

# Funding for Opening a New Business in India

InterAlliance Group Services

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## Procedure for attaining loan from a local bank

Following are the steps involved in whole procedure:-

1. Company formation i.e. registration of business name.
2. Initial business setup in the form of:
  - Agreement between business owners and business premises owner
  - And/ or business operations with basic inventory and equipments.
3. Submission of business plan for getting funding from public sector bank.

Business plan to include: -

- Type of business
  - Executive summary
  - Amount of loan required
  - Personal capital from business owners
  - 1<sup>st</sup> and 2<sup>nd</sup> year financial projections
  - Experience of team involved
  - SWOT analysis
  - Market research
  - Competitive Analysis
  - Details of Products & Services
  - Marketing Plan
  - And more
4. Assessment of Business plan by bankers.
  5. Possible personal visit to business location by bankers.
  6. Collateral required for attaining business loan from bank. Collateral of local property is only acceptable i.e. if property is located in U.P. or other state then local bank will not issue loan against such collateral.
  7. If sanctioned, loan could be between 15 – 20% of projected one year sales and also dependent on the valuation of collateral involved (Remember that aim of the bank is to get regular interest along with principal and bankers try to make it risk free funding).



## Funding from a local investor

Funding from a local investor under Debt-Equity option i.e. investor would invest in return of certain percentage of business ownership.

### Benefits:-

- Business would kick off and such local investor could bring own expertise and help in spreading 'word of mouth' for new business using his/her own contacts and local knowledge.
- Further loan from bank could be applied a bit later once business has started.
- Team work with more expertise involved in running business successfully.

## How InterAlliance Group Services can assist you?

InterAlliance Group Services can assist you in

- Preparing Business plan, or
- Getting linked with local investors with continuous involvement from stage one till representing your business plan in front of a local bank or investor. Our aim is to get your business kick off in minimum time with regular consultation from our side.



For more information on schemes for Woman Entrepreneurs, contact us at [info@interalliancegroup.com](mailto:info@interalliancegroup.com)