everything depends on one person.Unless an entrepreneur is very experienced, he won't be able to deal with the challenges posed by a start-up single-handedly. You will also need to have an exit strategy. The basic purpose of any venture capital investor is to sell his stake for a profit after 4-5 years. So, cover options for the next round of investment, typically from a private equity player, the possibility of an IPO or a potential buyer, along with an approximate exit valuation, in the presentation.
This is practically the only option that gives entrepreneurs access to deep pockets at a time when they are trying to build the company. Private equity's fatter cheques are typically reserved for mature companies . You also get expert help and access to the firm's entire network.

Venture capital funds in India require proof of concept and decent revenue visibility before investing ,each player will have sectoral preferences. Also, a typical player expects an internal rate of return of 25% on the investment in 4-5 years. To meet the expectation, the company's compounded annual growth should be over 25% . A business with low scalability may not be able to provide them with the desired returns on their investment and, hence, will be rejected outright. The safest bets are the ones where there is a business and professional connect. It is a highly dilutive way of raising capital. It suits companies that have very high scalability and don't need too much recurring capital. Also, be prepared to wait for 3-6 months to close a deal. The most sought-after sectors by this segment are biotech, mobile value-added services, education, healthcare, e-commerce, IT-ITeS , Business process Outsourcing and green technology.

VENTURE DEBT

This is a medium-term loan that is exclusively provided to companies backed by venture capital firms. The USP here is that no collateral security is required to be eligible. Instead, venture debt providers evaluate applicants on the basis of a startup's fundamental enterprise value , assessing how it will grow and, thereby, pegging its future cash flow and ability to repay the loan. You can expect funding of 5-25 crore, depending on the growth stage of company and the nature of requirement. An experienced founding team, a credible business plan and a solid venture capital investor base are some factors that venture debtors would consider in their assessment the interest rates are fixed for the tenure of the loan and are competitive compared with rates that SME clients can usually obtain from banks. Venture debt financing is structured specifically to support