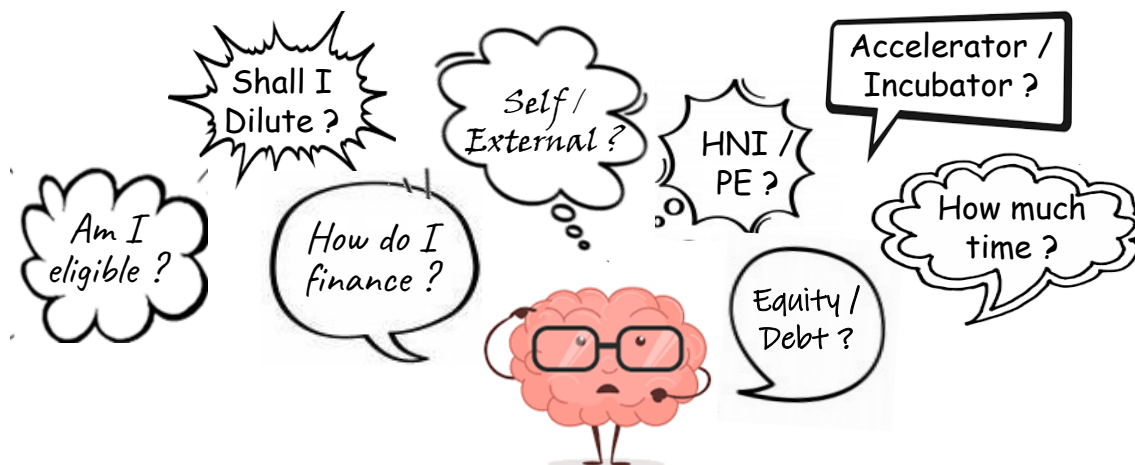


- Finance is the bloodline of a business and is needed at every stage of functioning
- Funding depends largely on the nature and type of the business. Thus, one need to align goals and strategy with financing options
- While, a good business idea is the starting point, right financing is the fuel needed to make it a success
- Success is determined by how efficiently a business converts its available cash into revenue generating assets and turn it back into increased amount of cash
- Aim of any start up should be to reach positive operating cash flow with as little external finance as possible

Financing Options available to Startups






Journey of business from idea to market needs a fuel named Finance



Financing a business can largely be divided into two separate categories:

Self financing	External financing
Complete control on the operations and use of available finance.	Investor / Lender may dictate terms of use of financing being provided
All of the profits / losses and wealth are attributed to the entrepreneur. No dilution of ownership	Depending on the form of external financing, there could be dilution effect in Share holding of company
Self financing has no set up time. It allows start-ups to hit the ground running immediately	Can have a significant set up time depending on the type of external finance
No guidance or expertise available	External Finance provider can often also be useful source of expert advice
Amount of finance available is limited and can typically meet short to mid term requirements	Financing available could be substantially higher and can be used to meet mid to long term requirements

Types of External Financing (Indicative)

Stages	 Pre Seed	 Seed	 Series A	 Series B & above	 IPO
Lifecycle	Concept / Idea	MVP / Prototypes	Growth	Expansion	Diversified
When to Approach	Entrepreneur has an idea and are working on bringing it to life	To finance the first steps, including things like market, R&D etc	To grow user base, improve product offerings, sales & marketing	To develop new products, expand into new markets, or even to acquire other Co.	Company's with an impressive profit track record and growing at a steady pace
Whom to Approach	Friends and Families, Grants, HNI's	Incubators, HNI, Angel Investors, Crowd Funding	Bank, Venture Capital, NBFC	Bank, Private Equity, Venture Capital, NBFC	Public at Large, QIB, FPI, FII
Approximate Ticket Size	Upto Rs 5 mn	~ Rs 5 Mn to 50 mn	~ Rs 50 mn to 500 mn	> Rs 500 mn	Variable
Securities Issued	Loan, Equity	Loan, Equity, Debentures, Preference Shares	Equity, Debentures, Preference Shares	Equity, Debentures, Preference Shares	Equity, Debentures, Preference Shares